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**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)**

**FINAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

Reference is made to the profit warning announcement of China Qinfra Group Limited (the “**Company**”) dated 23 February 2026. The Board of Directors (the “**Board**”) of the Company is pleased to announce the final results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025:

- Revenue of the continuing operations in 2025 was RMB1,839 million, representing an increase of RMB709 million over 2024.
- For 2025, the net loss amounted to RMB95 million, of which profit from continuing operations amounted to RMB125 million and the loss from discontinued operations amounted to RMB220 million, compared to the net profit of RMB556 million over 2024, in which the profit from continuing operations amounted to RMB81 million, and the profit from discontinued operations amounted to RMB475 million.
- Profit from the continuing operations for the year attributable to equity shareholders of the Company was RMB77 million, representing a decrease of RMB12 million over 2024.
- Basic earnings per share of the continuing operations for 2025 was RMB2.84 cents as compared to basic earnings per share of continuing operations of RMB3.36 cents over 2024.
- EBITDA of the continuing operations in 2025 was RMB398 million, representing an increase of RMB159 million over 2024.

The Board does not recommend the payment of final dividends for the year 2025.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i> (Re-presented)
<b>CONTINUING OPERATIONS</b>			
Revenue	3	<b>1,839,026</b>	1,130,222
Cost of sales		<b>(1,365,656)</b>	(792,682)
<b>Gross profit</b>		<b>473,370</b>	337,540
Other income, gains and losses	4	<b>(21,038)</b>	(42,126)
Distribution expenses		<b>(6,067)</b>	(3,601)
Administrative expenses		<b>(214,883)</b>	(167,557)
Reversal of impairment losses/(impairment losses) on other receivables, net		<b>1,793</b>	(929)
(Impairment losses)/reversal of impairment losses on investment in associate		<b>(9,810)</b>	9,810
Other expenses		<b>(18,812)</b>	(3,921)
<b>Operating profit</b>		<b>204,553</b>	129,216
Finance income		<b>17,139</b>	9,090
Finance costs		<b>(91,222)</b>	(20,708)
<b>Net finance costs</b>	5	<b>(74,083)</b>	(11,618)
<b>Profit before taxation</b>	6	<b>130,470</b>	117,598
Income tax expense	7	<b>(5,866)</b>	(36,316)
<b>Profit after taxation from the continuing operations</b>		<b>124,604</b>	81,282

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <b>RMB'000</b> (Re-presented)
<b>DISCONTINUED OPERATIONS</b>			
<b>(Loss)/profit after taxation from the discontinued operations</b>	<i>16</i>	<u>(219,601)</u>	<u>475,088</u>
<b>(Loss)/profit for the year</b>		<b>(94,997)</b>	556,370
<b>Other comprehensive (loss)/income</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(198,169)	28,354
Remeasurements of net defined benefit obligations		<u>1,245</u>	<u>(566)</u>
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<u>(196,924)</u>	<u>27,788</u>
<b>Total comprehensive (loss)/income for the year</b>		<u>(291,921)</u>	<u>584,158</u>
<b>(Loss)/profit for the year attributable to equity shareholders of the Company:</b>			
— from continuing operations		77,328	89,232
— from discontinued operations		<u>(171,186)</u>	<u>412,712</u>
		<u>(93,858)</u>	<u>501,944</u>
<b>(Loss)/profit for the year attributable to non-controlling interests:</b>			
— from continuing operations		47,276	(7,950)
— from discontinued operations		<u>(48,415)</u>	<u>62,376</u>
		<u>(1,139)</u>	<u>54,426</u>
		<u>(94,997)</u>	<u>556,370</u>

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i> (Re-presented)
<b>Total comprehensive (loss)/income for the year attributable to equity shareholders of the Company:</b>			
— from continuing operations		<b>(40,221)</b>	117,020
— from discontinued operations		<b>(171,186)</b>	412,712
		<u><b>(211,407)</b></u>	<u>529,732</u>
<b>Total comprehensive (loss)/income for the year attributable to non-controlling interests:</b>			
— from continuing operations		<b>(32,099)</b>	(7,950)
— from discontinued operations		<b>(48,415)</b>	62,376
		<u><b>(80,514)</b></u>	<u>54,426</u>
		<u><b>(291,921)</b></u>	<u>584,158</u>
<b>(Loss)/earnings per share attributable to the equity shareholders of the Company during the year</b>			
	8		
<b>From continuing and discontinued operations</b>			
Basic (loss)/earnings per share		<u><b>RMB(3.91) cents</b></u>	<u>RMB19.91 cents</u>
Diluted (loss)/earnings per share		<u><b>RMB(3.91) cents</b></u>	<u>RMB19.08 cents</u>
<b>From continuing operations</b>			
Basic earnings per share		<u><b>RMB2.84 cents</b></u>	<u>RMB3.36 cents</u>
Diluted earnings per share		<u><b>RMB2.84 cents</b></u>	<u>RMB3.34 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current assets</b>			
Coal mining rights	<i>10</i>	<b>999,422</b>	1,426,933
Property, plant and equipment	<i>11</i>	<b>3,518,990</b>	4,422,866
Right-of-use assets		<b>13,211</b>	21,091
Other deposits and receivables		–	129,045
Interest in an associate		–	9,810
Pledged and restricted deposits		–	544,000
		<b>4,531,623</b>	6,553,745
<b>Current assets</b>			
Inventories		<b>408,222</b>	435,422
Trade receivables	<i>12</i>	<b>131,994</b>	74,196
Prepayments and other receivables		<b>448,106</b>	388,758
Financial assets at fair value through profit or loss ("FVTPL")		<b>30,963</b>	–
Pledged and restricted deposits		<b>612,403</b>	151,663
Cash and cash equivalents		<b>491,335</b>	1,025,545
		<b>2,123,023</b>	2,075,584
<b>Current liabilities</b>			
Trade and bills payable	<i>13</i>	<b>(84,749)</b>	(325,425)
Other payables and contract liabilities		<b>(1,198,387)</b>	(2,865,228)
Lease liabilities		<b>(6,801)</b>	(6,587)
Borrowings	<i>14</i>	<b>(547,149)</b>	(737,990)
Tax payable		<b>(4,610)</b>	(232,802)
Deferred income		–	(2,500)
		<b>(1,841,696)</b>	(4,170,532)
<b>Net current assets/(liabilities)</b>		<b>281,327</b>	(2,094,948)
<b>Total assets less current liabilities</b>		<b>4,812,950</b>	4,458,797

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>Non-current liabilities</b>			
Other payables		<b>(801,509)</b>	–
Accrued reclamation obligations		<b>(2,113)</b>	(104,625)
Lease liabilities		<b>(5,393)</b>	(7,033)
Borrowings	<i>14</i>	<b>(1,309,942)</b>	(446,500)
Deferred taxation		<b>(52)</b>	(395,052)
Deferred income		<b>–</b>	(19,342)
		<u><b>(2,119,009)</b></u>	<u>(972,552)</u>
<b>Net asset</b>		<u><b>2,693,941</b></u>	<u>3,486,245</u>
<b>Capital and reserves</b>			
Share capital		<b>215,294</b>	215,202
Perpetual subordinated convertible securities		<b>156,931</b>	156,931
Equity		<u><b>1,697,355</b></u>	<u>1,599,666</u>
<b>Total equity attributable to equity shareholders of the Company</b>		<b>2,069,580</b>	1,971,799
<b>Non-controlling interests</b>		<u><b>624,361</b></u>	<u>1,514,446</u>
<b>Total equity</b>		<u><b>2,693,941</b></u>	<u>3,486,245</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2025*

## 1. GENERAL

China Qinfu 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, Cap. 22 (2007 Revision) of the Cayman Islands. The directors of the Company consider the immediate and ultimate holding companies of the Group to be Fortune Pearl International Limited (“**Fortune Pearl**”), a company incorporated in the British Virgin Islands and the ultimate controlling shareholder to be Mr. Xu Jihua (“**Mr. Xu**”), the sole shareholder of Fortune Pearl. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect 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 Indonesia, subsequently to the very substantial disposal transaction as detailed in note 16.

The Company’s functional currency is Hong Kong dollars (“**HKD**”). However, the presentation currency of the 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.

The application of the amendments to an IFRS Accounting Standard (“**IFRS**”) in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

These consolidated financial statements have been prepared in accordance with all IFRSs, which collective term includes all individual IFRS, IAS and related Interpretations, promulgated by the IASB and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and of the Hong Kong Companies Ordinance.

## 2. 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 Indonesia and the PRC and earns the revenues substantially from external customers attributed to Indonesia and the PRC. As at the end of the reporting period, substantially all of the non-current assets of the Group were located in Indonesia. Geographical segments of the non-current asset are disclosed in note 2(c).

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 expense 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 year. The segment information about profit or loss reported on the following does not include any amounts for these discontinued operations, which are described in more details in note 16.

	<b>Coal business</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	<i>RMB'000</i>
		(Re-presented)
Revenue from external customers	<b>3,110,536</b>	4,664,198
Inter-segment revenue	<b>(1,271,510)</b>	(3,533,976)
<b>Reportable segment revenue</b>	<b><u>1,839,026</u></b>	<u>1,130,222</u>
<b>Reportable segment profit before taxation</b>	<b>331,657</b>	232,095
Depreciation and amortisation	<b>(192,932)</b>	(109,372)
Net gain on disposal of property, plant and equipment	–	40
Reversal of impairment losses/(impairment losses) on other receivables, net	<b>1,793</b>	(929)
Additions to property, plant and equipment	<b>1,583,064</b>	735,229
<b>Reportable segment assets</b>	<b>10,819,834</b>	4,749,499
<b>Reportable segment liabilities</b>	<b><u>(4,468,513)</u></b>	<u>(3,430,021)</u>

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

*Revenue*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Total of reportable segments revenue	3,110,536	4,664,198
Elimination of inter-segment revenue	<u>(1,271,510)</u>	<u>(3,533,976)</u>
Consolidated revenue	<u><u>1,839,026</u></u>	<u><u>1,130,222</u></u>

*Profit before taxation*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Total of reportable segments profit before taxation	331,657	232,095
Unallocated head office and corporate expenses	(127,104)	(102,879)
Net finance costs	<u>(74,083)</u>	<u>(11,618)</u>
Consolidated profit before taxation	<u><u>130,470</u></u>	<u><u>117,598</u></u>

*Assets*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Total of reportable segments assets	10,819,834	4,749,499
Elimination of receivables from corporate headquarters	(4,407,942)	(335,866)
Assets related to discontinued operation disposed in 2025	–	3,781,206
Deferred taxation	–	353
Unallocated assets	<u>242,754</u>	<u>434,137</u>
Consolidated total assets	<u><u>6,654,646</u></u>	<u><u>8,629,329</u></u>

*Liabilities*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Total of reportable segments liabilities	4,468,513	3,430,021
Elimination of payables to corporate headquarters	(1,065,394)	(2,371,730)
Liabilities related to discontinued operation disposed in 2025	–	3,537,208
Tax payable	4,610	18,680
Deferred taxation	52	–
Unallocated liabilities	<u>552,924</u>	<u>528,905</u>
Consolidated total liabilities	<u><u>3,960,705</u></u>	<u><u>5,143,084</u></u>

(c) **Geographic information**

The geographical location about the Group's revenue from external customers is presented based on the location of the customers.

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
PRC (including Hong Kong)	<b>1,463,014</b>	913,523
Indonesia	<b>201,378</b>	123,853
Singapore	<b>147,037</b>	92,846
Others	<b>27,597</b>	–
	<b><u>1,839,026</u></b>	<b><u>1,130,222</u></b>

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

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Indonesia	<b>4,511,638</b>	2,312,002
PRC (including Hong Kong)	<b>19,985</b>	1,176,643
	<b><u>4,531,623</u></b>	<b><u>3,488,645</u></b>

(d) **Information about major customers**

During the year, revenue derived from the following customers in coal business segment with whom transactions have exceeded 10% of the Group's revenue are as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
Customer A	<b>482,205</b>	–*
Customer B	<b>206,860</b>	–*
Customer C	–*	212,471
Customer D	–*	138,501
Customer E	–*	117,963
Customer F	–*	107,836
	<b><u>                    </u></b>	<b><u>                    </u></b>

\* Revenue from relevant customer was less than 10% of the Group's total revenue for the respective year.

### 3. REVENUE

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Sales of coal	<u>1,839,026</u>	<u>1,130,222</u>

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.

### 4. OTHER INCOME, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Fair value gain on financial assets at FVTPL	22,886	–
Gain on non-substantial modification of borrowings, net ( <i>Note 14</i> )	–	(6,490)
Foreign exchange loss, net	(102,014)	(38,687)
Net gain on disposal of property, plant and equipment	15	40
Government subsidies	425	2,834
Bad debt recovered	45,000	–
Despatch income	8,259	–
Compensation from insurance	2,342	–
Others	2,049	177
	<u>(21,038)</u>	<u>(42,126)</u>

## 5. NET FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Interest income	(17,139)	(9,090)
Interest on borrowings	34,757	21,169
Interest charge on unwinding of discounts ( <i>note (ii)</i> )	96,157	55,945
Total interest expense on financial liabilities not at fair value through profit or loss	130,914	77,114
Less: Interest capitalised into property, plant and equipment		
— from continuing operations	(34,757)	(21,169)
— from discontinued operations	(4,935)	(35,237)
	(39,692)	(56,406)
Finance costs	91,222	20,708
Net finance costs	74,083	11,618

### Notes:

- (i) During the year ended 31 December 2025, the finance costs have been capitalised at rates of 5.04% (2024: 7.10%) per annum.
- (ii) This item represents the unwinding of discount for the following liabilities using the effective interest rate:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Borrowings ( <i>note 14</i> )	13,548	54,782
Lease liabilities	1,009	886
Other payables	81,288	—
Accrued reclamation obligations	312	277
	96,157	55,945

*Note:* The provision for reclamation costs has been determined based on management's best estimates. The estimate of the associated costs may be subject to change in the near term when the reclamation on the land from current mining activities becomes apparent in future periods.

## 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Cost of inventories ( <i>note (i)</i> )	786,558	281,601
Short-term leases payment	3,686	1,457
Depreciation of property, plant and equipment	184,268	103,789
Amortisation of coal mining rights (included in cost of sales)	2,162	–
Depreciation of right-of-use assets	6,803	6,132
Auditors remuneration		
— audit services	3,473	2,853
— non-audit services	2,470	2,200
Employee benefit expenses (excluding directors and chief executives remuneration)		
— Salaries, allowances and benefits in kind	463,521	237,193
— Contributions to retirement benefit schemes ( <i>note (ii)</i> )	13,726	3,685
	<u>477,247</u>	<u>240,878</u>
<b>Discontinued operations</b>		
Depreciation of property, plant and equipment	156,082	428,665
Net (loss)/gain on disposal of property, plant and equipment	(19)	5,030
Amortisation of coal mining rights	136,143	416,840
Depreciation of right-of-use assets	74	140
	<u>74</u>	<u>140</u>

*Notes:*

- (i) Cost of inventories included approximately RMB374,330,000 (2024: RMB196,124,000) relating to employee benefit expenses, depreciation of property, plant and equipment and amortisation of coal mining rights which amounts are also included in the respective total amounts disclosed separately above for each of these types of expenses.
- (ii) Employees in the Group's subsidiaries in Mainland China are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group's subsidiaries in Mainland China contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal governments to the scheme to fund the retirement benefits of the employees.

The Group provides defined benefit plan for the qualifying employees in Indonesia as required under Indonesian Labor Law.

During the year ended 31 December 2025, there were no forfeited contributions to offset existing contributions under the defined contribution scheme.

## 7. INCOME TAX EXPENSE

Income tax expense in the consolidated statement of comprehensive income represents:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b>Continuing operations</b>		
Current tax expense		
— PRC Corporate Income Tax	4,466	51,102
— Indonesia withholding Income Tax	1,503	24,178
— Indonesia Final Income Tax	5,916	—
— Underprovision of PRC Corporate Income Tax in prior years	534	—
— Overprovision of Indonesia withholding Income Tax in prior years	(6,270)	—
	<u>6,149</u>	75,280
Deferred tax	<u>(283)</u>	<u>(38,964)</u>
Income tax expense	<u><u>5,866</u></u>	<u><u>36,316</u></u>

*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 (2024: nil).
- (ii) Provision for the Hong Kong Profit Tax was based on the statutory rate of 16.5% (2024: 16.5%) of the assessable profit of subsidiaries which carried on business in Hong Kong.
- (iii) Provision for the PRC Corporate Income Tax was based on the statutory rate of 25% (2024: 25%) of the assessable profits of subsidiaries which carried on businesses in the PRC.
- (iv) Provision for the Indonesia Corporate Income Tax was based on the statutory rate 22% (2024: 22%) of the assessable profits of subsidiaries which carried on businesses in Indonesia. No provision for Indonesia Corporate Income Tax has been made in the consolidated financial statements as the subsidiaries have sufficient tax losses carried forward to set off against the assessable profit for the years ended 31 December 2025 and 2024.

## 8. (LOSS)/EARNINGS PER SHARE

### Basic (loss)/earnings per share

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

The calculations of basic (loss)/earnings per share attributable to ordinary equity shareholders of the Company for the years ended 31 December 2025 and 2024 respectively are based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b><u>(Loss)/earnings</u></b>		
(Loss)/profit for the year attributable to equity shareholders of the Company	<b>(93,858)</b>	501,944
Less: Distribution relating to perpetual subordinated convertible securities classified as equity	<u>(5,334)</u>	<u>(5,334)</u>
(Loss)/profit for the year attributable to ordinary equity shareholders of the Company in calculating basic (loss)/earnings per share	<u><b>(99,192)</b></u>	<u>496,610</u>
(Loss)/profit for the year attributable to ordinary equity shareholders of the Company in calculating basic (loss)/earnings per share		
— from continuing operations	<b>71,994</b>	83,898
— from discontinued operations	<u>(171,186)</u>	<u>412,712</u>
	<u><b>(99,192)</b></u>	<u>496,610</u>
<b><u>Shares</u></b>		
	<b>2025</b>	2024
	<b>Number of shares</b>	
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u><b>2,537,205,766</b></u>	<u>2,494,568,232</u>

### From discontinued operations

Basic loss per share for the discontinued operations is RMB6.75 cents per share (2024: basic earnings per share is RMB16.54 cents per share).

## Diluted (loss)/earnings per share

The calculations of diluted (loss)/earnings per share attributable to ordinary equity shareholders of the Company for the years ended 31 December 2025 and 2024 respectively are based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i> (Re-presented)
<b><u>(Loss)/earnings</u></b>		
(Loss)/profit for the year attributable to ordinary equity shareholders of the Company in calculating basic (loss)/earnings per share	<b>(99,192)</b>	496,610
Add: Distribution relating to perpetual subordinated convertible securities classified as equity ( <i>note</i> )	<u>N/A</u>	<u>5,334</u>
Adjusted (loss)/profit for the year attributable to equity shareholders of the Company used in calculating diluted earnings per share	<u><b>(99,192)</b></u>	<u>501,944</u>
Adjusted (loss)/profit for the year attributable to equity shareholders of the Company used in calculating diluted earnings per share		
— from continuing operations ( <i>note</i> )	<b>71,994</b>	89,232
— from discontinued operations	<u><b>(171,186)</b></u>	<u>412,712</u>
	<u><b>(99,192)</b></u>	<u>501,944</u>

For the year ended 31 December 2024, the computation of diluted earnings per share for only continuing operations 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, and therefore the adjusted profit of continuing operations only for the year attributable to equity shareholders of the Company used in calculating diluted earnings per share of only continuing operations amounted to RMB83,898,000 while the adjusted profit of continuing operations included in the adjusted profit of the Group (both continuing and discontinued operations) for the year attributable to equity shareholders of the Company used in calculating diluted earnings per share of the Group (both continuing and discontinued operations) amounted to RMB89,232,000.

<u>Shares</u>	2025	2024
	<u>Number of shares</u>	
<b>From continuing and discontinued operations</b>		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>2,537,205,194</b>	2,494,568,232
Adjustments for calculation of diluted earnings per share:		
Share options	N/A	17,677,816
Perpetual subordinated convertible securities	N/A	118,000,000
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	<b>2,537,205,194</b>	2,630,246,048

<u>Shares</u>	2025	2024
	<u>Number of shares</u>	
<b>From continuing operations</b>		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>2,537,205,766</b>	2,494,568,232
Adjustments for calculation of diluted earnings per share:		
Share options	<b>155,710</b>	17,677,816
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	<b>2,537,361,476</b>	2,512,246,048

<u>Shares</u>	2025	2024
	<u>Number of shares</u>	
<b>From discontinued operations</b>		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>2,537,205,766</b>	2,494,568,232
Adjustments for calculation of diluted earnings per share:		
Share options	N/A	17,677,816
Perpetual subordinated convertible securities	N/A	118,000,000
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	<b>2,537,205,766</b>	2,630,246,048

**From continuing and discontinued operations**

For the year ended 31 December 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.

**From continuing operations**

For the years ended 31 December 2025 and 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 discontinued operations**

For the year ended 31 December 2025, the computation of diluted earnings 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 year ended 31 December 2024, diluted earnings per share for discontinued operations is RMB15.69 cents per share.

**9. DIVIDEND**

The directors of the Company do not recommend the payment of any dividends to its ordinary shareholders for the year ended 31 December 2025 (2024: HK\$50,748,280).

## 10. COAL MINING RIGHTS

The balance represents the rights to conduct mining activities in South Kalimantan, Indonesia (2024: Shanxi Province, PRC and South Kalimantan, Indonesia). The Department of Land Resources of Shanxi Province, PRC and Kalimantan Province, Indonesia issued and renewed several mining rights certificates to the Group. Details of the Group's coal mining rights are as follows:

<b>Coal mining rights</b>	<b>Expiry date</b>
<i>South Kalimantan, Indonesia</i>	
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
<i>Shanxi Province, PRC</i>	
Xingtao Coal Mine ( <i>note</i> )	14 September 2034
Fengxi Coal Mine ( <i>note</i> )	24 January 2034
Chongsheng Coal Mine ( <i>note</i> )	14 December 2039
Xinglong Coal Mine ( <i>note</i> )	14 June 2034
Hongyuan Coal Mine ( <i>note</i> )	13 July 2030

*Note:* These coal mining rights were disposed during the year, as detailed in note 16.

As at 31 December 2025, the Group's coal mining rights with net carrying amount of nil (2024: approximately RMB1,378,449,000) were pledged for the Group's borrowings (Note 14).

## 11. PROPERTY, PLANT AND EQUIPMENT

The directors of the Company estimated the recoverable amounts of the cash-generating units to which coal mining rights and related property, plant and equipment in Indonesia have been allocated. As a result, no impairment losses on the Group's coal mining rights and the related property, plant and equipment in Indonesia for the year ended 31 December 2025 (2024: impairment losses of RMB34,907,000 and RMB32,712,000 respectively). As at 31 December 2025, the carrying amounts of the Group's coal mining related property, plant and equipment amounted to RMB3,497,253,000 (2024: RMB4,302,157,000).

The Group's property, plant and equipment with net carrying amount of nil (2024: RMB25,850,000) were pledged for the Group's borrowings (note 14), as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Buildings	–	9,210
Plant and machinery	–	13,839
Electronic and other equipment	–	212
Motor vehicles	–	1,690
Mining structures	–	899
	<u>–</u>	<u>25,850</u>

## 12. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	<b>132,968</b>	110,488
Less: allowance for credit loss	<b>(974)</b>	(36,292)
	<u><b>131,994</b></u>	<u>74,196</u>

As at 1 January 2024, trade receivables from contracts with customers (net of allowance for credit loss) amounted to RMB65,741,000.

## Ageing analysis

An ageing analysis of trade receivables (net of allowance for credit losses) of the Group is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 2 months	131,994	51,689
Over 2 months but within 6 months	–	–
Over 6 months but within 1 year	–	–
Over 1 year but within 2 years	–	–
Over 2 years ( <i>note</i> )	–	22,507
	<u>131,994</u>	<u>74,196</u>

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

### *Note:*

As at 31 December 2025, trade receivables aged over 2 years amounting to nil (2024: RMB22,507,000) were due from customers which the Group has trade and other payable balances with amounts not less than the respective trade receivables as at the end of the reporting period. Based on past experience and repayment history of the trade debtors, the directors of the Company believe that no impairment allowance is necessary in respect of these balances.

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

## 13. TRADE AND BILLS PAYABLE

An ageing analysis of trade and bills payable of the Group based on invoice date is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	79,036	261,399
Over 1 year but within 2 years	–	18,925
Over 2 years	5,713	45,101
	<u>84,749</u>	<u>325,425</u>

## 14. BORROWINGS

	<i>Notes</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Bank loans			
— Secured	<i>(i)</i>	<b>544,149</b>	519,330
— Unsecured	<i>(ii)</i>	<b>47,500</b>	469,500
		<u><b>591,649</b></u>	<u>988,830</u>
Other borrowings	<i>(iii)</i>		
— Secured Loan I		—	152,627
— Unsecured Loan II		<b>412,145</b>	—
— Unsecured other loans		<b>853,297</b>	43,033
		<u><b>1,265,442</b></u>	<u>195,660</u>
Total borrowings		<u><b>1,857,091</b></u>	<u>1,184,490</u>

### *Notes:*

- (i) Secured bank loans bear interest at rates of 0.5% (2024: 0.5% to 4.00%) per annum as at 31 December 2025.
- (ii) Unsecured bank loans bear interest at rates of 5.80% (2024: 5.40% to 7.5%) per annum as at 31 December 2025.
- (iii) Other borrowings bear interest at ranging from 5.00% to 6.29% (2024: 7.24% to 7.31%) per annum as at 31 December 2025.

As at 31 December 2025, borrowings of the Group were repayable as follows:

	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year or on demand	<b>547,149</b>	737,990
Over 1 year but within 2 years	<b>44,500</b>	357,000
Over 2 years but within 5 years	<b>1,265,442</b>	89,500
	<u><b>1,309,942</b></u>	<u>446,500</u>
	<u><b>1,857,091</b></u>	<u>1,184,490</u>

## 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:

	<i>RMB’000</i>
Coal mining right	938,102
Inventory	7,349
Other receivables	870
Cash and cash equivalents	253
Other payables	(885,301)
	<hr/>
Net assets	61,273
	<hr/> <hr/>

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

	<i>RMB’000</i>
Cash consideration paid	61,273
Less: cash and cash equivalents acquired	(253)
	<hr/>
Net cash outflow from the acquisition	61,020
	<hr/> <hr/>

### Acquisition of Treasure Bay Management Limited (“TBM”)

On 1 April 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 USD7,900,000 (equivalent to approximately RMB56,708,000).

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 1 April 2025 are as follows:

	<i>RMB’000</i>
Coal mining right	51,695
Property, plant and equipment	4,128
Other receivables	4,248
Cash and cash equivalents	432
Other payables	(2,481)
Non-controlling interest	(1,314)
	<hr/>
Net assets attributable to owners of TBM	<u>56,708</u>

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

	<i>RMB’000</i>
Cash consideration paid	56,708
Less: cash and cash equivalents acquired	(432)
	<hr/>
Net cash outflow from the acquisition	<u>56,276</u>

**Other acquisition of subsidiaries which are the minority shareholders of the Group’s existing subsidiaries**

	<b>Acquisition of TMI (note (i)) RMB’000</b>	<b>Acquisition of IKN (note (ii)) RMB’000</b>	<b>Acquisition of VIK (note (iii)) RMB’000</b>	<b>2025 Total RMB’000</b>
<b>Cash consideration</b>	17,967	16,421	13,976	48,364
<b>Assets acquired and liabilities assumed upon acquisition</b>				
Investment in the Group’s existing subsidiaries	1,336	2,553	1,276	5,165
Cash and cash equivalents	372	25	25	422
Other payables	–	(39)	(39)	(78)
<b>Total net identifiable assets acquired</b>	<u>1,708</u>	<u>2,539</u>	<u>1,262</u>	<u>5,509</u>
<b>Net cash outflow from the acquisition</b>	<u>17,595</u>	<u>16,396</u>	<u>13,951</u>	<u>47,942</u>

*Notes:*

- (i) For the year ended 31 December 2025, 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 independent third parties in August 2025. Following the completion of the transaction in August 2025, the Group owned 100% equity interest in TSE.
- (ii) For the year ended 31 December 2025, sale and purchase agreements were entered into by the Group for acquisition of 100% equity shareholding of PT. Inisiasi Kapital Nusantara (the “IKN”), a company duly established under the laws of Indonesia that owns 30% equity interest in the IMJ and SME, from independent third parties in December 2025. Following the completion of the transaction in December 2025, the Group owned 100% equity interest in IMJ and SME.
- (iii) For the year ended 31 December 2025, sale and purchase agreements were entered into by the Group for acquisition of 100% equity shareholding of PT. Venerasi Investama Kapital (the “VIK”), a company duly established under the laws of Indonesia that owns 30% equity interest in the VSE, from independent third parties in December 2025. Following the completion of the transaction in December 2025, the Group owned 100% equity interest in VSE.

The primary reason for the acquisition was for acquisition of remaining equity interests of the Group’s existing subsidiaries, namely TSE, IMJ, SME and VSE. The directors of the Company were of the opinion that inputs acquired from the acquisition of aforesaid subsidiaries did not include an organised workforce that has the necessary skills, knowledge and experience to carry out the key operations of aforesaid subsidiaries and other necessary inputs, and the acquisition of aforesaid subsidiaries did not constitute a business combination as defined in IFRS 3 (Revised) “Business Combinations”, and therefore the acquisition of TMI, IKN and VIK was accounted for as asset acquisition and acquisition of additional interests of the Group’s existing subsidiaries.

## 16. DISCONTINUED OPERATIONS/PARTIAL DISPOSAL OF SUBSIDIARIES

### Discontinued operations

As at 31 December 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 disclosed in the Company’s announcement dated 11 July 2025 (“**Disposal Date**”), all conditions precedent of the sale and purchase agreements 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. 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 consolidated statement of comprehensive income. Comparative figures have been re-presented to conform with the presentation where applicable. Financial information relating to the discontinued operations for the period up to the Disposal Date is set out below.

(a) *Financial performance and cash flow information*

The financial performance and cashflow information of the discontinued operations presented are for the period from 1 January 2025 (“**Period 2025**”) to the Disposal Date and the year ended 31 December 2024 (“**Year 2024**”) are as follows:

	<b>Period 2025</b> <i>RMB'000</i>	Year 2024 <i>RMB'000</i>
<b>Revenue</b>	<b>368,182</b>	1,470,711
Cost of sales	<u>(352,181)</u>	<u>(1,241,228)</u>
<b>Gross profit</b>	<b>16,001</b>	229,483
Other income, gains and losses	<b>(1,439)</b>	589,428
Distribution expenses	–	(16)
Administrative expenses	<b>(272,088)</b>	(124,147)
Impairment losses on property, plant and equipment	–	(14,925)
Impairment losses on coal mining right	–	(34,907)
Impairment losses on prepayments and other receivables, net	<b>(265)</b>	(344)
Other expenses	<u><b>(11,037)</b></u>	<u>(23,370)</u>
<b>Operating (loss)/profit</b>	<u><b>(268,828)</b></u>	<u>621,202</u>
Finance income	<b>23</b>	84
Finance costs	<u><b>(17,992)</b></u>	<u>(150,085)</u>
<b>Net finance costs</b>	<u><b>(17,969)</b></u>	<u>(150,001)</u>
<b>(Loss)/profit before taxation</b>	<b>(286,797)</b>	471,201
Income tax credit	<u><b>67,196</b></u>	<u>3,887</u>
<b>(Loss)/profit for the period from the discontinued operations</b>	<u><b>(219,601)</b></u>	<u>475,088</u>
<b>Cash flow from discontinued operation</b>		
Net cash (outflow)/inflow from operating activities	<b>(187,776)</b>	541,332
Net cash outflow from investing activities	<b>(9,594)</b>	(600)
Net cash inflow/(outflow) from financing activities	<u><b>207,938</b></u>	<u>(527,712)</u>
Net cash inflow	<u><b>10,568</b></u>	<u>13,020</u>

(b) *Details of the sale of the Disposal Group*

	<i>RMB'000</i>
Consideration	30,000
Less: Net liabilities disposed of attributable to owners of the Company	376,956
Less: Expenses directly attributable to the Disposal	(3,744)
Less: Release of translation reserve	(5,470)
	<hr/>
Gain on the Disposal as equity transaction	397,742
	<hr/> <hr/>

The carrying amounts of assets and liabilities as at the Disposal Date were:

	<i>RMB'000</i>
<b>Current assets</b>	
Coal mining rights	1,242,305
Property, plant and equipment	1,982,681
Right-of-use assets	3,880
Inventories	52,406
Trade receivables	194,441
Prepayments, deposits and other receivables	1,543,183
Pledged and restricted deposits	25,855
Cash and cash equivalents	47,329
	<hr/>
Total assets	5,092,080
	<hr/>
<b>Current liabilities</b>	
Trade payables	(303,112)
Other payables and contract liabilities	(3,372,360)
Borrowings	(375,000)
Tax payable	(193,087)
Accrued reclamation obligations	(103,814)
Deferred taxation	(315,918)
	<hr/>
Total liabilities	(4,663,291)
	<hr/>
Net assets	428,789
Less: Non-controlling interest	(805,745)
	<hr/>
	(376,956)
	<hr/> <hr/>

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

	<i>RMB'000</i>
Cash consideration received	30,000
Less: Cash and cash equivalents disposed	(47,329)
Less: Expenses directly attributable to the Disposal	<u>(3,744)</u>
Net cash outflow from the Disposal	<u><u>(21,073)</u></u>

### Partial disposal of subsidiary

During the year ended 31 December 2024, the Group entered into a Sales and Purchase Agreement with Zhejiang Energy International Limited, which is an independent third party, to dispose of 40% equity interest in Lead Far Development Limited (“**Lead Far**”), an indirect wholly-owned subsidiary of the Company, at a consideration of RMB2,950 million (the “**Lead Far Disposal**”).

The Lead Far Disposal was completed during the year ended 31 December 2024, and upon the completion the Company holds 60% equity interest in Lead Far, and the directors of the Company are of the opinion that the Group still retains control over Lead Far, and any difference between the fair value of the consideration and the carrying amount of the equity interest disposed of is directly recognised in equity, with details set out below.

	<i>RMB'000</i>
Consideration	2,950,000
Less: Fair value adjustment for imputed interest	(19,272)
Less: Estimated expenses directly attributable to the Disposal	(5,843)
Less: Carrying amount of equity interest disposed of	<u>(664,079)</u>
Gain on the Disposal as equity transaction (including exchange reserve impact)	<u><u>2,260,806</u></u>

## 17. CAPITAL COMMITMENTS

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

	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	<u><u>124,650</u></u>	<u><u>91,173</u></u>

## 18. CONTINGENT LIABILITIES/PROVISION

### (a) Financial guarantees issued

As at the end of each reporting period, the Group has issued the guarantees to certain banks and one other borrowing creditor in respect of borrowings made by Tongmei Qinfu, 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 Qinfu from those banks and the other borrowing creditor.

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

### (b) Borrowing default clause

As at 31 December 2024, the settlement agreements entered into between the Group and asset management companies contained default clauses which the Group would be required to repay the outstanding balance of the original borrowings and interest payable if the Group failed to repay the new borrowings by instalments in accordance with the respective repayment schedule. Particulars of the settlement agreements are disclosed in note 14. The aforesaid borrowings were fully settled during the year ended 31 December 2025.

## 19. EVENT AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 5 March 2026, the Company, Mr. Xu as vendor and the joint placing agents entered into the placing and subscription agreement on 5 March 2026, and pursuant to which (i) the vendor has agreed to sell, and the joint placing agents have agreed to act as agents of the Vendor to procure, on a best effort basis, not less than six places (who are independent third parties) to purchase, the placing shares at the placing price of HK\$3.51 per placing share, and (ii) the vendor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the top-up subscription shares at the top-up subscription price which is equivalent to the Placing Price of HK\$3.51 per top-up subscription share under the general mandate (and such number of top-up subscription shares shall be the same as the number of placing shares actually placed by the joint placing agents pursuant to the placing and subscription agreement).

Assuming the placing shares are placed in full, the placing shares represent approximately 3.55% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.43% of the issued share capital of the Company as enlarged by the allotment and issue of the top-up subscription shares immediately following the closing of the top-up subscription (assuming that, save for the allotment and issue of the top-up subscription shares, there is no change in the issued share capital of the Company from the date of this announcement to the completion of the top-up subscription).

The gross proceeds from the top-up subscription are expected to be approximately HK\$315.9 million, while the net proceeds from the top-up subscription, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to the placing and the top-up subscription, are estimated to be approximately HK\$309.6 million. Immediately following the completion of the placing and the top-up subscription, the number of the Company's ordinary shares is 2,627,413,985.

The placing and the top-up subscription has been completed on 13 March 2026.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leading non-state owned thermal coal supplier. It is principally engaged in coal operation business involving coal mining, purchase and sales, filtering, storage and blending of coal in Indonesia. During the year, 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 Perpetual Goodluck Limited and its subsidiaries (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**”).

During 2025, the volume of the Group’s coal trading increased as compared to the 2024 due to the increased production in Indonesia. The coal selling prices of the Group during 2025 were in range between RMB227 per tonne and RMB501 per tonne, as compared to the coal selling prices between RMB237 per tonne and RMB640 per tonne during 2024. Average coal selling price decreased mainly due to adjustment on thermal coal market price during the year.

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 2025, 2024 and 2023 are set forth in the table below:

	<b>2025</b>	2024	2023
Average coal selling price ( <i>RMB per tonne</i> )	<b>382</b>	504	665
Average monthly coal trading volume ( <i>'000 tonnes</i> )	<b>481</b>	430	432

### Revenue

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Revenue from the Continuing Operations	<b>1,839,026</b>	1,130,222
Revenue from the Discontinued Operations	<b>368,182</b>	1,470,711
Revenue of Continuing Operations plus Discontinued Operations	<b><u>2,207,208</u></b>	<u>2,600,933</u>

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

## Origins of coal and coal trading volume of the Group

	<b>2025</b>	2024
	<b>Sales volume</b>	Sales volume
	<b>'000 tonnes</b>	'000 tonnes
Indonesia	<b>4,339</b>	842
China	<b>1,437</b>	4,319
	<b><u>5,776</u></b>	<u>5,161</u>

## Gross profit

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Gross profit from the Continuing Operations	<b>473,370</b>	337,540
Gross profit from the Discontinued Operations	<b>16,001</b>	229,483
Gross profit margin of the Continuing Operations	<b>25.7%</b>	29.9%
Gross profit margin of the Discontinued Operations	<b>4.4%</b>	15.6%

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

## Other income, gains and losses

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Other (losses), income and gains from the Continuing Operations	<b>(21,038)</b>	(42,126)
Other (losses), income and gains from the Discontinued Operations	<b>(1,439)</b>	589,428

Other losses from Continuing Operations mainly consist foreign exchange loss due to currency depreciation of IDR against RMB and USD.

## Operating profit

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Operating profit from the Continuing Operations	<b>204,553</b>	129,216
Operating (loss)/profit from the Discontinued Operations	<b>(268,828)</b>	621,202

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Net finance costs from the Continuing Operations	<b>(74,083)</b>	(11,618)
Net finance costs from the Discontinued Operations	<b>(17,969)</b>	(150,001)

Net finance costs of the Continuing Operations increased due to increase in borrowing and other payable. 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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit after taxation from the Continuing Operations	<b>124,604</b>	81,282
(Loss)/profit after taxation from the Discontinued Operations	<b>(219,601)</b>	475,088
(Loss)/profit for the year	<b><u>(94,997)</u></b>	<u>556,370</u>

Profit 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**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit attributable to the equity shareholders of the Company from the Continuing Operations	<b>77,328</b>	89,232
(Loss)/profit attributable to the equity shareholders of the Company from the Discontinued Operations	<b>(171,186)</b>	412,712
(Loss)/profit attributable to the equity shareholders of the Company of the Group	<b>(93,858)</b>	501,944

Profit attributable to the equity shareholders of the Company of the Continuing Operations decreased due to decrease in the average selling prices of thermal coal. 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**

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Profit after taxation from the Continuing Operations	<b>124,604</b>	81,282
— Net finance costs	<b>74,083</b>	11,618
— Income tax expense	<b>5,866</b>	36,316
— Depreciation	<b>191,071</b>	109,921
— Amortisation	<b>2,162</b>	—
EBITDA from the Continuing Operations	<b>397,786</b>	239,137

## **BUSINESS REVIEW**

### **Stepped up Presence in Indonesia and Completion of Multiple Strategic Acquisitions**

2025 was a key year for the Group to deepen its development and integrate resources in the Indonesian market. Following the successful strategic cooperation with Zhejiang Energy International Limited on Indonesia's SDE Coal Project in 2024, the Group continually expanded its local business territory in 2025. A series of precise acquisitions further consolidated its leading position as the largest underground coal mine operator in Indonesia.

On 17 April 2025, the Group completed the acquisition of 100% equity interest in PT. Widyanusa Mandiri ("WM") that is entitled to 15% of the total saleable coal production from the SDE Coal Mine at a consideration of IDR140.26 billion (approximately RMB61.3 million). This strategic asset injection allows the Group to enjoy additional coal resource equity in the SDE Coal Mine, which is expected to bring stable economic returns to the Group in the future and further boost its core competitiveness in the Indonesian coal mining operations.

In the same year, the Group also acquired 100% equity interest in Treasure Bay Management Limited ("TBM") at a cash consideration of USD7.9 million (approximately RMB56.71 million). TBM is engaged in the coal mining and trading business through its 70%-owned Indonesian subsidiary, PT. Trisula Sumber Energi ("TSE"). This acquisition not only scaled up the Group's operations in Indonesia, but also demonstrated its unwavering determination to expand the Southeast Asian market and create greater returns for shareholders.

Additionally, the Group acquired the minority equity in several existing subsidiaries in 2025, in order to further optimise its governance structure and increase operational efficiency. In August 2025, the Group completed the acquisition of 100% equity interest in PT. Trisula Makmur Investama ("TMI"), thereby taking 100% control over TSE. In December 2025, the Group further purchased 100% equity interest in PT. Inisiasi Merdeka Jaya ("IMJ"), PT. Suprema Marulabo Energi ("SME") and PT. Venerasi Sejahtera Energi ("VSE"), respectively. Upon completion of the above acquisitions, the Group further tightened control over its core assets in Indonesia, laying a more solid foundation for future efficient operation and resource allocation.

### **Steady Progress of SDE Coal Project and Satisfactory Construction of SDE Mine 2**

As currently the largest underground coal mine in Indonesia, the SDE Coal Project drew widespread market attention in terms of its construction progress. Since SDE Mine 1 commenced production in 2023, its operation has remained stable and its production capacity has been gradually released, accumulating valuable experience for the subsequent commissioning of the super-long working face. The construction of SDE Mine 2 also progressed in an orderly manner in 2025, with all works proceeding as planned. Upon commencement of production of SDE Mine 2 on 28 March 2026, the mine is expected to enhance the Group's overall production capacity and competitiveness in the Southeast Asian market. It has successfully introduced mature domestic underground coal mining technology, equipment, and management experience to Indonesia, continuously promoting the modernisation of the local coal mining industry.

## Continuous Improvement of Supporting Facilities for SDE Mine 1

The Group continued to optimise the supporting infrastructure of SDE Mine 1. As of the end of December 2025, the existing coal washing system was officially put into operation, with an annual raw coal washing capacity of 8 million tonnes. The operation of this system has effectively improved product quality, laying the groundwork for subsequent production capacity release.

As of 31 December 2025, the Group owned five coal mines in Indonesia. The table sets forth certain information about these coal mines.

	Location	Ownership	Site area (sq. km)	Production capacity (million tonnes)	Operation status
Sumber Daya Energi — SDE Coal	South Kalimantan, Indonesia	70%	185	20	Under operation
Venerasi Sejahtera Energi — VSE Coal	South Kalimantan, Indonesia	100%	91.38	N/A	Under exploration
Inisiasi Merdeka Jaya — IMJ Coal	South Kalimantan, Indonesia	100%	33.05	N/A	Under exploration
Suprema Marulabo Energi — SME Coal	South Kalimantan, Indonesia	100%	60	N/A	Under exploration
Trisula Sumber Energi — TSE Coal	South Kalimantan, Indonesia	100%	169	N/A	Under exploration

## COAL CHARACTERISTICS

Characteristics and typical commercial and raw coal quality of the commercial coal produced by the Group's operating mines are as follows:

Coal Quality Characteristic	Sumber Daya Energi — SDE Coal	Trisula Sumber Energi — TSE Coal
Coal Seam	B	B, EV, EL
Moisture (%)	6.8–7.7	3.1–3.71
Ash (db, %)	33.7–35.1	17.47–28.58
Sulfur (db, %)	0.6–1	0.73–1.51
Calorific Value (average, kcal/kg, net, ar)	4,450–4,500	4,990–6,056

Note:

The characteristic of coal is based on the quality of raw coal.

## OPERATING DATA

### Reserves and Resources

	<b>Sumber Daya Energi — SDE Coal (i)</b>	<b>Trisula Sumber Energi — TSE Coal (i)</b>	<b>Total</b>
<b><u>Reserves (iii)</u></b>			
Reserves as at 1 January 2025 (Mt)	305.38	378.79	684.17
Less: Total coal reserve depleted from mining operation for the year (Mt)	<u>(5.42)</u>	<u>—</u>	<u>(5.42)</u>
<b>Reserves as at 31 December 2025 (Mt)</b>	<b><u>299.96</u></b>	<b><u>378.79</u></b>	<b><u>678.75</u></b>
— Proven reserves	0.71	—	0.71
— Probable reserves	<u>299.25</u>	<u>378.79</u>	<u>678.04</u>
<b><u>Resources (measured + indicated + inferred) (ii)</u></b>			
Resources as at 1 January 2025 (Mt)	965.74	1,053.47	2,019.21
Less: Total coal reserve depleted from mining operation for the year (Mt)	<u>(5.42)</u>	<u>—</u>	<u>(5.42)</u>
<b>Resources (measured + indicated + inferred) as at 31 December 2025 (Mt) (ii)</b>	<b><u>960.32</u></b>	<b><u>1,053.47</u></b>	<b><u>2,013.79</u></b>
<b>Resources (inferred) as of 31 December 2025 (Mt)</b>	<b><u>379.40</u></b>	<b><u>156.33</u></b>	<b><u>535.73</u></b>

Note:

- (i) The Group engaged an independent mineral industry consultant to estimate the total coal reserves and resources of the SDE Coal as at 31 December 2023 and the TSE Coal as at 30 September 2025 in accordance with the JORC Code.
- (ii) Resources (measured + indicated + inferred) comprises inferred resources.
- (iii) Coal reserves of SDE Coal as at 31 December 2025 included the 15% saleable coal entitled by PT Widyanusa Mandiri (“WM”), a subsidiary of the Company 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 full-year production figures at the abovementioned mines for the years indicated:

	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Raw coal production volume (ii)</b>	<b>'000 tonnes</b>	<b>'000 tonnes</b>
Huameiao Energy — Xingtao Coal	<b>1,060</b>	2,387
Huameiao Energy — Fengxi Coal	<b>505</b>	3,044
Huameiao Energy — Chongsheng Coal	<b>571</b>	1,294
Sumber Daya Energi — SDE Coal	<b>5,420</b>	2,569
	<hr/>	<hr/>
Total	<b>7,556</b>	9,294
	<hr/> <hr/>	<hr/> <hr/>
	<b>Year ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
<b>Washed coal production volume</b>	<b>'000 tonnes</b>	<b>'000 tonnes</b>
Huameiao Energy — Xingtao Coal (i)	<b>689</b>	1,552
Huameiao Energy — Fengxi Coal (i)	<b>328</b>	1,979
Huameiao Energy — Chongsheng Coal (i)	<b>371</b>	841
Sumber Daya Energi — SDE Coal	<b>3,147</b>	308
	<hr/>	<hr/>
Total	<b>4,535</b>	4,680
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) According to the competent person's report as at cut-off date of 31 December 2025, 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:

<i>Continuing Operations</i>	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Materials and consumables	<b>136,590</b>	29,327
Staff cost	<b>215,177</b>	65,825
Electricity	<b>163,890</b>	35,102
Overhead and others	<b>442,108</b>	73,957
Transportation	<b>407,891</b>	588,471
Total ( <i>note</i> )	<b><u>1,365,656</u></b>	<u>792,682</u>

*Note:* For the year ended 31 December 2025, RMB1,198,950,000 (2024: RMB223,584,000) of the total exploration, mining and development expenses is attributable to SDE within the continuing operations.

<i>Discontinued Operations</i>	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Materials and consumables	<b>59,767</b>	101,267
Staff cost	<b>51,031</b>	218,985
Electricity	<b>23,308</b>	46,533
Overhead and others	<b>218,075</b>	874,443
Total	<b><u>352,181</u></b>	<u>1,241,228</u>

## Net Current Assets/(Current Liabilities) and Current Ratio

<i>The Group</i>	<b>2025</b>	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current assets	<b>2,123,023</b>	2,075,584
Current liabilities	<b><u>(1,841,696)</u></b>	<u>(4,170,532)</u>
Net current assets/(liabilities)	<b><u>281,327</u></b>	<u>(2,094,948)</u>
Current ratio	<b>1.15</b>	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

<i>The Group</i>	<b>2025</b> <i>RMB'000</i>	2024 <i>RMB'000</i>
Total assets	<b>6,654,646</b>	8,629,329
Total liabilities	<b>(3,960,705)</b>	(5,143,084)
Net assets	<b>2,693,941</b>	3,486,245
Gearing ratio	<b>59.5%</b>	59.6%

*Note:* Gearing ratio is calculated as total liabilities divided by total assets. Gearing ratio remained constant.

## Capital Expenditure and Commitments

During 2025, the Continuing Operations incurred an aggregate capital expenditure of RMB1,586.2 million (2024: RMB736.7 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 31 December 2025 amounted to RMB124.7 million (as at 31 December 2024: RMB91.2 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 year. 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.

## Borrowings

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing Operations	<u>1,857,091</u>	<u>1,184,490</u>

These borrowings of the Continuing Operations carried interest at rates ranging from 0.5% to 6.29% (31 December 2024: 0.5% to 7.5%), while the maximum contractual interest rate for year 2025 was 5.8% (excluding the imputed interest on interest-free loans).

## Borrowing facilities

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Continuing Operations	1,471,650	1,184,490
Continuing Operations — utilised	<u>1,444,947</u>	<u>1,184,490</u>

## Cash and cash equivalents

<i>Continuing Operations</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Euro	207	1,984
British pound	3	15
Hong Kong Dollar (“ <b>HKD</b> ”)	1,236	18,595
Indonesian Rupiah (“ <b>IDR</b> ”)	37,522	77,234
Renminbi (“ <b>RMB</b> ”)	359,241	862,870
Singapore dollar	618	647
United States Dollar (“ <b>USD</b> ”)	<u>92,508</u>	<u>64,200</u>
Total	<u>491,335</u>	<u>1,025,545</u>

The Group’s cash and cash equivalents decreased in 2025 due to increase in capital expenditure incurred on coal mine development.

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Pledged and restricted deposits	<b><u>612,403</u></b>	<u>151,663</u>

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 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 31 December 2025, the pledged assets of the Continuing Operations in an aggregate amount of RMB605.5 million (as of 31 December 2024: RMB2,100.0 million) were in forms of cash and cash equivalents.

As at 31 December 2025, the Group continue to provide guarantee in the amount of RMB249,000,000 for borrowings obtained by Tongmei Qinfu (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**

As at 31 December 2025, the pledge of shares by the controlling shareholder with creditor was fully released. 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 as at 31 December 2025. The relevant loan was fully repaid on 3 January 2025. 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 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.

On 17 April 2025, the Group 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 8 September 2025, the Group acquired and completed the 30% equity interest of TSE. TSE holds a coal mining business license in Indonesia.

On 8 December 2025, the Group acquired and completed the 30% equity interest of PT Venerasi Sejahtera Energi (the “VSE”). VSE holds a coal mining business license in Indonesia.

On 8 December 2025, the Group acquired and completed the 30% equity interest of PT Suprema Marulabo Energi (the “SME”). SME holds a coal mining business license in Indonesia.

On 8 December 2025, the Group acquired and completed the 30% equity interest of PT Inisiasi Merdeka Jaya (the “IMJ”). IMJ holds a coal mining business license in Indonesia.

During the year, save as disclosed in note 15 to the consolidated financial statements in this announcement, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **CONTINGENT LIABILITIES AND LITIGATIONS**

The Group did not have any material contingent liabilities as at 31 December 2025 as disclosed in note 18 to the consolidated financial statements in this announcement.

## **FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: HKD50,748,280).

## **EMPLOYEES AND REMUNERATION**

As of 31 December 2025, the Group employed 4,089 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 labour 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.

## **BUSINESS OUTLOOK**

### **Leapfrog Development of SDE Coal Mine**

At the beginning of 2026, the Group's SDE Coal Mine in Indonesia achieved a historical breakthrough. On 18 January 2026, the 1103 super-long fully-mechanised working face of SDE Mine 1 was successfully put into production. With a length of 500 meters, it set a new world record for underground coal mining. Its daily production capacity has increased by over 30% compared with traditional models, with an expected annual million-tonne increase in output. This significant technological breakthrough demonstrates the Group's leadership in the field of coal mining, and also injects strong momentum into the production capacity release of the SDE Coal Mine.

The expansion project for the coal washing system of SDE Mine 1 is progressing as planned and is expected to be put into operation by the end of April 2026, which will add an additional raw coal washing capacity of 5 million tonnes per annum. Once all coal washing systems are fully operational, the total raw coal washing capacity of SDE Mine 1 will increase to 13 million tonnes per annum, which will meet the designed production capacity of the mine. This will ensure that the Group can efficiently process the produced raw coal and thus improve its product quality and market competitiveness.

The ancillary pithead power plant of SDE Mine 1 has officially started operation on 21 March 2026 with a power of 30 MW, with a view to providing a stable and more cost-effective power supply to the mining area, effectively reducing overall electricity use costs, and achieving the operating objectives of reducing cost and increasing efficiency.

Moreover, the designed annual production capacity for SDE Mine 2 is 10 million tonnes. Currently, all works proceed as expected. The Group is about to start equipment transfer and installation, and the mine has commenced production on 28 March 2026. In sync with the development of SDE Mine 2, the supporting coal washing system was established simultaneously and is expected to be officially put into operation by the end of April 2026, which will ensure that all raw coal produced by SDE Mine 2 is washed and thus significantly improve the quality of commercial coal and increase sales revenue. The pithead power plant and coal washing plant of SDE Mine 2 are under accelerated construction. With the phased and gradual completion and commissioning of various supporting facilities, they will help rapidly increase production and achieve full capacity at each coal mine.

After the reporting period, the 2026 Work Plan and Budget of the Group obtained formal approval from the Ministry of Energy and Mineral Resources of Indonesia. According to the approval document, the approved coal production and sales volume of SDE Coal Mine for 2026 is 12.50 million tonnes, with the quota for SDE Mine 1 and SDE Mine 2 being 8.95 million tonnes and 3.55 million tonnes, respectively.

With the increase in production capacity of SDE Mine 1 and the accelerated construction of SDE Mine 2, SDE Mine 2 is expected to commence official production in 2026. By then, the total production capacity of the SDE Coal Mine will be significantly improved, which will make them a core growth engine of the Group's coal operations. The Group will continue to work with more large enterprises from the energy and coal industries, so as to jointly increase resource development efficiency and boost market competitiveness.

### **Development Progress of Other Indonesian Coal Mines**

The Group completed the acquisition of minority interests in three Indonesian coal mines (IMJ, VSE, SME) in 2024, taking 100% control and laying a solid foundation for subsequent development. The Group will adopt the successful model of the SDE Coal Mine to strategically cooperate with large Chinese energy enterprises and state-owned enterprises, so as to complement each other's advantages and expedite the exploration, engineering, and construction work of the coal mines. Through close cooperation with strategic partners, the Group will fully leverage its resource advantages to achieve comprehensive development and steady growth in its Indonesian coal business.

It is now in negotiations with a large state-owned enterprise that possesses extensive experience in coal mine construction to discuss matters concerning the contracting of TSE Mine 1. According to the current development and design plans, the designed annual production capacity of TSE Mine 1 is 8 to 10 million tonnes. Both parties expect to formally sign a contract in the first half of 2026 to accelerate the development and construction of the mine. The Group will utilise the successful model of the SDE Coal Mine to actively conduct strategic cooperation, complement each other's advantages, and thus achieve steady growth in its Indonesian coal business.

### **Continuously Expanded Territory in Indonesia**

As a global coal resource-rich region, Indonesia holds the key position in the Group's internationalisation strategy. We will deepen our relationships with local governments and partners to ensure the smooth progress of project development. To accelerate the construction progress of SDE, TSE and other Indonesian coal mine projects, the Group will prioritise funds for future capital investment to ensure that all projects proceed efficiently as planned.

## **CORPORATE GOVERNANCE**

The Company has complied with the applicable code provisions in the Corporate Governance Code (the "Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the financial year ended 31 December 2025.

## **AUDIT COMMITTEE OF THE BOARD**

An audit committee was established by the Board on 12 June 2009 with written terms of reference in compliance with the Code. 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 audited consolidated financial statements of the Group for the financial year ended 31 December 2025.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by Moore CPA Limited on the preliminary announcement.

## **EXTRACT OF INDEPENDENT AUDITOR'S REPORT**

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2025.

In our opinion, the consolidated financial statements present fairly, in all material respects, 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 International Financial Reporting Standards ("IFRSs") 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.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company for the financial year ended 31 December 2025 (the “**Annual Report**”) containing all the information required by Appendix D2 to the Listing Rules and any other applicable laws and regulations will be published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.qinfagroup.com](http://www.qinfagroup.com)) in due course.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The annual general meeting of the Company will be held on Tuesday, 16 June 2026. To determine the eligibility of the shareholders of the Company to attend and vote at the annual general meeting to be held on Tuesday, 16 June 2026 (the record date), the register of members will be closed from Tuesday, 9 June 2026 to Tuesday, 16 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Monday, 8 June 2026.

By Order of the Board  
**China Qinfra Group Limited**  
**XU Da**  
*Chairman*

Hong Kong, 31 March 2026

*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.*