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 2026

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations in the first half of 2026 was RMB1,179 million, representing a year-on-year increase of 8.2%.

- For the first half of 2026, the net profit from continuing operations amounted to RMB285 million, representing a year-on-year increase of 819%.

- Profit from continuing operations for the period attributable to equity holders of the Company was RMB227 million, representing a year-on-year increase of 837%.

- Basic earnings per share from continuing operations for the period was RMB8.67 cents, representing a year-on-year increase of 920%.

- EBITDA for the period was RMB523 million, representing a year-on-year increase of 218%.

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2026.

The board (the "**Board**") of directors (the "**Directors**") of China Qinfa Group Limited (the "**Company**") refers to the positive profit alert announcement of the Company dated 11 August 2026. 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 2026 with comparative figures for the six months ended 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
CONTINUING OPERATIONS			
Revenue	*5*	**1,179,090**	1,089,414
Cost of sales		**(751,523)**	(852,258)
Gross profit		**427,567**	237,156
Other income, gains and losses	*6*	**95,328**	(65,668)
Distribution expenses		**(4,380)**	(3,074)
Administrative expenses		**(135,068)**	(91,488)
Reversal of impairment losses on prepayments and other receivables, net		**928**	309
Other expenses		**(1,445)**	(380)
Operating profit		**382,930**	76,855
Finance income		**5,377**	7,480
Finance costs		**(69,838)**	(41,941)
Net finance costs		**(64,461)**	(34,461)
Profit before taxation	*7*	**318,469**	42,394
Income tax expense	*8*	**(33,705)**	(11,412)

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
Profit for the period from the continuing operations		**284,764**	30,982
DISCONTINUED OPERATIONS			
Loss for the period from the discontinued operations		**–**	(193,734)
Profit/(loss) for the period		**284,764**	(162,752)
Other comprehensive loss			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(316,969)**	(30,993)
Other comprehensive loss for the period, net of tax		**(316,969)**	(30,993)
Total comprehensive loss for the period		**(32,205)**	(193,745)
Profit/(loss) for the period attributable to equity shareholders of the Company:			
— from continuing operations		**227,204**	24,245
— from discontinued operations		**–**	(150,321)
		227,204	(126,076)
Profit/(loss) for the period attributable to non-controlling interests:			
— from continuing operations		**57,560**	6,737
— from discontinued operations		**–**	(43,413)
		57,560	(36,676)
		284,764	(162,752)

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Total comprehensive income/(loss) for the period attributable to equity shareholders of the Company:			
— from continuing operations		**42,272**	(6,748)
— from discontinued operations		**–**	(150,321)
		42,272	(157,069)
Total comprehensive loss for the period attributable to non-controlling interests:			
— from continuing operations		**(74,477)**	6,737
— from discontinued operations		**–**	(43,413)
		(74,477)	(36,676)
		(32,205)	(193,745)
Earnings per share attributable to the equity shareholders of the Company during the period	*9*		
From continuing and discontinued operations			
Basic earnings/(loss) per share		**RMB8.67 cents**	RMB(5.08) cents
Diluted earnings/(loss) per share		**RMB8.38 cents**	RMB(5.08) cents
From continuing operations			
Basic earnings per share		**RMB8.67 cents**	RMB0.85 cents
Diluted earnings per share		**RMB8.38 cents**	RMB0.85 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Non-current assets			
Coal mining rights	10	**981,913**	999,422
Property, plant and equipment	11	**4,096,130**	3,518,990
Right-of-use assets	11	**10,291**	13,211
Interest in an associate		**–**	–
		5,088,334	4,531,623
Current assets			
Inventories		**386,874**	408,222
Trade and bill receivables	12	**185,548**	131,994
Prepayments, deposits and other receivables		**586,941**	448,106
Financial assets at fair value through profit or loss ("**FVTPL**")		**8,000**	30,963
Pledged and restricted deposits		**80,048**	612,403
Cash and cash equivalents		**313,727**	491,335
		1,561,138	2,123,023
Current liabilities			
Trade and bills payables	13	**(229,396)**	(84,749)
Other payables and contract liabilities		**(1,137,115)**	(1,198,387)
Lease liabilities		**(5,955)**	(6,801)
Borrowings	14	**(67,093)**	(547,149)
Tax payable		**(30,307)**	(4,610)
		(1,469,866)	(1,841,696)
Net current assets		**91,272**	281,327
Total assets less current liabilities		**5,179,606**	4,812,950

	Notes	At **30 June** **2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Non-current liabilities			
Other payables		**(705,780)**	(801,509)
Accrued reclamation obligations		**(2,078)**	(2,113)
Lease liabilities		**(3,054)**	(5,393)
Borrowings	*14*	**(1,529,432)**	(1,309,942)
Deferred taxation		**(572)**	(52)
		(2,240,916)	(2,119,009)
Net assets		**2,938,690**	2,693,941
Capital and reserves			
Share capital		**223,253**	215,294
Perpetual subordinated convertible securities		**156,931**	156,931
Equity		**2,008,622**	1,697,355
Total equity attributable to equity shareholders of the Company		**2,388,806**	2,069,580
Non-controlling interests		**549,884**	624,361
Total equity		**2,938,690**	2,693,941

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 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 2025, 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 2026 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 2025. 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 2025.

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 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The application of the amendments to IFRS Accounting Standards 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 2025.

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 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 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 and bills 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 were discontinued during the year ended 31 December 2025. The segment information reported on the following does not include any amounts for these discontinued operations.

	Coal business	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from external customers	**1,179,090**	1,089,414
Reportable segment profit before taxation	**412,679**	87,751
Reversal of impairment losses on prepayments and other receivables	**928**	309

	At	At
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Reportable segment assets	**12,032,449**	10,819,834
Reportable segment liabilities	**(5,619,356)**	(4,468,513)

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

Revenue

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Reportable segment revenue and consolidated revenue	**1,179,090**	1,089,414

Profit before taxation

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Reportable segment profit before taxation	**412,679**	87,751
Unallocated head office and corporate expenses	**(29,749)**	(10,896)
Net finance costs	**(64,461)**	(34,461)
Consolidated profit before taxation	**318,469**	42,394

Assets

	At	At
	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Total of reportable segments assets	**12,032,449**	10,819,834
Elimination of receivables from corporate headquarters	**(5,486,404)**	(4,407,942)
Unallocated assets	**103,427**	242,754
Consolidated total assets	**6,649,472**	6,654,646

Liabilities

	At **30 June** **2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Total of reportable segments liabilities	**5,619,356**	4,468,513
Elimination of payables to corporate headquarters	**(2,639,266)**	(1,065,394)
Tax payable	**30,307**	4,610
Deferred taxation	**572**	52
Unallocated liabilities	**699,813**	552,924
Consolidated total liabilities	**3,710,782**	3,960,705

(c) Geographic information

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

	Six months ended 30 June	
	2026 ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
PRC (including Hong Kong)	**646,809**	884,492
Indonesia	**223,803**	33,545
Singapore	**236,369**	62,493
Others	**72,109**	108,884
	1,179,090	1,089,414

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** **2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Indonesia	**5,073,167**	4,511,638
PRC (including Hong Kong)	**15,167**	19,985
	5,088,334	4,531,623

5. REVENUE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Sales of coal	**1,179,090**	1,089,414

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Foreign exchange loss, net	**(55,375)**	(70,821)
Net gain on disposal of property, plant and equipment	**18**	–
Government subsidies	**205**	1,502
Fair value loss on financial assets at FVTPL	**(21,564)**	–
Dispatch income	**4,644**	–
Gain on changes in provisions *(note)*	**165,006**	–
Others	**2,394**	3,651
	95,328	(65,668)

Note: In June 2026, the Company entered into a supplementary agreement with the former shareholders of SDE in respect of the provisions. Pursuant to this supplementary agreement, the fixed rate applied was reduced. As a result, the carrying amount of the other payables was correspondingly reduced, and gain on changes in provisions of RMB165,006,000 was recognised during the six months ended 30 June 2026.

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Depreciation of property, plant and equipment	**122,764**	83,024
Depreciation of right-of-use assets	**3,178**	3,473
Amortisation of coal mining rights	**13,825**	1,242

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax		
— PRC Corporate Income Tax	**12,969**	555
— Indonesia Corporate Income Tax	**524**	–
— Indonesia withholding Income Tax	**14,415**	8,994
— Indonesia Final Income Tax	**5,277**	1,990
Deferred tax	**520**	(127)
Income tax expense	**33,705**	11,412

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 2025: nil).

(ii) Provision for the Hong Kong Profit Tax was based on the statutory rate of 16.5% (six months ended 30 June 2025: 16.5%) of the assessable profits of subsidiaries which carried on businesses in the Hong Kong.

(iii) Provision for the PRC Corporate Income Tax was based on the statutory rate of 25% (six months ended 30 June 2025: 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 of 22% (six months ended 30 June 2025: 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/(loss) per share is based on the profit/(loss) 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/(loss) per share attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2026 and 2025 are based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings/(loss)		
Profit/(loss) for the period attributable to equity shareholders of the Company	**227,204**	(126,076)
Less: Distribution relating to perpetual subordinated convertible securities classified as equity	**(2,555)**	(2,682)
Profit/(loss) for the period attributable to ordinary equity shareholders of the Company in calculating basic earnings/(loss) per share	**224,649**	(128,758)
Profit/(loss) for the period attributable to ordinary equity shareholders of the Company in calculating basic earnings per share		
— from continuing operations	**224,649**	21,563
— from discontinued operations	**–**	(150,321)
	224,649	(128,758)
Shares	**Number of shares**	
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**2,592,110,118**	2,536,991,762

For discontinued operations

Basic loss per share for the discontinued operation is RMB5.93 cents per share for the six months period ended 30 June 2025.

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 2026 and 2025 respectively are based on the following data:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit/(loss) for the period attributable to ordinary equity shareholders of the Company used in calculating basic earnings per share	**224,649**	(128,758)
Add: Distribution relating to perpetual subordinated convertible securities classified as equity	**2,555**	N/A
Adjusted profit/(loss) for the period attributable to equity shareholders of the Company used in calculating diluted earnings/(loss) per share	**227,204**	(128,758)
Adjusted profit/(loss) for the period attributable to equity shareholders of the Company used in calculating diluted earnings/(loss) per share		
— from continuing operations	**227,204**	21,563
— from discontinued operations	**–**	(150,321)
	227,204	(128,758)

Shares	Number of shares	
From continuing and discontinued operations		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,592,110,118**	2,536,991,762
Adjustments for calculation of diluted earnings per share:		
Share options	**N/A**	N/A
Perpetual subordinated convertible securities	**118,000,000**	N/A
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	**2,710,110,118**	2,536,991,762
From continuing operations		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,592,110,118**	2,536,991,762
Adjustments for calculation of diluted earnings per share:		
Share options	**N/A**	246,961
Perpetual subordinated convertible securities	**118,000,000**	N/A
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	**2,710,110,118**	2,537,238,723
From discontinued operations		
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**–**	2,536,991,762
Adjustments for calculation of diluted earnings per share:		
Share options	**–**	N/A
Perpetual subordinated convertible securities	**–**	N/A
Adjusted weighted average number of shares classified as equity for the purpose of diluted earnings per share	**–**	2,536,991,762

From continuing and discontinued operations

For the six months ended 30 June 2026, the computation of diluted earnings per share has not assumed the exercise of the Company's outstanding share options since the adjusted exercise prices of these options were higher than the average market prices of shares for the outstanding period during the period ended 30 June 2026.

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.

From continuing operations

For the six months ended 30 June 2026, the computation of diluted earnings per share has not assumed the exercise of the Company's outstanding share options since the adjusted exercise prices of these options were higher than the average market prices of shares for the outstanding period during the period ended 30 June 2026.

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.

From discontinued 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 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 2026, the Group acquired items of property, plant and equipment with costs of approximately RMB1,017,432,000 (six months ended 30 June 2025: RMB397,619,000) in aggregate, including items relating to assets under construction of approximately RMB1,008,301,000 for coal business (six months ended 30 June 2025: RMB334,245,000), plant and machinery of approximately RMB3,303,000 for coal business (six months ended 30 June 2025: RMB47,595,000), motor vehicles of approximately RMB6,000 (six months ended 30 June 2025: RMB8,451,000), buildings of RMB63,000 (six months ended 30 June 2025: RMB66,000), mining structures of approximately RMB5,233,000 (six months ended 30 June 2025: RMB3,285,000) and electronic and other equipment of approximately RMB526,000 (six months ended 30 June 2025: RMB3,977,000). In addition, finance cost of approximately RMB24,311,000 (six months ended 30 June 2025: RMB10,571,000) have been capitalised into property, plant and equipment at a rate of 5.01% per annum during the six months ended 30 June 2026 (six months ended 30 June 2025: 3.65%).

During the six months ended 30 June 2026, the Group entered into new lease agreement for the use of building for 1 to 2 years and the Group recognised right-of-use assets of approximately RMB757,000 (2025: RMB2,210,000) and lease liabilities of approximately RMB757,000 (2025: RMB2,210,000) upon lease commencement.

12. TRADE AND BILL RECEIVABLES

	At 30 June 2026 *RMB'000* **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
Trade receivables	**186,522**	132,968
Less: allowance for credit loss	**(974)**	(974)
	185,548	131,994

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 2026 *RMB'000* (Unaudited)	At 31 December 2025 *RMB'000* (Audited)
Within 2 months	**185,548**	131,994

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 2025: 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 2025: nil) in profit or loss based on the provision matrix.

13. TRADE AND BILLS PAYABLES

	At 30 June 2026 *RMB'000* (Unaudited)	At 31 December 2025 *RMB'000* (Audited)
Trade payables	**229,396**	82,749
Bills payable *(note)*	**–**	2,000
	229,396	84,749

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

	At 30 June 2026 *RMB'000* (Unaudited)	At 31 December 2025 *RMB'000* (Audited)
Within 1 year	**223,069**	79,036
Over 1 year but within 2 years	**619**	–
Over 2 years	**5,708**	5,713
	229,396	84,749

Note: The bills payable are guaranteed by banks in PRC and have maturities of 6 months to 1 year.

14. BORROWINGS

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Bank loans			
— Secured	*(i)*	**59,092**	544,149
— Unsecured	*(ii)*	**51,000**	47,500
		110,092	591,649
Other borrowings	*(iii)*		
— Unsecured Loan I (as defined below)		**416,692**	412,145
— Unsecured other loans		**1,069,741**	853,297
		1,486,433	1,265,442
Total borrowings		**1,596,525**	1,857,091

Notes:

(i) Secured bank loans bear interest at rates ranging from 0.50% (31 December 2025: 0.50%) per annum as at 30 June 2026.

(ii) Unsecured bank loans bear interest at rate from 2.90% to 5.80% (31 December 2025: 5.80%) per annum as at 30 June 2026.

(iii) Other borrowings bear interest at rate from 5.00% to 6.29% (31 December 2025: 5.00% to 6.29%) per annum as at 30 June 2026.

As at 30 June 2026, borrowings of the Group were repayable as follows:

	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
Within 1 year or on demand	**67,093**	547,149
Over 1 year but within 2 years	**859,450**	44,500
Over 2 years but within 5 years	**669,982**	1,265,442
	1,529,432	1,309,942
	1,596,525	1,857,091

Loan agreement of Loan I

As disclosed in the Company's announcement dated 25 June 2025, the Disposal Group had banking facilities obtained from three domestic banks in an aggregate amount of RMB417,000,000 (the "**Bank Loans**"), which remain guaranteed by the Group upon completion of the Disposal. In order to secure the continued provision of guarantees by the Group for the Disposal Group's Bank Loans following the Disposal, the Disposal Group as lender (the "**Lender**") and the Group as borrower (the "**Borrower**") entered into a legally binding agreement (the "**Agreement**") and the Lender agreed to make available to the Borrower the loan of RMB417,000,000 (the "**Loan I**").

The Borrower and the Lender agreed that the Loan I provided by the Lender to the Borrower under this Agreement shall be interest-free. No interest shall accrue on the outstanding principal amount of the Loan at any time, and the Borrower shall have no obligation to pay any interest, fees, or other amounts in connection with the Loan I.

The principal amount of the Loan I advanced to the Borrower shall be repaid in full by the Borrower on the date on which the Group's guarantees for all the Bank Loans have been irrevocably released, discharged or terminated in full, as evidenced by written confirmation from the relevant banks, unless extended and confirmed in writing by the Lender and the Borrower. No early repayments of the Bank Loans by the Disposal Group shall be made without prior written consent of the Group.

The Group and the Disposal Group agreed to drawdown the Loan I of RMB417,000,000 via debit to the intra-group balance (i.e. the Group's amount due to the Disposal Group). The reconciliation of the amount of the Loan I is as follows:

	As at 11 July 2025 (date of Disposal) *RMB'000*
Original amount of Loan I	417,000
Less: adjustment for imputed interest *(note)*	(16,936)
Present value of the Loan I	400,064

Note: This item represents the unwinding of discount on the Loan I, calculated based on the interest rates applicable to the relevant Bank Loans as disclosed above.

The Agreement also sets out the offsetting arrangement that in case the Group is required by the banks to repay for the Disposal Group's Bank Loans under the corporate guarantee, the Group's Loan I will then be offset by the amounts repaid by the Group to the banks. Therefore, no contingent liability is arisen from the Group's corporate guarantees for the Disposal Group, and the Group's maximum exposure undiscounted amount of both Loan I and the Group's corporate guarantees for the Disposal Group's Bank Loans is RMB417,000,000 only as at 30 June 2026 and 31 December 2025.

15. DIVIDEND

No dividends were paid, declared or proposed during the current period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

During the prior interim period, a final dividend of HK$0.02 per share in respect of the year ended 31 December 2024 was declared. The aggregate amount of the final dividend declared in the prior interim period amounted to HK$46,280,000. No dividends were paid during the prior interim period.

16. DISCONTINUED OPERATIONS

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 Goodluck Limited ("**Perpetual**"), which indirectly held a number of subsidiaries (including 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.) holding coal mining licenses in PRC, at a consideration of RMB30,000,000 (the "**Disposal**"). The directors of the Company were of the opinion that the disposal of 100% Perpetual would 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 would be directly recognised in equity.

As disclosed in the Company's announcement dated 11 July 2025, all conditions precedent of the sale and purchase agreements and the corporate guarantee agreement were fulfilled and the very substantial disposal transaction ("**VSD**") was completed on 11 July 2025. Following the completion of the VSD, the Group no longer held any interest in the Disposal Group. Since the operations of the Disposal Group represented a separate major geographical area of operations, i.e. sales and distribution of coal in PRC, they were therefore reclassified to discontinued operations in the condensed consolidated statement of comprehensive income for the six months ended 30 June 2025.

17. EQUITY-SETTLED SHARE-BASED PAYMENTS

Share option scheme

Pursuant to the resolution passed at the annual general meeting held on 27 June 2018, the Company adopted a new share option scheme (the "**Share Option Scheme**"). The Company operates the Share Option Scheme for the purpose of providing the Company with a flexibility of granting share options to the Directors and employees as incentives or rewards for their contribution or potential contribution to the Group.

The maximum number of shares that may be issued upon exercise of all options which then has been granted and have yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in the absence of the shareholders' approval, in aggregate exceed 30% of the shares in issue from time to time. Unless approved by the shareholders, no option may be granted to any person which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted or to be granted to such person (including exercised, cancelled, and outstanding share option) in the 12-month period up to and including the date of such new grant exceeding 1% of the total number of shares in issue as at the date of such new grant.

An option under the Share Option Scheme may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the board of directors of the Company, which must not be more than 10 years from the date of the grant.

As disclosed in the Company's announcement dated 11 May 2026, share options of 75,500,000 were granted by the Company to directors and employees under the Scheme adopted on 27 June 2018 (the "**Options**"). The Options granted shall vest in four tranches, with each tranche representing 25% of the total Options granted. The vesting of each tranche is conditional upon compliance with the Share Option Scheme rules, the terms of the grant letter, the requirements of the Listing Rules as amended from time to time, the Grantee remaining an employee of the Group and the fulfillment of the following specific performance targets (the "**Performance Targets**"), as determined by the Board:

1. First tranche (25%): the production volume of raw coal of PT. Sumber Daya Energi (the "SDE") in 2026 reaching 8.5 million to 11.3 million tonnes;

2. Second tranche (25%): the production volume of raw coal of SDE in 2027 reaching 10.15 million to 14.5 million tonnes;

3. Third tranche (25%): the production volume of raw coal of SDE in 2028 reaching 13.0 million to 20.0 million tonnes; and

4. Fourth tranche (25%): the commencement of production of the PT. Trisula Sumber Energi mine 1 within 36 months from the date of commencement of construction.

In respect of conditions 1 to 3 above, the following vesting conditions shall apply:

(i) If the actual production volume for the relevant year reaches 100% or more of the lower limit of the production target for that year, then the corresponding portion of the Options for that year shall vest in full.

(ii) If the actual production volume for the relevant year reaches 80% to 99% of the lower limit of the production target for that year, then only 80% of the corresponding portion of the Options for that year shall vest.

(iii) If the actual production volume for the relevant year reaches less than 80% of the lower limit of the production volume target for the year, then none of the corresponding portion of the Options for that year shall vest.

(iv) If condition 4 is not satisfied for any reason, then none of the corresponding portion of the Options in the fourth tranche shall vest.

The total number of Options that may be exercised after 11 May 2029 shall be the aggregate of the Options vested under each of the Performance Targets. For the avoidance of doubt, the satisfaction of any Performance Target prior to such date shall not entitle the Grantee to exercise the corresponding Options before 11 May 2029. The exercisable period is from 11 May 2029 to 10 May 2036.

The estimated fair values of the options granted on that date is RMB126,156,000 (equivalent to HK$145,202,000). These fair values were calculated using the Binomial model. The inputs into the model were as follows:

Weighted average share price	HK$3.07
Exercise price	HK$3.07
Risk-free rate	2.99%
Expected life	10 years
Expected volatility	69.60%
Expected dividend yield	0.19%

The number and weighted average exercise prices of share options scheme are as follows:

For the six months ended 30 June 2026

Type of grantee	Date of grant	Exercisable period	Exercise price *HKD*	Outstanding number of options: Balance at 1 January 2026 *'000*	Granted during the period *'000*	Exercised during the period *'000*	Balance at 30 June 2026 *'000*
Executive Director							
Mr. Bai Tao	11 May 2026	11 May 2029 to 10 May 2036	**3.07**	–	**10,000**	–	**10,000**
Mr. Zhai Yifeng	11 May 2026	11 May 2029 to 10 May 2036	**3.07**	–	**8,000**	–	**8,000**
Independent non-executive Director							
Mr. Sha Zhenquan	11 May 2026	11 May 2029 to 10 May 2036	**3.07**	–	**500**	–	**500**
Mr. Ho Ka Yiu Simon	11 May 2026	11 May 2029 to 10 May 2036	**3.07**	–	**500**	–	**500**
Mr. Long Yufeng	11 May 2026	11 May 2029 to 10 May 2036	**3.07**	–	**500**	–	**500**
				–	**19,500**	–	**19,500**
Employees							
In aggregate	11 May 2026	11 May 2029 to 10 May 2036	**3.07**	–	**56,000**	–	**56,000**
In aggregate	30 April 2015	30 April 2015 to 29 April 2025	**0.485**	–	–	–	–
				–	**56,000**	–	**56,000**
				–	**75,500**	–	**75,500**

For the six months ended 30 June 2025

Type of grantee	Date of grant	Exercisable period	Exercise price	Outstanding number of options Balance at 1 January 2025	Granted during the period	Exercised during the period	Balance at 30 June 2025
			HKD	*'000*	*'000*	*'000*	*'000*
Employees							
In aggregate	30 April 2015	30 April 2015 to 29 April 2025	0.485	1,000	–	(1,000)	–
				1,000	–	(1,000)	–

The Group recognised the total expense of RMB5,755,000 for the six months ended 30 June 2026 in relation to share options granted by the Company.

18. CAPITAL COMMITMENTS

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

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**269,825**	124,650

19. CONTINGENT LIABILITIES

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 2026 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 2025: RMB249,000,000).

The Group has not recognised any financial liability (31 December 2025: 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. The following sets forth detailed analysis of the principal components of the operating results of the continuing operations:

Origins of coal and coal trading volume from the continuing operations

	Six months ended 30 June	
	2026	2025
	('000 tonnes)	*('000 tonnes)*
Indonesia	**2,594**	2,490

During the six months ended 30 June 2026, the coal trading volume from the continuing operations of the Group increased as compared to the corresponding period in 2025 due to the increased production in Indonesia. The coal selling prices of the Group during the six months ended 30 June 2026 were in range between RMB308 per tonne and RMB635 per tonne, as compared to the coal selling prices between RMB247 per tonne and RMB543 per tonne during the same period in 2025. Average coal selling price increased 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 including discontinued operations) and the average monthly coal trading volume of the Group for each of the three years ended 31 December 2025, 2024 and 2023 (coal trading volume of the Group including discontinued operations divided by twelve months), and the six months ended 30 June 2026 and 2025 (coal trading volume of the Group including discontinued operations divided by six months) are set forth in the table below:

	Six months ended 30 June		Year ended 31 December		
	2026	2025	2025	2024	2023
Average coal selling price *(RMB per tonne)*	**455**	373	382	504	665
Average monthly coal trading volume *('000 tonnes)*	**432**	650	481	430	432

Revenue from the continuing operations	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**1,179,090**	1,089,414

Revenue increased mainly due to the average selling prices of thermal coal increased.

Gross profit from the continuing operations	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Gross profit	**427,567**	237,156
Gross profit margin	**36.3%**	21.8%

Gross profit increased mainly due to the average selling prices of thermal coal increased.

Other income, gains and losses from the continuing operations	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Other income, gains and (losses)	**95,328**	(65,668)

Other income, gains and losses mainly consist foreign exchange loss of RMB55,375,000 (2025: RMB70,821,000) due to currency depreciation of IDR against RMB and USD, and gain on changes in provision of RMB165,006,000 (2025: nil).

Operating profit from the continuing operations	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Operating profit	**382,930**	76,855

Operating profit increased due to the average selling prices of thermal coal increased, and gain on changes in provision of RMB165,006,000 (2025: nil).

Net finance costs from the continuing operations	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Net finance costs	**(64,461)**	(34,461)

Net finance costs increased due to increase in interest charge on unwinding of discounts. The Group aims to maintain a reasonable level of gearing and borrowing cost.

Profit from the continuing operations after taxation	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Profit after taxation	**284,764**	30,982

Profit after taxation increased due to the average selling prices of thermal coal increased, and gain on changes in provision of RMB165,006,000 (2025: nil).

Profit from the continuing operations attributable to the equity shareholders of the Company	**Six months ended 30 June**	
	2026	2025
	RMB'000	*RMB'000*
Profit attributable to the equity shareholders of the Company	**227,204**	24,245

Profit attributable to the equity shareholders of the Company increased due to the average selling prices of thermal coal increased, and gain on changes in provision of RMB165,006,000 (2025: nil).

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Profit after taxation	**284,764**	30,982
+Net finance costs	**64,461**	34,461
+Income tax expense	**33,705**	11,412
+Depreciation	**125,942**	86,497
+Amortisation	**13,825**	1,242
EBITDA	**522,697**	164,594

BUSINESS REVIEW

Market Review

In the first half of 2026, the international coal market continued its strong momentum, with Indonesian thermal coal prices climbing steadily, driven by a combination of tightening supply and peak season demand. At the beginning of the year, the Minister of Energy and Mineral Resources in Indonesia significantly reduced the national coal production quota for 2026 to approximately 600 million tonnes. This represented a reduction of about 24% from the actual production in 2025 (over 790 million tonnes), sparking widespread market concerns about supply shortages and becoming a core factor driving up coal prices.

Meanwhile, the Indonesian government announced that starting from 1 June 2026, all coal export transactions must be centrally managed through state-owned companies. The initial implementation of the new regulation caused market tension. The benchmark thermal coal futures price of Newcastle, Australia, a key indicator for the Asian market, surpassed US$150/tonne in early June, hitting a new high in nearly two years. In terms of price performance, according to the Indonesian Coal Index (ICI), prices for coal of all calorific values rose across the board. Among them, the ICI3 (GAR 5,000 kcal) index rose to US$86.81/tonne on 12 June 2026, setting a new high for the year and representing an increase of over 40% from the price of US$61/tonne at the beginning of the year.

Production and Operations

In the first half of 2026, the Group's SDE Coal Project in Indonesia maintained stable production. SDE Mine 2 successfully commenced production in the first half of the year, further expanding the Group's production capacity and laying a foundation for future production growth.

During the period, the total raw coal production volume of the SDE Coal Mine was approximately 4.14 million tonnes (corresponding period in 2025: 2.05 million tonnes), representing a year-on-year increase of 102%. Benefiting from the efficient operation of the coal washing facilities and the additional coal washing capacity after SDE Mine 2 commenced production, the total washed coal production was approximately 2.14 million tonnes (corresponding period in 2025: 1.24 million tonnes), representing a year-on-year increase of 73%. The coal washing capacity of raw coal and the output of washed coal increased significantly, and the Group's product mix was continuously optimized, with a notable increase in the proportion of high-value-added washed coal.

Driven by the dual factors of increased washed coal production and the steady rise in coal prices in the Indonesian market, the Group's overall average selling price of coal recorded a year-on-year increase in the first half of the year. Washed coal products have higher calorific value and better market premiums, and the increase in their proportion directly drove up the overall selling price level; at the same time, the continued strength of Indonesian coal prices in the first half of the year also provided strong external support for the Group's selling prices.

Capital Operations

To better utilize the capital market platform to support the Group's development strategy, the Group successfully completed a share placement for financing in the first half of the year, further strengthening its capital base and optimizing its financial structure. The proceeds were mainly used to support the development of the Group's Indonesian mines, providing ample financial security for future development.

In addition, on 11 May 2026, the Group granted options under a share option incentive scheme. The incentive objectives are directly linked to the production volume targets of the SDE Mine and the commencement and commissioning dates of TSE Mine 1. The grant closely aligns the interests of the management with the Group's long-term development objectives, effectively motivating the initiative and creativity of the core management team to lead the Group in seizing market opportunities, continuously improving its results of operation, and creating greater value for shareholders.

	Location	Ownership	Coal mining right's 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 development

COAL CHARACTERISTICS

Characteristics of the washed coal produced by the Group's coal mines in Indonesia are as follows.

Coal Quality Characteristic	SDE Coal	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

	SDE Coal *(i)*	TSE Coal *(i)*	Total
<u>Reserves</u>			
Reserves as at 1 January 2026 *(Mt)*	299.96	378.79	678.75
Less: Total coal reserve depleted from mining operation for the year *(Mt)*	(4.14)	–	(4.14)
Reserves as at 30 June 2026 *(Mt)*	295.82	378.79	674.61
— Proven reserves	–	–	–
— Probable reserves	295.82	378.79	674.61
<u>Resources (measured + indicated + inferred) *(ii)*</u>			
Resources as at 1 January 2026 *(Mt)*	960.32	1,053.47	2,013.79
Less: Total coal reserve depleted from mining operation for the year *(Mt)*	(4.14)	–	(4.14)
Resources (measured + indicated + inferred) as at 30 June 2026 *(Mt)* *(ii)*	956.18	1,053.47	2,009.65
Resources (inferred) as of 30 June 2026 *(Mt)*	379.40	156.33	535.73

Notes:

(i) The Group engaged an independent mineral industry consultant to estimate the total coal reserves and resources of 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.

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

	Six months ended 30 June	
	2026	2025
Raw coal production volume	***('000 tonnes)***	*('000 tonnes)*
SDE Coal	**4,139**	2,049

	Six months ended 30 June	
	2026	2025
Washed coal production volume *(note)*	***('000 tonnes)***	*('000 tonnes)*
SDE Coal	**2,137**	1,244

Note: 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:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Materials and consumables	**93,411**	67,150
Staff cost	**153,092**	116,754
Electricity	**107,388**	87,384
Overhead and others	**249,067**	276,482
Transportation	**148,565**	304,488
Total	**751,523**	852,258

Net Current Assets and Current Ratio

The Group	**30 June 2026** **RMB'000**	31 December 2025 *RMB'000*
Current assets	**1,561,138**	2,123,023
Current liabilities	**(1,469,866)**	(1,841,696)
Net current assets	**91,272**	281,327
Current ratio	**1.06**	1.15

Note: Current ratio is calculated as current assets divided by current liabilities. Current ratio decreased mainly due to decrease in pledged and restricted deposits, and increase in trade and bills payable.

Gearing Ratio

The Group	**30 June 2026** **RMB'000**	31 December 2025 *RMB'000*
Total assets	**6,649,472**	6,654,646
Total liabilities	**(3,710,782)**	(3,960,705)
Net assets	**2,938,690**	2,693,941
Gearing ratio	**55.8%**	59.5%

Note: Gearing ratio is calculated as total liabilities divided by total assets. Gearing ratio improved mainly due to increase in property, plant and equipment.

Capital Expenditure and Commitments

For the six months ended 30 June 2026, the Group incurred an aggregate capital expenditure of RMB1,169.4 million (six months ended 30 June 2025: RMB397.6 million) mainly related to the construction and the purchase of plant and equipment. Capital commitments contracted for but not incurred by the Group as at 30 June 2026 amounted to RMB269.8 million (as at 31 December 2025: RMB124.7 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 2026	31 December 2025
	RMB'000	*RMB'000*
Bank and other borrowings	**1,596,525**	1,857,091

These borrowings carried interest at rates ranging from 0.5% to 6.29% (31 December 2025: 0.5% to 6.29%).

Borrowing facilities

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
Borrowing facilities	**3,537,763**	1,471,650
Borrowing facilities — utilised	**1,179,834**	1,444,947

Cash and cash equivalents

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Euro	**195**	207
British pound ("**GBP**")	**2**	3
Hong Kong Dollar ("**HKD**")	**771**	1,236
Indonesian Rupiah ("**IDR**")	**51,283**	37,522
Renminbi ("**RMB**")	**153,887**	359,241
Singapore dollar ("**SGD**")	**554**	618
United States Dollar ("**USD**")	**107,035**	92,508
Total	**313,727**	491,335

	30 June 2026 *RMB'000*	31 December 2025 *RMB'000*
Pledged and restricted deposits	**80,048**	612,403

Cash and cash equivalents decreased due to purchase of property, plant and equipment.

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 2026, the pledged assets of the continuing operations in an aggregate amount of RMB72.3 million (as of 31 December 2025: RMB605.5 million) were in forms of cash and cash equivalents.

As at 30 June 2026, 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 circular dated 25 June 2025 and announcement dated 24 March 2026, the Disposal Group has banking facilities obtained from three domestic banks in an aggregate amount of RMB349,000,000, which remain guaranteed by the Group.

PLEDGE OF SHARES BY THE CONTROLLING SHAREHOLDER

As at 30 June 2026, no shares of the Company were pledged by the controlling shareholder.

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

During the Period, the Group did not hold any significant investments, nor did it have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

CONTINGENT LIABILITIES

Except for certain matters related to litigations disclosed in the note 19 to the interim financial statements, the Group did not have any material contingent liabilities as at 30 June 2026.

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcements of the Company dated 5 March 2026 and 13 March 2026 (the "**Announcements**") in relation to the placing of 90,000,000 existing Shares (the "**Placing Shares**") and top-up subscription of 90,000,000 new Shares at HK$3.51 per Share under the general mandate, raising net proceeds of approximately HK$309.6 million.

On 5 March 2026, the Company, Mr. XU Jihua and the relevant placing agents entered into a placing and subscription agreement, pursuant to which (i) Mr. XU Jihua agreed to sell, and the relevant placing agents agreed to act as agents of Mr. XU Jihua to procure, on a best effort basis, not less than six placees to purchase, the Placing Shares at the placing price of HK$3.51 per Placing Share (the "**Placing**"), and (ii) Mr. XU Jihua agreed to subscribe for, and the Company agreed to allot and issue, an aggregate of 90,000,000 new Shares at HK$3.51 per share (the "**Top-up Subscription**"). Completion of the Placing and the Top-up Subscription took place on 13 March 2026.

The Directors consider that the Placing and the Top-up Subscription represent a good opportunity for the Company to raise further capital for the Company, while at the same time broadening its shareholder and capital base. The placing price of HK$3.51 per Placing Share represents: (i) a discount of approximately 10.0% to the closing price of HK$3.900 per Share as quoted on the Stock Exchange on the last trading day immediately prior to the signing of the placing and subscription agreement (the "**Last Trading Date**"); and (ii) a discount of approximately 6.25% to the average closing price of approximately HK$3.744 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and including the Last Trading Date.

During the six months ended 30 June 2026, the net proceeds were utilized, and are proposed to be utilized, strictly in accordance with the intentions previously disclosed in the Announcements, and there was no material change or delay in the use of proceeds. The net proceeds were intended to be applied as to (i) approximately HK$142.4 million, equivalent to approximately 46.0% of the net proceeds for the construction and development of the Group's Indonesian mines; (ii) approximately HK$71.2 million, equivalent to approximately 23.0% of the net proceeds for mining equipment; (iii) approximately HK$65.0 million, equivalent to approximately 21.0% of the net proceeds for building construction; and (iv) approximately HK$31 million, equivalent to approximately 10.0% of the net proceeds, for contracting and other miscellaneous expenses to support the development of the Group's Indonesian mines.

Up to 30 June 2026, approximately HK$17.3 million (equivalent to approximately RMB15 million) of net proceeds have been utilised on contracting and other miscellaneous expenses to support the development of the Group's Indonesian mines.

BUSINESS OUTLOOK

MARKET OUTLOOK

Looking ahead to the second half of 2026, the supply and demand situation in the global coal market is expected to remain tight, and the upward trend in coal prices is likely to continue.

On the supply side, data from the National Bureau of Statistics shows that in June 2026, the national raw coal production of industrial enterprises above designated size was 380 million tonnes, a year-on-year decrease of 9.7%. As the policy of strictly controlling over-capacity coal production continues, domestic coal supply is expected to contract in the second half of the year.

Internationally, as one of the world's largest exporters of thermal coal, Indonesia's recently enacted coal export policy is continuing to reshape the global coal trade landscape. The Indonesian government has reduced the 2026 coal production capacity quota from 790 million tonnes to 600 million tonnes, a decrease of 24%, which has a more profound impact on the global coal supply chain.

On the demand side, as the Northern Hemisphere enters the peak season for summer electricity consumption, coal consumption demand in Asia remains strong. Major Asian economies are simultaneously increasing their procurement, driven by the dual effects of peak demand season and the turmoil in the global energy market caused by the U.S.-Israel-Iran conflict, providing strong support for coal prices. Overall, against the backdrop of tight supply and strong demand, coal prices are expected to remain firm.

Indonesia's New Coal Export Policy

In May 2026, the Indonesian government issued the "Government Regulation on the Management of Exports of Natural Resource Commodities (《自然資源商品出口管理政府條例》)", which stipulates that the export of coal, palm oil, and ferroalloys must be conducted through state-owned companies as the unified window for export processing. The policy will be implemented in two phases: the period from 1 June to 31 December 2026 is a transition period, during which existing exporters can conduct their export operations as usual but are required to submit reports to state-owned companies; from 1 January 2027, the full implementation phase will begin, and all exports of commodities such as coal must be processed through PT Danantara Sumber Daya Indonesia(hereafter refers to PT DSI), a unified window established pursuant to the State of the Nation Address delivered by the Indonesian President on August 14, 2026. This measure is aimed at strengthening the supervision and management of shipment volumes, declaration data, and foreign exchange, and is not intended for state-owned companies to monopolize export business or replace the direct export rights of private enterprises.

Regarding the new policy on coal exports recently introduced by Indonesia, the Group's management has made a preliminary assessment that the policy is primarily aimed at regulating market order, strengthening industry supervision, and combating irregular transfer pricing, rather than replacing the daily operation of private enterprises. Existing export contracts are expected to be implemented in an orderly manner, and the Group's coal mine operation and export operations are currently proceeding as normal. In view of the fact that the new policy is expected to be fully implemented in 2027 with a transition period of approximately seven months, the Group is closely monitoring the policy details and the implementation mechanism for the transition period. It is also actively communicating with state-owned companies and relevant regulatory authorities to ensure compliant operation during the transition period and in the future. On the other hand, the adjustments to Indonesia's export policy may have a certain impact on the global coal supply chain and price trends, and the Group will pay close attention to the supply and demand changes in the international coal market. Looking ahead, the Group will continue to prudently assess the potential impact of policy changes on the operation and financial condition of the SDE Coal Mine, and will take appropriate measures in a timely manner to safeguard the overall interests of the Group and its shareholders.

Safety Production and Management Improvement

The Group has always placed safety production as its top operational priority. In the first half of 2026, the Group continued to strengthen its safety training systems, focusing on safety training for key persons in charge of coal mines, safety production management personnel, and frontline coal mine staff, as well as specialized training on safety risk prevention and control. This systematically enhanced the safety awareness and operational skills of all employees.

Advancing Production Capacity Release

Looking ahead to the second half of 2026, the Group will continue to focus on stabilizing and increasing production at the SDE Coal Mine. It will fully leverage the production capacity advantages following the commencement of production at SDE Mine 2, further improve the washed coal recovery rate, and optimize the product mix. At the same time, the Group will closely monitor the implementation progress of Indonesia's coal export policy and international coal price trends, and flexibly adjust its sales strategies to ensure maximum returns in a favourable market environment. The Group firmly believes that with the dual support of supply contraction and strong demand, the prosperity of the coal industry is expected to continue. The Company will fully benefit from the industry's upward cycle, creating sustainable long-term returns for its shareholders.

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 2026.

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 2026.

EMPLOYEES AND REMUNERATION

As at 30 June 2026, the Group employed 4,803 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 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 2026 (six months ended 30 June 2025: Nil).

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

During the six months ended 30 June 2026 (six months ended 30 June 2025: 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 2026 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 China, 25 August 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.