



Hidili Industry International Development Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1393

2026 INTERIM REPORT





CONTENTS

Corporate Information	2
Chairman's Statement	4
Management Discussion and Analysis	5
Other information	12
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	17
Condensed Consolidated Statement of Financial Position	18
Condensed Consolidated Statement of Changes in Equity	20
Condensed Consolidated Statement of Cash Flows	21
Notes to the Condensed Consolidated Financial Statements	22

CORPORATE INFORMATION

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Xian Fan (Chairman)
Mr. Sun Jiankun
Mr. Zhuang Xianwei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Shiu Yuen Sammy
Mr. Huang Rongsheng
Ms. Xu Manzhen

AUDIT COMMITTEE

Mr. Chan Shiu Yuen Sammy (Chairman)
Mr. Huang Rongsheng
Ms. Xu Manzhen

REMUNERATION COMMITTEE

Mr. Chan Shiu Yuen Sammy (Chairman)
Mr. Huang Rongsheng
Ms. Xu Manzhen
Mr. Xian Fan

AUDITORS

ZHONGHUI ANDA CPA Limited
23rd Floor, Tower 2
Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

COMPANY SECRETARY

Ms. Chu Lai Kuen

AUTHORIZED REPRESENTATIVES

Mr. Xian Fan
Ms. Chu Lai Kuen

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE

16th Floor, Dingli Mansion
No. 185 Renmin Road
Panzhihua
Sichuan 617000
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1306, 13th Floor
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman KY1-1100
Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISER

Kwok Yih & Chan
Suites 1501, 15th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

STOCK CODE

1393

WEBSITE

<http://www.hidili.com.cn>

PRINCIPAL BANKERS

China Merchants Bank
Shenzhen Che Gong Miao Sub-Branch
A 1/F, Tianxiang Bldg
Tianan Che Gong Miao Industrial Zone
Futian, Shenzhen
PRC

China Minsheng Banking Corp. Ltd,
Chengdu Branch
Building 6, No. 966 Tianfu Avenue
Renmin Road South Extension
Chengdu, Sichuan Province
PRC

Sichuan Bank Company Limited
Panzhihua Zhuhuyuan Branch
Floor 1, Ping Street, Laodong Building
East District, Panzhihua City
Sichuan Province
PRC

Ping An Bank Co., Ltd.
Chengdu Branch
No. 240-1, Shuncheng Avenue
Chengdu, Sichuan Province
PRC

Ping An Bank Co., Ltd.
Kunming Branch
Huaxia International Plaza
No. 1101, Dianchi Road
Kunming, Sichuan Province
PRC

CHAIRMAN'S STATEMENT

OUTLOOK

Over the years, the Company has made significant efforts and invested substantial capital expenditure in mechanized coal mining, production equipment upgrades, and process optimization. At the same time, the Company has continued to implement budget controls over manufacturing costs and optimize the allocation of coal mine resources. A streamlined mining and production framework has been largely established. And, the expansion of production scale has enabled effective allocation of variable and fixed production costs (including materials, fuel and power, labor costs, and manufacturing overhead). During the six months ended 30 June 2026 (the "Review Period"), the unit production cost of raw coal further decreased to approximately RMB264 per tonne, a decrease of approximately 8.0% as compared to that of approximately RMB278 per tonne in the corresponding period in 2025. However, the unit cost of clean coal increased to approximately RMB1,245 per tonne due to relatively high raw coal consumption, representing an increase of approximately 28.6% as compared to that of approximately RMB968 per tonne in the corresponding period in 2025. The Company is currently actively optimizing its production processes to reduce consumption levels. On the other hand, as clean coal market prices rebounded during the Review Period, driven by demand from steel enterprises, the Company's average selling price of clean coal was approximately RMB1,305.2 per tonne, representing an increase of approximately 17.0% as compared to that of approximately RMB1,115.1 per tonne in the corresponding period in 2025. In the second half of 2026, the Company believes it can capitalize on the continued upward price trend, further adjust production costs, and expand profit margins, with the aim of maintaining a healthy overall financial, operational, and trading position.

With regard to debt restructuring, the Company is actively communicating and negotiating repayment plans with relevant onshore banks and financial institutions as well as offshore creditors, in order to accelerate the progress of the debt restructuring process.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change %
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	
Revenue	872,005	1,008,390	(13.5%)
Gross profit	58,710	94,015	(37.6%)
Loss before tax	(174,942)	(247,976)	(29.5%)
Loss and total comprehensive expense for the period	(166,018)	(248,377)	(33.2%)
EBITDA	117,144	63,668	84.0%
Basic loss per share (RMB cents)	(3.6)	(5.3)	(32.1%)

FINANCIAL REVIEW

REVENUE

During the Review Period, revenue of the Group amounted to approximately RMB872.0 million, representing a decrease of approximately 13.5%, as compared to that of approximately RMB1,008.4 million in the corresponding period in 2025. During the Review Period, clean coal market prices have rebounded as driven by demand from the steel enterprises, the average selling price of the Company amounted to approximately RMB1,305.2 per tonne, representing an increase of approximately 17.0% as compared to that of approximately RMB1,115.1 per tonne in the corresponding period in 2025. However, in line with the decrease in raw coal production of the Company, sales volume of clean coal decreased from approximately 847,100 tonnes in the corresponding period in 2025 to approximately 619,000 tonnes, representing a decrease of approximately 26.9%.

The following table sets forth the Group's revenue contribution, sales volume and average selling price by products for the Review Period, together with the comparative amounts for the corresponding period in 2025:

	Six months ended 30 June					
	Turnover	2026 Sales Volume (thousand tonnes)	Average Selling Price (RMB/Tonne)	Turnover	2025 Sales Volume (thousand tonnes)	Average selling price (RMB/ Tonne)
	RMB'000			RMB'000		
Principal products						
Clean coal	807,906	619.0	1,305.2	944,607	847.1	1,115.1
By-products						
High-ash thermal coal	60,705	471.9	128.6	61,428	527.0	116.6
Other products						
Others	3,394			2,355		
Total turnover	872,005			1,008,390		

MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES

Cost of sales for the Review Period was approximately RMB813.3 million, representing a decrease of approximately RMB101.1 million, or approximately 11.1%, as compared to that of approximately RMB914.4 million in the corresponding period in 2025.

The following table illustrates the production volume of the principal products in Sichuan and Guizhou provinces:

	Six months ended 30 June		Change %
	2026 (Thousand tonnes)	2025 (Thousand tonnes)	
Raw coal			
Sichuan province	72	140	(48.6%)
Guizhou province	2,234	2,482	(10.0%)
	2,306	2,622	(12.1%)
Clean coal			
Sichuan province	24	52	(53.8%)
Guizhou province	517	770	(32.9%)
	541	822	(34.2%)

During the Review Period, the Company's investments in mechanized coal mining and the enhancement in production process were largely completed. To ensure more efficient resource allocation, raw coal mining is currently concentrated in one consolidated core mine in Sichuan Province and four consolidated core mines in Guizhou Province. Furthermore, the Company continued to implement budget control over production overheads and optimized coal mine resource allocation during the Review Period, resulting in a further decrease in raw coal production costs. Variable and fixed production costs (including materials, fuel, power, labor costs, and manufacturing overhead) were more effectively allocated. The unit production cost of raw coal further decreased to approximately RMB264 per tonne, a decrease of approximately 8.0% as compared to that of approximately RMB287 per tonne in the corresponding period in 2025.

However, during the coal washing process, the consumption of raw coal was higher than usual during the Review Period, leading to a significant increase in the production cost of clean coal. The unit production cost of clean coal increased to approximately RMB1,245 per tonne, an increase of approximately 28.6% as compared to that of approximately RMB968 per tonne in the corresponding period in 2025. In addition, clean coal production also decreased during the Review Period, with approximately 541,000 tonnes, a decrease of approximately 34.2% as compared to that of approximately 822,000 tonnes in the corresponding period in 2025.

Material, fuel and power costs for the Review Period were approximately RMB257.4 million, representing an increase of approximately RMB28.8 million, or approximately 12.6%, as compared to that of approximately RMB228.6 million in the corresponding period in 2025. Despite the decline in both raw coal and clean coal production during the Review Period, the increased consumption of raw coal, coupled with the need to purchase additional clean coal from external sources, ultimately resulted in an overall increase in costs.

MANAGEMENT DISCUSSION AND ANALYSIS

Staff costs for the Review Period were approximately RMB252.0 million, representing a decrease of approximately RMB71.8 million, or approximately 22.2%, as compared to that of approximately RMB323.8 million in the corresponding period in 2025. The decrease was primarily attributable to the Company's further reduction in mining site management personnel and the decline in production output.

Depreciation and amortization for the Review Period were approximately RMB108.4 million, representing a decrease of approximately RMB18.3 million, or approximately 14.4%, as compared to that of approximately RMB126.7 million in the corresponding period in 2025. The decrease was in line with the decrease in production volume.

The following table set forth the unit production costs of the respective segment.

	Six months ended 30 June		Change %
	2026 RMB per tonne	2025 RMB per tonne	
Coal mining			
Cash cost	217	241	(10.0%)
Depreciation and amortization	47	46	(2.2%)
Total production cost	264	287	(8.0%)
Average cost of clean coal	1,245	968	28.6%

GROSS PROFIT

As a result of the foregoing, the gross profit for the Review Period was approximately RMB58.7 million, representing a decrease of approximately RMB35.3 million or approximately 37.6%, as compared to that of approximately RMB94.0 million in the corresponding period in 2025. The gross profit margin during the Review Period was approximately 6.7% as compared with approximately 9.3% in the corresponding period in 2025.

OTHER INCOME

During the Review Period, other income amounted to approximately RMB24.8 million, as compared to approximately RMB5.3 million in the corresponding period in 2025. The increase was mainly attributable to the increase in government grant during the Review Period.

OTHER GAINS AND LOSSES

During the Review Period, the Company recorded other gains of approximately RMB65.5 million, representing an increase of approximately RMB40.8 million, as compared to that of approximately RMB24.7 million in the corresponding period in 2025. The increase was mainly attributable to an increase in net exchange gain of approximately RMB41.9 million.

MANAGEMENT DISCUSSION AND ANALYSIS

DISTRIBUTION EXPENSES

Distribution expenses for the Review Period were approximately RMB50.1 million, representing a decrease of approximately RMB41.8 million or approximately 45.5%, as compared to that of approximately RMB91.9 million in the corresponding period in 2025. The decrease was attributable to the decrease in sales volume of clean coal and the transportation costs during the Review Period.

ADMINISTRATIVE EXPENSES

Administrative expenses during the Review Period were approximately RMB108.2 million, representing a decrease of approximately RMB10.9 million or approximately 9.2%, as compared to that of approximately RMB119.1 million in the corresponding period in 2025. The decrease was mainly attributable to a further decrease in general administrative costs in Guizhou during the Review Period.

FINANCE COSTS

Finance costs during the Review Period were approximately RMB150.9 million, representing a decrease of approximately RMB5.7 million or approximately 3.6%, as compared to that of approximately RMB156.6 million in the corresponding period in 2025, similar to the costs provided in the corresponding period in last year.

INCOME TAX CREDIT/(EXPENSE)

Income tax credit for the Review Period amounted to approximately RMB8.9 million, representing income tax credit of approximately RMB8.4 million and deferred tax credit of approximately RMB0.5 million for the Review Period.

LOSS FOR THE PERIOD

As a result of the foregoing, the loss attributable to the owners of the Company for the Review Period was approximately RMB166.5 million, representing a decrease of approximately RMB79.6 million or approximately 32.3%, as compared to that of approximately RMB246.1 million in the corresponding period in 2025.

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION ("EBITDA")

The following table illustrates the Group's EBITDA for the respective periods. The Group's EBITDA margin was 13.4% for the Review Period as compared with 6.3% in the corresponding period in 2025.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Loss before tax	(174,942)	(247,976)
Finance costs	150,933	156,626
Depreciation and amortization	141,153	155,018
EBITDA	117,144	63,668

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group incurred net current liabilities of approximately RMB8,198.2 million as compared to approximately RMB8,139.9 million as at 31 December 2025.

As at 30 June 2026, the bank and cash balances of the Group amounted to approximately RMB8.4 million (as at 31 December 2025: approximately RMB43.1 million).

As at 30 June 2026, the bank and other borrowings payable within one year of the Group were approximately RMB5,573.6 million (as at 31 December 2025: approximately RMB5,546.1 million), carrying interest at fixed rate of 2.06% to 4.275% per annum.

The gearing ratio (calculated as the aggregate of total bank and other borrowings, senior notes and preferred shares divided by total assets) of the Group as at 30 June 2026 was 62.1% (as at 31 December 2025: 62.0%).

DEBT RESTRUCTURING

In 2024, China Minsheng Bank Chengdu Branch ("Minsheng Bank"), Ping An Bank Chengdu Branch and Ping An Bank Kunming Branch (collectively "Ping An Bank") (dominating around 70% of the Company's bank borrowings) disposed their respective debts to a PRC financial institution (the "PRC Financial Institution"). Following the debt disposal by Minsheng Bank and Ping An Bank in 2024, the negotiations with the PRC Financial Institution and the onshore remaining lending banks (the "Remaining PRC Lending Banks") were restarted in January 2025. Preliminary repayment proposals were delivered to the PRC Financial Institution and the respective Remaining PRC Lending Banks for their internal consideration and approval. The Company proposed a substantial portion of onshore bank borrowings to be extended to a term over one year and within five years and the outstanding interests to be waived. The Company has held several negotiations with the PRC Financial Institution and the Remaining PRC Lending Banks for major commercial terms of the preliminary repayment proposals and provided update financial and operational position of the Company. The proposals are still under their internal review. As at the date of this announcement, no agreement has been reached regarding the repayment proposals. The Company will actively communicate and negotiate with all relevant parties to reach a consensus as soon as possible.

Regarding the shares placement programme (the "SPP"), the New USD Senior Notes amounting to USD76,501,000 held by Hidili Scheme Company Limited (the "Creditor SPV") as an added measure of protection to the creditors that elected to joint the SPP (the "SPP Participants") matured. No sale of the shares held under SPP (the "SPP Shares") was completed since the implementation of the SPP on 31 March 2023. The SPP ended up by 31 March 2026. Currently, the Company has communicated with the SPP Participants and relevant professionals for constructive arrangement for the buyback of the SPP Shares and feasible repayment proposals.

PLEDGE OF ASSETS OF THE GROUP

As at 30 June 2026, the Group pledged its property, plant and equipment, bank deposits and bill receivables in an aggregate amount of approximately RMB4,255 million (as at 31 December 2025: approximately RMB4,376 million) to banks for credit facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group maintained an aggregate of 6,303 employees as compared with 6,508 employees at 31 December 2025. During the Review Period, the staff costs (including directors' remuneration in the form of salaries and other allowances) was approximately RMB290.9 million (corresponding period in 2025: approximately RMB357.1 million).

The salary and bonus policy of the Group is principally determined by the qualifications, performance and working experience of the individual employee and with reference to prevailing market conditions.

RISK IN FOREIGN EXCHANGE

Since all of the Group's business activities are transacted in RMB, the Directors consider that the Group's risk in foreign exchange is insignificant. However, during the Review Period, the Group was exposed to exchange rate risk mainly arising from the foreign currency bank balances of approximately HK\$0.1 million during the Review Period.

SIGNIFICANT INVESTMENT HELD

During the Review Period, the Group did not hold any significant investments.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Review Period, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

During the Review Period, the Group does not have any plans for material investment and capital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

- (a) Hidili Industry (China) Group Limited ("Hidili China"), a wholly owned subsidiary of the Company, received a Notice of Court Action attaching the writ of summons (the "2016 Writ") issued by the Higher People's Court of Guangdong Province of the People's Republic of China (廣東省高級人民法院) on 15 April 2016. Pursuant to the 2016 Writ, China Merchants Bank, Shenzhen Chegongmiao Branch ("2016 Plaintiff") filed a civil claim against (i) Hidili China, (ii) Liupanshui Hidili Industry Co., Ltd. ("Liupanshui Hidili"), a wholly owned subsidiary of the Company, (iii) Panxian Xileqing Coal Industry Co., Ltd. ("Panxian Xileqing"), a wholly owned subsidiary of the Company, and (iv) Sichuan Hidili Industry Co., Ltd. ("Sichuan Hidili"), a wholly owned subsidiary of the Company, in respect of a loan agreement dispute case. The 2016 Plaintiff claimed against Hidili China for relief, among others, the outstanding principal amount and the default interest payment of approximately RMB576 million as of 20 January 2016 under the security agreement entered into between 2016 Plaintiff and Hidili China on 13 January 2013 where Liupanshui Hidili and Panxian Xileqing acted as guarantors and Liupanshui Hidili, Panxian Xileqing and Sichuan Hidili pledged certain assets and mining rights.
- (b) Both of Sichuan Haohang Trading Company Limited ("Sichuan Haohang") and Sichuan Hidili received a Notice of Court Action attaching the writ of summons (the "2017 Writ") issued by the Higher People's Court of Sichuan Province of the People's Republic of China (四川省高級人民法院) on 1 June 2017. Pursuant to the 2017 Writ, Chengdu Branch of Shanghai Pudong Development Bank (the "2017 Plaintiff") filed a civil claim against (i) Sichuan Haohang, (ii) Sichuan Hidili, (iii) Liupanshui Hidili and (iv) Hidili China in respect of a loan agreement dispute case. The 2017 Plaintiff claimed against Sichuan Haohang and Sichuan Hidili for relief, among others, the outstanding principal amount as of 25 August 2016 and the default interest payment (calculated as at 18 April 2017) of approximately RMB134 million and RMB134 million respectively under the Agreement of Establishing Bank Promissory Note Business entered into between the 2017 Plaintiff and Sichuan Haohang and Sichuan Hidili on 25 February 2016 where Liupanshui Hidili pledged certain assets and mining rights and Hidili China acted as guarantor. The loan has been fully transferred to an onshore private enterprise by the 2017 Plaintiff and the repayment proposal is currently under negotiation. Currently, the respective loans under Sichuan Haohang and Sichuan Hidili were assigned to a private company established in the PRC.

As it is not practical to assess the outcome of the cases at this stage, accordingly, no provision was made in the consolidated financial statements.

Save as disclosed above, as at 30 June 2026, the Group did not have any other material contingent liabilities.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES

As at 30 June 2026, the Directors and chief executive of the Company had the following interests and/or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (the "SFO")) which are required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in the Rules Governing the Listing of Securities on the Stock Exchanges of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), to be notified to the Company and the Stock Exchange:

Name	Name of the entity	Number of issued ordinary shares held	Nature of interest	Approximate percentage of the issued share capital of the Company/ percentage of shareholding
Mr. Xian Yang ("Mr. Xian") (Note 1)	The Company	1,040,674,000	Founder and beneficiary of trust	22.60% (L)
Mr. Xian Yang	Sanlian Investment Holding Limited ("Sanlian Investment")	1,000	Beneficial owner	100%
Ms. Qiao Qian (Note 2)	The Company	1,040,674,000	Interest of spouse	22.60% (L)
Mr. Sun Jiankun ("Mr. Sun") (Note 3)	The Company	19,380,000	Interest of controlled corporation	0.42% (L)
Mr. Sun	Able Accord Enterprises Limited ("Able Accord")	1,000	Beneficial owner	100%
Mr. Xian Fan (Note 4)	The Company	3,327,000	Interest of controlled corporation	0.07% (L)
Mr. Xian Fan	Petra Enterprises Limited ("Petra Enterprises")	1	Beneficial owner	100%
Mr. Zhuang Xianwei	The Company	500,000	Beneficial owner	0.01% (L)

* (L)-Long position

OTHER INFORMATION

Notes:

1. 1,040,674,000 shares of the Company are held by Sanlian Investment, the issued share capital of which is jointly held by Xian Yang No.1A Ltd. ("Xian Yang No.1A") and Sanlian No.1 Ltd. ("Sanlian No.1"). Mr. Xian Yang (who passed away on 10 September 2024) is the only controlling shareholder of Xian Yang No.1A and Sanlian No.1. In 2011, Mr. Xian Yang formed a discretionary trust, The Xian Yang Foundation 1, of which Trident Trust Company (Singapore) Pte. Limited ("Trident Trust") was the trustee. Accordingly, Mr. Xian Yang is deemed to be interested in 1,040,674,000 shares held by Sanlian Investment by virtue of the SFO. Mr. Xian Yang is also the sole director of Sanlian Investment. As at the date of this report, the spouse of Mr. Xian Yang, namely Ms. Qiao Qian ("Ms. Qiao"), had engaged legal counsel to handle matters in relation to the discretionary trust.
2. By virtue of the SFO, Ms. Qiao is also deemed, as the spouse of Mr. Xian Yang, to be interested in all the shares of the Company in which Mr. Xian Yang is deemed to be interested.
3. 19,380,000 shares of the Company are held by Able Accord, the entire issued share capital of which is held by Mr. Sun. Accordingly, Mr. Sun is deemed to be interested in 19,380,000 shares held by Able Accord by virtue of the SFO. Mr. Sun is also a director of Able Accord.
4. 3,327,000 shares of the Company are held by Petra Enterprises, the entire issued share capital of which is held by Mr. Xian Fan. Accordingly, Mr. Xian Fan is deemed to be interested in 3,327,000 shares held by Petra Enterprises by virtue of the SFO. Mr. Xian Fan is also a director of Petra Enterprises.

Save as disclosed above, to the best knowledge of the Directors, as at 30 June 2026, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Saved as disclosed, at no time during the period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Number of issued ordinary shares held*	Nature of interest	Approximate percentage of the issued share capital of the Company*
Trident Trust (<i>Note 1</i>)	530,743,740	Trustee	11.53% (L)
Sanlian Investment (<i>Note 1</i>)	1,040,674,000	Beneficial owner	22.60% (L)
Mr. Xian Yang (<i>Note 1</i>)	1,040,674,000	Interest of controlled corporation	22.60% (L)
Ms. Qiao Qian (<i>Note 2</i>)	1,040,674,000	Interest of spouse	22.60% (L)
Mr. Guo Guangchang (<i>Note 3</i>)	294,856,316	Interest of controlled corporation	6.40% (L)
Fosun International Holdings Limited (<i>Note 3</i>)	294,856,316	Interest of controlled corporation	6.40% (L)
Fosun Holdings Limited (<i>Note 3</i>)	294,856,316	Interest of controlled corporation	6.40% (L)
Fosun International Limited (<i>Note 3</i>)	256,396,797	Interest of controlled corporation	5.57% (L)
	38,459,519	Beneficial owner	0.83% (L)
Fosun Financial Holdings Limited (<i>Note 3</i>)	256,396,797	Interest of controlled corporation	5.57% (L)
Spinel Investment Limited (<i>Note 3</i>)	256,396,797	Interest of controlled corporation	5.57% (L)
Peak Reinsurance Holdings Limited (<i>Note 3</i>)	256,396,797	Interest of controlled corporation	5.57% (L)
Peak Reinsurance Company Limited (<i>Note 3</i>)	256,396,797	Beneficial owner	5.57% (L)
Ma Wei	266,104,170	Beneficial owner	5.78% (L)

* (L)-Long position

OTHER INFORMATION

Notes:

1. The entire issued share capital of Sanlian Investment is jointly owned by Xian Yang No.1A and Sanlian No.1. Mr. Xian Yang (who passed away on 10 September 2024) is the only controlling shareholder of Xian Yang No.1A and Sanlian No.1. In 2011, Mr. Xian formed a discretionary trust, The Xian Yang Foundation 1, of which Trident Trust was the trustee. Accordingly, Mr. Xian Yang is deemed to be interested in 1,040,674,000 shares of the Company held by Sanlian Investment by virtue of the SFO. Mr. Xian Yang is the sole director of Sanlian Investment. As at the date of this report, legal counsel had been engaged to handle matters in relation to the discretionary trust.
2. By virtue of the SFO, Ms. Qiao is also deemed, as the spouse of Mr. Xian Yang, to be interested in all the shares of the Company in which Mr. Xian Yang is deemed to be interested.
3. Fosun International Limited ("Fosun International") holds 100% direct interest in Fosun Financial Holdings Limited ("Fosun Financial"), 100% indirect interest in Spinel Investment Limited (Spinel Investment"), 86.71% indirect interest in both Peak Reinsurance Holdings Limited ("Peak Reinsurance Holding") and Peak Reinsurance Company Limited ("Peak Reinsurance") respectively. Accordingly, Fosun International is deemed to be interested in 256,396,797 shares of the Company held by Peak Reinsurance, by virtue of its interest in Fosun Financial, Spinel Investment and Peak Reinsurance Holdings.

Fosun International Holdings Limited ("Fosun International Holdings") holds 100% interest in Fosun Holdings Limited ("Fosun Holdings") which in turn holds 72.78% interest in Fosun International. Accordingly, Fosun International Holdings is deemed, or taken to be interested in an aggregate of 294,856,316 shares of the Company of which 38,459,519 shares of the Company held by Fosun International and 256,396,797 shares of the Company held by virtue of its interest in Fosun Holdings and Fosun International.

Fosun International Holdings is owned as to 85.29% by Mr. Guo Guangchang ("Mr. Guo"). Mr. Guo is, by virtue of his interest in Fosun International Holdings, deemed to be interest in an aggregate of 294,856,316 shares of the Company in which Fosun International and Peak Reinsurance are interested respectively.

Save as disclosed above, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had/would have interests or short positions in the shares or underlying shares of the Company or its associated corporations of 5% or more which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register kept by the Company under section 336 of the SFO.

OTHER INFORMATION

AUDIT COMMITTEE

An audit committee of the Company (the “Audit Committee”) was established on 25 August 2007 in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code (the “Corporate Governance Code”) as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

As at the date of this report, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Chan Shiu Yuen Sammy (Chairman), Mr. Huang Rongsheng and Ms. Xu Manzhen.

The Audit Committee has reviewed together with the management of the Company the accounting principles, accounting standards and methods adopted by the Company, discussed the matters concerning internal control, auditing and financial reporting matters and has reviewed the consolidated financial statements of the Group for the Review Period.

CORPORATE GOVERNANCE

The Board is of the view that the Company has complied with the provisions of the Corporate Governance Code during the Review Period. The Directors are not aware of any information that reasonably reveals that there is any non-compliance with the Corporate Governance Code by the Company during any time of the Review Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as its own Code for securities transactions by the Directors (the “Code”). All Directors have confirmed their compliance throughout the Review Period with the required standards set out in the Model Code and the Code.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Review Period.

By Order of the Board
Hidili Industry International Development Limited
Xian Fan
Chairman

Hong Kong
31 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	872,005	1,008,390
Cost of sales		(813,295)	(914,375)
Gross profit		58,710	94,015
Interest revenue		12,365	12,347
Other income	5	24,846	5,323
Other gains and losses	6	65,541	24,657
Distribution expenses		(50,108)	(91,937)
Administrative expenses		(108,186)	(119,134)
Share of loss of an associate		(9)	–
Share of loss of a joint venture		(27,168)	(16,621)
Finance costs	7	(150,933)	(156,626)
Loss before tax		(174,942)	(247,976)
Income tax credit/(expense)	8	8,924	(401)
Loss and total comprehensive expense for the period		(166,018)	(248,377)
Loss and total comprehensive expense for the period attributable to:			
– Owners of the Company		(166,511)	(246,137)
– Non-controlling interests		493	(2,240)
		(166,018)	(248,377)
Loss per share	11		
Basic (RMB cents)		(3.6)	(5.3)
Diluted (RMB cents)		(3.6)	(5.3)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	8,483,624	8,606,755
Right-of-use assets		33,540	38,396
Investment in an associate		43,777	43,786
Interests in a joint venture		998,769	1,025,937
Equity investments at fair value through other comprehensive income		5,500	5,500
Long-term deposits		14,673	14,673
		9,579,883	9,735,047
CURRENT ASSETS			
Inventories		241,549	196,073
Bills and trade receivables	13(a)	393,558	328,497
Bills receivables discounted with recourse	13(b)	–	–
Other receivables and prepayments		884,609	822,056
Amount due from a joint venture		499,391	482,058
Pledged bank deposits		711	711
Bank and cash balances		8,440	43,065
		2,028,258	1,872,460
CURRENT LIABILITIES			
Bills and trade payables	14	788,662	735,363
Contract liabilities		306,421	340,926
Advances drawn on bills receivables discounted with recourse		–	–
Accruals and other payables		2,863,084	2,713,556
Lease liabilities		13,883	11,071
Tax payables		30,401	39,458
New USD Senior Notes		650,364	625,839
Bank and other borrowings	15	5,573,623	5,546,119
		10,226,438	10,012,332
NET CURRENT LIABILITIES		(8,198,180)	(8,139,872)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,381,703	1,595,175

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Other payables		26,038	26,247
Provision for restoration and environmental costs		18,670	18,112
Lease liabilities		21,866	29,934
Deferred tax liabilities		9,881	10,379
Preferred shares	17	982,950	1,022,187
		1,059,405	1,106,859
NET ASSETS		322,298	488,316
CAPITAL AND RESERVES			
Share capital	16	421,298	421,298
Reserves		(119,627)	46,884
Equity attributable to owners of the Company		301,671	468,182
Non-controlling interests		20,627	20,134
TOTAL EQUITY		322,298	488,316

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company									Attributable to non-controlling interests	
	Share capital	Share premium	Special reserve	Statutory surplus reserve	Future development fund	Other reserve	Equity investment revaluation reserve	Accumulated losses	Total		Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026 (audited)	421,298	3,752,634	695,492	451,303	109,346	(99,070)	(18,000)	(4,844,821)	468,182	20,134	488,316
(Loss)/profit and total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	(166,511)	(166,511)	493	(166,018)
At 30 June 2026 (unaudited)	421,298	3,752,634	695,492	451,303	109,346	(99,070)	(18,000)	(5,011,332)	301,671	20,627	322,298
At 1 January 2025 (audited)	421,298	3,752,634	695,492	451,303	109,346	(99,070)	(18,000)	(4,221,792)	1,091,211	20,185	1,111,396
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	(246,137)	(246,137)	(2,240)	(248,377)
At 30 June 2025 (unaudited)	421,298	3,752,634	695,492	451,303	109,346	(99,070)	(18,000)	(4,467,929)	845,074	17,945	863,019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash from operating activities		(26,913)	69,386
Net cash used in investment activities			
Additions to property, plant and equipment	12	(39,005)	(70,467)
Placement of pledged bank deposits		–	–
		(39,005)	(70,467)
Net cash used in financing activities			
Bank and other borrowings raised		38,078	–
Repayment of bank and other borrowings	15	(5,537)	(2,562)
Interest paid		(1,248)	(6,457)
		31,293	(9,019)
Net decrease in cash and cash equivalents		(34,625)	(10,100)
Cash and cash equivalents at 1 January		43,065	22,079
Cash and cash equivalents at 30 June		8,440	11,979

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 1 September 2006. Its shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the principal place of business of the Company is Room 1306, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong. The Company acts as an investment holding company and its subsidiaries are engaged in coking coal mining and sale of clean coal and its by-products.

In the opinion of the directors of the Company (the “Directors”), the Company’s parent company is Sanlian Investment Holding Limited, a company incorporated in the British Virgin Islands and the ultimate holding company is Trident Trust Company (Singapore) Pte. Limited (trustee of the discretionary trust), which is controlled by Mr. Xian Yang (who passed away on 10 September 2024), the then executive director of the Company. As at the date of the approval of the consolidated financial statements, the spouse of Mr. Xian Yang, namely Ms. Qiao Qian (“Ms. Qiao”), had engaged legal counsel to handle matters in relation to the discretionary trust.

The Group’s principal operations are conducted in the People’s Republic of China (the “PRC”). The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

GOING CONCERN ASSUMPTION

The Group incurred a loss of approximately RMB166.0 million for the six months ended 30 June 2026 and had net current liabilities of approximately RMB8,198.2 million as at 30 June 2026. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

2. BASIS OF PREPARATION *(Continued)*

GOING CONCERN ASSUMPTION *(Continued)*

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from 30 June 2026, taking into account the following plans and measures:

- (a) The Group is negotiating with banks and relevant financial institution to roll over the loan repayments and extend repayment of interests;
- (b) The Group is negotiating with offshore creditors for constructive and feasible repayment proposals;
- (c) The Group is planning on disposal of certain assets;
- (d) The Group expects that its operations will continue to improve liquidity and profitability; and
- (e) The Group will continue to take active measures to control administrative and production costs.

The directors of the Company have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 30 June 2026. In the opinion of the directors, considering the anticipated cash inflows from operations, the implementation of cost control measures, and the above-mentioned plans and measures, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due within the next twelve months from 30 June 2026. Accordingly, the directors are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern depends upon the following:

- (i) the successful negotiation with banks and relevant financial institution to roll over the loan repayments and extend repayment of interests;
- (ii) the successful negotiation with offshore creditors for constructive and feasible repayment proposals;
- (iii) the successful disposal of certain assets of the Group;
- (iv) the successful outcome that would continue improving the liquidity and profitability of the Group; and
- (v) the successful outcome that certain measures to control the administrative and production costs.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ACCOUNTING STANDARDS ("IFRS ACCOUNTING STANDARDS")

In the current interim period, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards ("IFRS"), International Accounting Standards, and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current interim period.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

The Group's operation is solely derived from the production and sales of clean coal and its by-products. For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group as a whole prepared based on same accounting policies with the Group. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

An analysis of the Group's revenue from its major products is as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sales of coal and its by-products:		
Clean coal	807,906	944,607
High-ash thermal coal	60,705	61,428
Others	3,394	2,355
Revenue from contracts with customers	872,005	1,008,390

DISAGGREGATION REVENUE FROM CONTRACTS WITH CUSTOMERS

Time of Revenue Recognition

All timing of revenue recognition is at a point of time for the six months ended 30 June 2026 and 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

DISAGGREGATION REVENUE FROM CONTRACTS WITH CUSTOMERS *(Continued)*

Geographical Information

All of the Group's turnover are derived from the operation in the PRC and all the customers of the Group are located in the PRC. In addition, all of the Group's non-current assets are located in the PRC. Therefore, no geographical information is presented.

Information About Major Customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Customer A	258,372	*—
Customer B	102,377	*37,789
Customer C	*46,076	188,894
Customer D	*—	246,392

Note: Stated above representing revenue from sales of clean coal

* Revenue from this customer did not exceed 10% of the total revenue during the period. These amounts were shown for comparative purpose.

5. OTHER INCOME

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Government grant <i>(note)</i>	24,401	1,780
Others	445	3,543
	24,846	5,323

Note: The amounts represent incentives received from government regarding renovation of mechanization and informatization.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net exchange gain	59,182	17,246
Reversal of impairment of trade and other receivables	2,259	1,470
Written-off of property, plant and equipment	(3,273)	(30)
Others	7,373	5,971
	65,541	24,657

7. FINANCE COSTS

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest expenses on borrowings wholly repayable within five years:		
– bank and other borrowings	149,644	153,560
– advances drawn on bills receivables discounted	368	1,957
	150,012	155,517
Interest expenses on lease liabilities	921	1,109
	150,933	156,626

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

8. INCOME TAX CREDIT/(EXPENSE)

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	8,426	(921)
Deferred taxation	498	520
	8,924	(401)

The provision of EIT is based on a statutory rate of 25% of the assessable profit of the Group entities which recorded profit for the period as determined in accordance with the relevant income tax rules and regulations of the PRC.

9. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging the following items:		
Provision for restoration and environmental costs	558	666
Depreciation of property, plant and equipment	134,961	153,544
Depreciation of right-of-use assets	6,192	1,474
Directors' remunerations	2,150	2,400
Salaries and other benefits	278,447	343,481
Retirement benefits scheme contribution	10,278	11,199
Total staff costs	290,875	357,080

10. DIVIDENDS

No dividends were paid, declared or proposed for the period ended 30 June 2026 and 2025 or since the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

11. LOSS PER SHARE

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

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
LOSS		
Loss for the purposes of basic and diluted loss per share		
Loss for the period attributable to owners of the Company	(166,511)	(246,137)
	Six months ended 30 June	
	2026 '000	2025 '000
NUMBER OF SHARES		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	4,605,259	4,605,259

The effect of all potential ordinary shares is anti-dilutive for the six months ended 30 June 2026 and 2025.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately RMB16.0 million (six months ended 30 June 2025: RMB51.8 million) and RMB23.0 million (six months ended 30 June 2025: RMB18.7 million) on acquisition of property, plant and equipment and construction in progress respectively.

Pursuant to Notices issued by Panzhihua Government and Liupanshui Government in October 2013 and September 2013, respectively (collectively "Mines Restructuring Plans"), Panzhihua Government and Liupanshui Government had formulated mines restructuring plans to improve productivity and safety of coal mining operations. The Group's mines located in Guizhou province and Sichuan province with carrying amounts as at 30 June 2026 of approximately RMB7,100 million (six months ended 30 June 2025: RMB7,664 million), which including mining structures and mining rights and construction in progress, are subject to the mines restructuring scheme and hence have to comply with the Mines Restructuring Plans.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

13. BILLS AND TRADE RECEIVABLES AND BILLS RECEIVABLES DISCOUNTED WITH RECOURSE

(A) BILLS AND TRADE RECEIVABLES

The Group generally allows an average credit period ranging from 90-120 days to its trade customers and the average credit period for bills receivables is ranging from 90-180 days.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	393,558	322,728
Bills receivables	–	5,769
	393,558	328,497

The following is an analysis of trade receivables by age, net of allowances, presented based on the invoice date, which approximately respective revenue recognition dates is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Aged:		
0-90 days	233,721	179,454
91-120 days	3,985	1,638
121-180 days	12,553	8,682
181-365 days	43,656	10,333
Over 356 days	99,643	122,621
	393,558	322,728

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

13. BILLS AND TRADE RECEIVABLES AND BILLS RECEIVABLES DISCOUNTED WITH RECOURSE *(Continued)*

(B) BILLS RECEIVABLES DISCOUNTED WITH RECOURSE

The Group generally allows an average credit period ranging from 90-180 days to its customers. The aged analysis of bills receivables discounted with full recourse is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Aged:		
0-120 days	—	—

14. BILLS AND TRADE PAYABLES

The following is an analysis of the trade payables by age, presented based on the invoice date.

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Aged:		
0-90 days	46,659	70,612
91-180 days	59,780	57,589
181-365 days	77,782	22,709
Over 365 days	604,441	584,453
	788,662	735,363

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

15. BANK AND OTHER BORROWINGS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Bank loans		
– Secured	1,462,109	1,472,685
Other loans		
– Secured	4,073,434	4,073,434
– Unsecured	38,080	–
	5,573,623	5,546,119

The bank and other borrowings are repayable as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Bank and other borrowings		
On demand or within one year	5,573,623	5,546,119
Less: amount due within one year shown under current liabilities	(5,573,623)	(5,546,119)
Amount due after one year	–	–

During the current interim period, the Group obtained approximately RMB38.1 million new borrowings (for the six months ended 30 June 2025: nil) and did not repay any borrowings (for the six months ended 30 June 2025: nil). As at 30 June 2026, loan amounting to approximately RMB5,537.6 million carries interest at fixed rate of 2.06% to 4.275% per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000	Amount RMB'000
Authorised:			
Ordinary shares of HK\$0.1 each			
As at 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	8,000,000,000	800,000	
Preferred shares of HK\$0.1 each			
As at 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	2,000,000,000	200,000	
Issued and fully paid:			
Ordinary shares of HK\$0.1 each			
As at 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	4,605,259,407	460,526	421,298

17. PREFERRED SHARES

	Number of shares	Amount HK\$'000	Amount RMB'000
Preferred shares of HK\$0.1 each			
As at 1 January 2025	1,793,524,789	1,131,714	1,048,012
Exchange difference	–	–	(15,945)
As at 30 June 2025	1,793,524,789	1,131,714	1,032,067
Exchange difference	–	–	(9,880)
As at 31 December 2025 and 1 January 2026	1,793,524,789	1,131,714	1,022,187
Exchange difference	–	–	(39,237)
As at 30 June 2026	1,793,524,789	1,131,714	982,950

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

18. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	394,761	417,768
The Group's share of the capital commitment made jointly with other ventures relating to its joint venture, Yunnan Dongyuan Hidili Coal Industry Company, is as follows:		
Commitments to contribute funds for the acquisition of property, plant and equipment	30,553	30,553

19. PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged the following assets to banks for credit facilities granted to the Group:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Property, plant and equipment	4,255,288	4,375,321
Bank deposits	711	711
	4,255,999	4,376,032

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

20. RELATED PARTY DISCLOSURES

In addition to the balances with related parties set out in the condensed consolidated statement of financial position, during the period, the Group entered into the following transactions with related parties:

(I) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term benefits	2,150	2,400
Post-employment benefits	40	40
	2,190	2,440



Hidili Industry International Development Limited