



Hidili Industry International Development Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1393



2025
INTERIM REPORT



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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
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Panzhuhua
Sichuan 617000
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1306, 13th Floor
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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

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Shops 1712-1716, 17th Floor
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LEGAL ADVISER

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Bank of America Tower
12 Harcourt Road
Central
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STOCK CODE

1393

WEBSITE

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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
Remin Road South Extension
Chengdu, Sichuan Province
PRC

Sichuan Bank Company Limited
Panzhuhua 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

Wing Lung Bank
16/F, Wing Lung Bank Building
45 Des Voeux Road Central
Central, Hong Kong

CHAIRMAN'S STATEMENT

OUTLOOK

Hidili Industry International Development Limited (the "Company") has put great effort and capital expenditure in mechanized mining, production upgrade and process optimization in order to speed up the release of production capacity in the coal mines for years. During the six months ended 30 June 2025 ("Review Period"), the Company achieved a significant increase in production capacity with 59.8% growth in raw coal and 64.7% growth in clean coal respectively. Both variable and fixed production costs such as material, fuel and power, staff costs and manufacturing overheads can be well absorbed by enlarged scale of production. The unit production costs experienced a remarkable reduction with raw coal at approximately RMB278 per tonne and clean coal at RMB968 per tonne respectively as compared to that of approximately RMB494 per tonne and RMB1,668 per tonne respectively in the corresponding period in 2024, representing decrease of approximately of 41.9% and 42.0% respectively. Accordingly, the Company recorded a gross profit of approximately RMB94.0 million during the Review Period as compared to gross loss of approximately RMB43.3 million in the corresponding period in 2024.

However, affected by increased domestic coal production capacity and weak demand from steel mills, the market price of coking coal in Sichuan and Guizhou provinces has plummeted. It deteriorated the operating margin of the Company during the Review Period. To amid the challenge, the Company is actively communicating with existing and potential customers to secure sales volumes and strive for better commercial terms. On the other hand, the Company continues in implementing further active and effective measures to strengthen the production process and budgetary control in both operating and general administrative overheads.

Regarding the debt restructuring, the Company is actively communicating and negotiating the preliminary repayment proposals with relevant onshore banks and financial institute to speed up the finalization of renewal agreements of bank borrowings by 2025.

For the second half of 2025, the Board considers the liquidity can be improved and the overall financial, business and trading position of the Company will remain healthy.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change %
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)	
Revenue	1,008,390	926,402	8.9%
Gross profit/(loss)	94,015	(43,325)	317.0%
Loss before tax	(247,976)	(350,029)	(29.2%)
Loss and total comprehensive expense for the period	(248,377)	(351,190)	(29.3%)
EBITDA	63,668	(93,991)	167.7%
Basic loss per share (RMB cents)	(5.3)	(7.7)	(31.2%)

FINANCIAL REVIEW

REVENUE

During the Review Period, revenue of the Group amounted to approximately RMB1,008.4 million, representing a slight increase of approximately 8.9%, as compared to that of approximately RMB926.4 million in the corresponding period in 2024. Driven by the growing raw coal production capacity of the Company during the Review Period, sales volume of clean coal was increased significantly from approximately 477,400 tonnes in the corresponding period in 2024 to approximately 847,100 tonnes, representing an increase of approximately 77.4%. However, sharp price decline in coking coal market led to a drop of approximately 35.8% in the Company's clean coal average selling price during the Review Period from RMB1,737.4 per tonne in the corresponding period in 2024 to RMB1,115.1 per tonne.

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 2024:

	Six months ended 30 June					
	2025 Turnover RMB'000	2025 Sales Volume (thousand tonnes)	Average Selling Price (RMB/ Tonne)	2024 Turnover RMB'000	2024 Sales Volume (thousand tonnes)	Average Selling Price (RMB/ Tonne)
Principal products						
Clean coal	944,607	847.1	1,115.1	829,470	477.4	1,737.4
By-products						
High-ash thermal coal	61,428	527.0	116.6	94,888	405.5	234.0
Other products						
Others	2,355			2,044		
Total turnover	1,008,390			926,402		

MANAGEMENT DISCUSSION AND ANALYSIS

COST OF SALES

Cost of sales for the Review Period was approximately RMB914.4 million, representing a decrease of approximately RMB55.3 million, or approximately 5.7%, as compared to that of approximately RMB969.7 million in the corresponding period in 2024.

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

	Six months ended 30 June		Change %
	2025 (Thousand tonnes)	2024 (Thousand tonnes)	
Raw coal			
Sichuan province	140	93	50.5%
Guizhou province	2,482	1,548	60.3%
	2,622	1,641	59.8%
Clean coal			
Sichuan province	52	51	2.0%
Guizhou province	770	448	71.9%
	822	499	64.7%

After years of investment in mechanized mining and enhancement in production process in the Company's coal mines, the production volume of raw coal and clean coal of the Company recorded a significant increase during the Review Period. Raw coal and clean coal production volume amounted to approximately 2,622,000 tonnes and 822,000 tonnes respectively, representing an increase of approximately 59.8% and 64.7% respectively.

In addition, the Company adopted budgetary control over production overheads and reallocation of resources among coal mines during the Review Period. It resulted in significant reduction in production costs. Both variable and fixed production costs such as material, fuel and power, staff costs and manufacturing overheads achieved a better absorption. The unit production cost of raw coal and clean coal amounted to approximately RMB287 per tonne and RMB968 per tonne respectively, representing decrease of approximately 41.9% and 42.0% respectively, as compared to that of approximately RMB494 per tonne and RMB1,668 per tonne respectively in the corresponding period in 2024.

Material, fuel and power costs for the Review Period were approximately RMB228.6 million, representing a slight decrease of approximately RMB9.1 million, or approximately 3.8%, as compared to that of approximately RMB237.7 million in the corresponding period in 2024. Benefiting from the improved utilization rate and upgraded efficiency, the Company was able to enlarge both raw coal and clean coal production volume by around 60% with the similar amount of materials consumed.

Staff costs for the Review Period were approximately RMB323.8 million, representing a decrease of approximately RMB50.6 million, or approximately 13.5%, as compared to that of approximately RMB374.4 million in the corresponding period of 2024. The decrease was mainly attributable to the decrease in further headcount during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation and amortization for the Review Period were approximately RMB126.7 million, representing an increase of approximately RMB24.8 million, or approximately 24.3%, as compared to that of approximately RMB101.9 million in the corresponding period of 2024. The increase was in line with the increase in production capacity.

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

	Six months ended 30 June		Change %
	2025 RMB per tonne	2024 RMB per tonne	
Coal mining			
Cash cost	241	436	(44.7%)
Depreciation and amortization	46	58	(20.7%)
Total production cost	287	494	(41.9%)
Average cost of clean coal	968	1,668	(42.0%)

GROSS PROFIT/(LOSS)

As a result of the foregoing, the gross profit for the Review Period was approximately RMB94.0 million, representing a sharp increase of approximately RMB137.3 million or approximately 317.1%, as compared to gross loss of approximately RMB43.3 million in the corresponding period in 2024. The gross profit margin during the Review Period was approximately 9.3% as compared with approximately -4.7% in the corresponding period in 2024.

OTHER INCOME

During the Review Period, other income amounted to approximately RMB5.3 million, as compared to approximately RMB10.2 million in the corresponding period in 2024. The decrease was mainly attributable to the decrease in government grant during the Review Period.

OTHER GAINS AND LOSSES

During the Review Period, the Company reported other gains of approximately RMB24.7 million, representing an increase of approximately RMB21.4 million, as compared to that of approximately RMB3.3 million in the corresponding period in 2024. The increase was mainly attributable to an increase in net exchange gain of approximately RMB21.3 million.

DISTRIBUTION EXPENSES

Distribution expenses for the Review Period were approximately RMB91.9 million, representing an increase of approximately RMB36.1 million or approximately 64.7%, as compared to that of approximately RMB55.8 million in the corresponding period of 2024. The increase was in line with the increase in sales volume of clean coal during the Review Period.

MANAGEMENT DISCUSSION AND ANALYSIS

ADMINISTRATIVE EXPENSES

Administrative expenses during the Review Period were approximately RMB119.1 million, representing a decrease of approximately RMB10.7 million or approximately 8.2%, as compared to that of approximately RMB129.8 million in the corresponding period in 2024. 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 RMB156.6 million, representing an increase of approximately RMB31.1 million or approximately 24.8%, as compared to that of approximately RMB125.5 million in the corresponding period in 2024. The increase was mainly attributable to the provision of other borrowings interest expenses payable to the creditors participating in the share placement programme (the "SPP").

INCOME TAX EXPENSE

Income tax expense for the Review Period amounted to approximately RMB0.4 million, representing provision for EIT of approximately RMB0.9 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 RMB246.1 million, representing a decrease of approximately RMB107.6 million or approximately 30.4%, as compared to that of approximately RMB353.7 million in the corresponding period in 2024.

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 6.3% for the Review Period as compared with -10.1% in the corresponding period in 2024.

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Loss before tax	(247,976)	(350,029)
Finance costs	156,626	125,465
Depreciation and amortization	155,018	130,573
EBITDA	63,668	(93,991)

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group incurred net current liabilities of approximately RMB7,831.6 million as compared to approximately RMB7,724.6 million as at 31 December 2024.

As at 30 June 2025, the bank and cash balances of the Group amounted to approximately RMB12.0 million (as at 31 December 2024: approximately RMB22.1 million).

As at 30 June 2025, the total bank borrowings payable within one year of the Group were approximately RMB5,556.6 million (as at 31 December 2024: approximately RMB5,559.3 million). As at 30 June 2025, loan amounting to RMB5,537.6 million carries interest at fixed rate of 4.275% per annum. The remaining loan carries interest at variable market rates around 2.38% per annum.

The gearing ratio (calculated as the aggregate of total bank borrowings, senior notes and preferred shares divided by total assets) of the Group as at 30 June 2025 was 60.9% (as at 31 December 2024: 60.4%).

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 update the recent financial position of the Company. 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. The Company believes that the bank borrowings will be renewed by 2025.

On 31 January 2025, 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. Regarding the SPP, 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 will be ended up by 31 March 2026. In the meantime, the Company approached the SPP Participants for constructive arrangement for the buyback of the SPP Shares and feasible repayment proposals.

PLEDGE OF ASSETS OF THE GROUP

As at 30 June 2025, the Group pledged its property, plant and equipment, bank deposits and bill receivables in an aggregate amount of approximately RMB4,353 million (as at 31 December 2024: approximately RMB4,457 million) to banks for credit facilities.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group maintained an aggregate of 8,691 employees as compared with 9,319 employees at 31 December 2024. During the Review Period, the staff costs (including directors' remuneration in the form of salaries and other allowances) was approximately RMB357.1 million (corresponding period in 2024: approximately RMB430.7 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 US\$0.2 million and 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 did not have other plans for material investment and capital assets.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

- (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 was fully transferred to an onshore private enterprise by the 2017 Plaintiff and the repayment proposal is currently under negotiation.

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 2025, the Group did not have any material contingent liabilities.

OTHER INFORMATION

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

As at 30 June 2025, 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 process her application for the inheritance of Mr. Xian Yang's estate.
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 2025, 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 2025, 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, the spouse of Mr. Xian Yang, Ms. Qiao, had engaged legal counsel to process her application for the inheritance of Mr. Xian Yang's estate.
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 72.91% 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
26 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	1,008,390	926,402
Cost of sales		(914,375)	(969,727)
Gross profit/(loss)		94,015	(43,325)
Interest revenue		12,347	8,392
Other income	5	5,323	10,151
Other gains and losses	6	24,657	3,262
Distribution expenses		(91,937)	(55,819)
Administrative expenses		(119,134)	(129,768)
Share of loss of a joint venture		(16,621)	(17,457)
Finance costs	7	(156,626)	(125,465)
Loss before tax		(247,976)	(350,029)
Income tax expense	8	(401)	(1,161)
Loss and total comprehensive expense for the period		(248,377)	(351,190)
Loss and total comprehensive expense for the period attributable to:			
– Owners of the Company		(246,137)	(353,688)
– Non-controlling interests		(2,240)	2,498
		(248,377)	(351,190)
Loss per share	11		
Basic (RMB cents)		(5.3)	(7.7)
Diluted (RMB cents)		(5.3)	(7.7)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		8,624,437	8,765,014
Right-of-use assets		17,724	17,558
Investment in an associate		44,016	44,016
Interests in a joint venture		1,061,791	1,078,412
Equity investments at fair value through other comprehensive income		5,500	5,500
Long-term deposits		14,673	14,404
Goodwill		1,340	1,427
		9,769,481	9,926,331
CURRENT ASSETS			
Inventories		325,953	275,003
Bills and trade receivables	13(a)	401,791	452,565
Bills receivables discounted with recourse	13(b)	10,000	10,000
Other receivables and prepayments		836,064	814,127
Amount due from a joint venture		451,567	394,281
Pledged bank deposits		822	822
Bank and cash balances		11,979	22,079
		2,038,176	1,968,877
CURRENT LIABILITIES			
Bills and trade payables	14	754,372	723,085
Contract liabilities		324,795	368,569
Advances drawn on bills receivables discounted with recourse		10,000	10,000
Accruals and other payables		2,578,789	2,410,720
Lease liabilities		6,133	5,895
Tax payables		36,969	40,018
Other borrowings		602,176	–
New USD Senior Notes		–	575,922
Bank borrowings	15	5,556,556	5,559,314
		9,869,790	9,693,523
NET CURRENT LIABILITIES		(7,831,614)	(7,724,646)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,937,867	2,201,685

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Provision for restoration and environmental costs		17,390	16,724
Lease liabilities		14,180	13,822
Deferred tax liabilities		11,211	11,731
Preferred shares	17	1,032,067	1,048,012
		1,074,848	1,090,289
NET ASSETS			
		863,019	1,111,396
CAPITAL AND RESERVES			
Share capital	16	421,298	421,298
Reserves		423,776	669,913
Equity attributable to owners of the Company		845,074	1,091,211
Non-controlling interests		17,945	20,185
TOTAL EQUITY			
		863,019	1,111,396

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company										Attributable to non-controlling interests	Total
	Share capital	Share premium	Special reserve	Statutory surplus reserve	Future development fund	Other reserve	Equity revaluation reserve	Accumulated losses	Total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
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	
At 1 January 2024 (audited)	421,298	3,752,634	695,492	451,303	109,346	(99,070)	(18,000)	(3,587,431)	1,725,572	21,766	1,747,338	
(Loss)/profit and total comprehensive (expense)/income for the period	-	-	-	-	-	-	-	(353,688)	(353,688)	2,498	(351,190)	
At 30 June 2024 (unaudited)	421,298	3,752,634	695,492	451,303	109,346	(99,070)	(18,000)	(3,941,119)	1,371,884	24,264	1,396,148	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash from operating activities		69,386	27,227
Net cash used in investment activities			
Additions to property, plant and equipment	12	(70,467)	(50,439)
Placement of pledged bank deposits		–	(1)
		(70,467)	(50,440)
Net cash used in financing activities			
Repayment of bank and other borrowings	15	(2,562)	–
Interest paid		(6,457)	(11,415)
		(9,019)	(11,415)
Net decrease in cash and cash equivalents		(10,100)	(34,628)
Cash and cash equivalents at 1 January		22,079	46,654
Cash and cash equivalents at 30 June		11,979	12,026

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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, 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 process her application for the inheritance of Mr. Xian Yang’s estate.

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 RMB248.4 million for the six months ended 30 June 2025 and had net current liabilities of approximately RMB7,831.6 million as at 30 June 2025. 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 2025

2. BASIS OF PREPARATION *(Continued)*

GOING CONCERN ASSUMPTION *(Continued)*

In view of such circumstances, the Directors 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 2025, 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 have reviewed the Group's cash flow projections, which cover a period of not less than twelve months from 30 June 2025. 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 2025. 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 of 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 2025

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	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Sales of coal and its by-products:		
Clean coal	944,607	829,470
High-ash thermal coal	61,428	94,888
Others	2,355	2,044
Revenue from contracts with customers	1,008,390	926,402

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 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	246,392	138,158
Customer B	188,894	*38,200
Customer C	*-	183,662
Customer D	*35,570	128,833
Customer E	*32,908	102,388

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grant <i>(note)</i>	1,780	3,645
Others	3,543	6,506
	5,323	10,151

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 2025

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net exchange gain/(loss)	17,246	(4,099)
Reversal of impairment of trade and other receivables	1,470	1,674
Written-off of property, plant and equipment	(30)	(1,260)
Others	5,971	6,947
	24,657	3,262

7. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest expenses on borrowings wholly repayable within five years:		
– bank and other borrowings	153,560	120,843
– advances drawn on bills receivables discounted	1,957	4,019
	155,517	124,862
Interest expenses on lease liabilities	1,109	603
	156,626	125,465

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	921	1,161
Deferred taxation	(520)	–
	401	1,161

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging the following items:		
Provision for restoration and environmental costs	666	478
Depreciation of property, plant and equipment	153,544	126,936
Depreciation of right-of-use assets	1,474	3,637
Directors' remunerations	2,400	1,240
Salaries and other benefits	343,481	422,333
Retirement benefits scheme contribution	11,199	7,146
Total staff costs	357,080	430,719

10. DIVIDENDS

No dividends were paid, declared or proposed for the period ended 30 June 2025 and 2024 or since the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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	
	2025 RMB'000 (Unaudited)	2024 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	(246,137)	(353,688)

	Six months ended 30 June	
	2025 '000	2024 '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 2025 and 2024.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately RMB51.8 million (six months ended 30 June 2024: RMB46.8 million) and RMB18.7 million (six months ended 30 June 2024: RMB3.6 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 2025 of approximately RMB7,664 million (six months ended 30 June 2024: RMB7,443 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 2025

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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	393,394	448,565
Bills receivables	8,397	4,000
	401,791	452,565

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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Aged:		
0-90 days	168,925	221,605
91-120 days	440	642
121-180 days	5,875	40,247
181-365 days	22,808	41,974
Over 356 days	195,346	144,097
	393,394	448,565

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Aged:		
0-120 days	10,000	–
121-180 days	–	10,000
	10,000	10,000

14. BILLS AND TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Aged:		
0-90 days	105,632	44,080
91-180 days	34,065	81,217
181-365 days	64,133	93,211
Over 365 days	550,542	504,577
	754,372	723,085

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

15. BANK BORROWINGS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Secured bank borrowings	5,556,556	5,559,314

The bank borrowings are repayable as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Carrying amount of bank borrowings		
Repayable within one year	5,556,556	5,559,314
Repayable after one year but within five years	–	–
	5,556,556	5,559,314

During the current interim period, the Group obtained nil new borrowings (for the six months ended 30 June 2024: nil) and repaid RMB2.7 million borrowings (for the six months ended 30 June 2024: nil). As at 30 June 2025, loan amounting to approximately RMB5,537.6 million carries interest at fixed rate of 4.275% per annum. The remaining loans carry interest at variable market rates around 2.38% per annum.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000	Amount RMB'000
Authorised:			
Ordinary shares of HK\$0.1 each			
As at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	8,000,000,000	800,000	
Preferred shares of HK\$0.1 each			
As at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	2,000,000,000	200,000	
Issued and fully paid:			
Ordinary shares of HK\$0.1 each			
As at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	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 2024 and 30 June 2024	1,793,524,789	1,131,714	1,027,640
Exchange difference	–	–	20,372
As at 31 December 2024 and 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

18. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 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	393,164	438,224
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	32,240	32,240

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 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment	4,353,189	4,455,931
Bank deposits	822	822
	4,354,011	4,456,753

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short-term benefits	2,400	1,240
Post-employment benefits	40	50
	2,440	1,290



Hidili 恒鼎

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