



# FEISHANG

Feishang Anthracite Resources Limited

飛尚無煙煤資源有限公司

*(Incorporated in the British Virgin Islands with limited liability)*

Stock Code : 1738

## INTERIM REPORT 2024



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. WANG Xinhua (*Chairman*)  
Mr. HE Jianhu  
Mr. TAM Cheuk Ho  
Mr. WONG Wah On Edward  
Mr. YANG Guohua

### Independent Non-executive Directors

Mr. CHAN Him Alfred  
Ms. LIANG Ying  
Mr. WANG Xiufeng

## AUTHORISED REPRESENTATIVES

Mr. WONG Wah On Edward  
Mr. YUE Ming Wai Bonaventure

## COMPANY SECRETARY

Mr. YUE Ming Wai Bonaventure

## AUDIT COMMITTEE

Mr. CHAN Him Alfred (*Chairman*)  
Ms. LIANG Ying  
Mr. WANG Xiufeng

## NOMINATION COMMITTEE

Mr. TAM Cheuk Ho (*Chairman*)  
Mr. CHAN Him Alfred  
Ms. LIANG Ying  
Mr. WANG Xiufeng

## REMUNERATION COMMITTEE

Mr. WONG Wah On Edward (*Chairman*)  
Mr. WANG Xinhua  
Mr. CHAN Him Alfred  
Ms. LIANG Ying  
Mr. WANG Xiufeng

## ESG COMMITTEE

Mr. YANG Guohua (*Chairman*)  
Mr. WANG Xinhua  
Mr. LIN Quanlong  
Ms. QIN Lu  
Mr. WANG Xiufeng

## AUDITOR

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

## REGISTERED OFFICE

Maples Corporate Services (BVI) Limited  
Kingston Chambers, P.O. Box 173  
Road Town, Tortola  
British Virgin Islands

## HONG KONG OFFICE AND PRINCIPAL PLACE OF BUSINESS

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## COMPANY'S WEBSITE

<http://www.fsanthracite.com>

## COMPANY'S STOCK CODE

1738.HK

# CORPORATE INFORMATION

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## LEGAL ADVISERS

*(As to Hong Kong Law)*  
Loeb & Loeb LLP

*(As to PRC Law)*  
Commerce & Finance Law Offices

*(As to British Virgin Islands Law)*  
Maples and Calder

## PRINCIPAL BANKERS

Bank of Guizhou Co., Ltd.  
China Minsheng Banking Corp., Ltd.  
Bank of Guiyang

# FINANCIAL HIGHLIGHTS

## For the six months ended 30 June 2024

- Revenue from continuing operations decreased by approximately 76.0% to approximately CNY153.6 million for the six months ended 30 June 2024 from approximately CNY641.3 million for the six months ended 30 June 2023
- Gross profit from continuing operations decreased by approximately 99.3% to approximately CNY1.5 million for the six months ended 30 June 2024 from approximately CNY224.3 million for the six months ended 30 June 2023
- Loss attributable to owners of the parent from continuing operations increased by approximately 537.0% to approximately CNY143.4 million for the six months ended 30 June 2024 from approximately CNY22.5 million for the six months ended 30 June 2023
- Basic loss per share from continuing operations was approximately CNY0.1

# MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board (the “Board”) of directors (the “Directors”) of Feishang Anthracite Resources Limited (the “Company”), I present the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “Reporting Period”).

## BUSINESS REVIEW

During the first half of 2024, the Chinese economy was still recovering at a pace below expectation and was fighting against deflation, partly due to the depressed real estate sector and domestic consumption. External risks and uncertainties, including geopolitical conflicts, high interest rates of many major economies, and Sino-US friction and technology blockade, also continued to pose challenges to the Chinese economy and Chinese enterprises. The central government continued its expansionary policy stance and stepped up efforts to resolve the real estate market risk and local government debt risk. A series of targeted and supportive fiscal, monetary and industrial policies, especially real estate deregulation, were announced and successively implemented. Macroeconomic indicators suggested that the economy was recovering slowly. In the first half of 2024, China’s gross domestic product (“GDP”) grew at a year-on-year (“YOY”) rate of 5.0%, thanks to the relatively strong manufacturing and export sectors which served as a major economic engine.

Within the coal industry, in the first half of 2024, coal supply and demand were both weak. On the supply side, coal supply still lacked elasticity due to supply-side reform, low capital expenditures and further strengthened safety and environmental regulation. A major coal-producing province, Shanxi Province, experienced a large YOY reduction of 13.5% in coal production, resulting in a 1.7% YOY decrease in overall domestic raw coal production in the first half of 2024. However, due to the easing of geopolitical tensions, international coal price advantage, zero to low import tariffs and largely increased coal import from Australia, coal import in the first half of 2024 increased by 12.5% YOY on top of last year’s high base. The combined results of the above led to no YOY increase in overall coal supply in the first half of 2024.

On the demand side, total electricity consumption in the first half of 2024 increased by 8.1% YOY, lending support to total power generation which grew by 5.2% YOY, with the growth mainly seen in hydropower generation with a 21.4% YOY increase, meaning the thermal power industry only grew by 1.7% YOY. Thanks to increased strategic importance and high international oil price, the coal chemical industry continued to grow and support coal demand. Other downstream industries, including the iron and steel industry and the cement industry, further weakened due to the continued depressed state of the real estate industry. High manufacturing investment and infrastructure investment served as important support for fixed asset investment and coal demand. The economy and coal demand were recovering slowly. In the first half of 2024, the price of coal further declined but exhibited reduced volatility as compared with the corresponding period in 2023. In March 2024, the percentage of loss-making companies in the coal industry reached a new high since 1999.

# MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2024, the Group recorded a consolidated loss attributable to owners of the parent of approximately CNY143.6 million. As disclosed in the profit warning announcement of the Company dated 28 June 2024, the Group recorded a slump in revenue and gross profit for the six months ended 30 June 2024. This was mainly due to (i) the Group's operations still being affected by the geological complexities of current mining faces, the temporary suspension of production of two major coal mines from October 2023 to March 2024, the streamlining of mining teams, and the temporary suspension of coal mining caused by delay in excavation work; (ii) the decline in the market price of coal in mainland China in the first half of 2024 as compared with the corresponding period in 2023, plus a significant proportion of coal products being sold to power plants at regulated price; and (iii) the stringent safety and environmental regulatory environment. These in turn led to a plunge in production and sales volume, an increase in unit production cost and a drop in the average selling price of the Group's coal products in 2024. Also, interest expense from the interest-bearing loans carried forward from 2023 further undermined the Group's profitability.

## SUMMARY OF EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

- During the Reporting Period, total production volume of the Group was approximately 0.47 million tonnes. As at 30 June 2024, the total proved and probable reserve of the four coal mines under Australian Code prepared by the Joint Ore Reserves Committee (the "JORC Code") was approximately 163.74 million tonnes (calculated as if the four coal mines were wholly owned by the Group and adjusted by deducting those reserves extracted by the Group's mining activities from 1 August 2013 to 30 June 2024). For details, please refer to the Summary of Mine Properties as set out on page 55 of this report.

### Compliance

During the Reporting Period, as far as the Company is aware, there was no material breach of and/or non-compliance with applicable laws and regulations by the Group that had a significant impact on the business and operations of the Group.

### Risk Management and Internal Control

The Board has overall responsibility for the effective risk management and internal control systems of the Group and is committed to the maintenance of good corporate governance, practices and procedures of the Group. In accordance with the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Group continuously improves the risk management and internal control systems, and updates a number of policies. The Board believes that these measures will strengthen the risk management and internal control systems of the Group. As far as the Group is aware, there were no fraudulent practices brought to the Group's attention during the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Continuing Operations

#### *Revenue*

The Group's total revenue decreased by approximately 76.0% from approximately CNY641.3 million for the six months ended 30 June 2023 to approximately CNY153.6 million for the Reporting Period. The approximately CNY487.7 million plunge in revenue during the Reporting Period was mainly caused by the decrease in sales volume of self-produced anthracite coal and the drop in the average selling price. The sales volume of self-produced anthracite coal decreased from approximately 1.32 million tonnes for the six months ended 30 June 2023 to approximately 0.42 million tonnes for the Reporting Period, representing a decrease of approximately 68.3%, mainly due to (i) the geological complexities of current mining faces encountered by the Group; (ii) the temporary production suspension resulting from the several incidents of gas overruns and the stringent safety and environmental regulatory environment; and (iii) the streamlining of mining teams and the temporary suspension of coal mining caused by delay in excavation work. The average selling price (net of value-added tax) of self-produced anthracite coal fell from CNY485.1 per tonne for the six months ended 30 June 2023 to CNY366.7 per tonne for the Reporting Period, representing a decrease of approximately 24.4%, mainly as a result of the drop in coal quality of the Group's coal mines and the overall price of coal market in Chinese Mainland.

The Group's revenue from sales of processed coal (including coal screening and/or coal washing and coal blending), amounting to 62.2% and 43.4% of total revenue for the six months ended 30 June 2023 and the Reporting Period, respectively, decreased from approximately CNY398.6 million (0.60 million tonnes sales volume) for the six months ended 30 June 2023 to approximately CNY66.6 million (0.11 million tonnes sales volume) during the Reporting Period. The decrease in revenue from sales of processed coal was mainly contributed by the decrease of 0.49 million tonnes in sales volume and a drop of CNY40.1 per tonne in the average selling price of processed coal. The reasons for the decrease in the sales volume and the average selling price have been discussed above.

#### *Cost of Sales*

The Group's cost of sales decreased by approximately 63.5% from approximately CNY417.0 million for the six months ended 30 June 2023 to approximately CNY152.1 million for the Reporting Period. The decrease in cost of sales was mainly due to the decrease of approximately 68.3% in sales volume of self-produced anthracite coal.



# MANAGEMENT DISCUSSION AND ANALYSIS

## *Cost of Sales for Coal Mining*

Labour costs for the Reporting Period were approximately CNY47.0 million, representing a decrease of approximately CNY66.0 million, or approximately 58.4%, as compared with approximately CNY113.0 million for the six months ended 30 June 2023. The decrease in labour costs was proportionally lower than the decrease in sales volume of self-produced anthracite coal during the Reporting Period mainly because the Group's coal mines were not able to achieve economies of scale following the production decline. The reasons for the decrease in the production volume have been discussed above.

Material, fuel and energy costs for the Reporting Period were approximately CNY39.0 million, representing a decrease of approximately CNY51.5 million, or approximately 56.8%, as compared with approximately CNY90.5 million for the six months ended 30 June 2023. The decrease in material, fuel and energy costs was proportionally lower than the decrease in sales volume of self-produced anthracite coal during the Reporting Period because the Group incurred additional repair and maintenance works due to the additional stringent safety supervision measures, several incidents of gas overruns and the geological complexities of current mine faces.

Depreciation and amortisation for the Reporting Period were approximately CNY35.5 million, representing a decrease of approximately CNY94.7 million, or approximately 72.8%, as compared with approximately CNY130.2 million for the six months ended 30 June 2023. The decrease in depreciation and amortisation for the Reporting Period was mainly caused by the decrease in production volume and impairment losses on property, plant and equipment recognised in Liujiaba Coal Mine in 2023.

Taxes and levies for the Reporting Period were approximately CNY8.4 million, representing a decrease of approximately CNY21.9 million, or approximately 72.3%, as compared with approximately CNY30.3 million for the six months ended 30 June 2023. The decrease in sales taxes and levies, which mainly consisted of ad valorem resource tax, was mainly due to the decrease in revenue of anthracite coal during the Reporting Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Cost of Sales for Coal Processing*

Coal processing cost, which included coal screening costs and/or coal washing costs and coal blending costs, decreased from approximately CNY41.6 million for the six months ended 30 June 2023 to approximately CNY12.0 million for the Reporting Period. This was mainly due to the decrease in production output of Yongsheng Coal Mine, Dayun Coal Mine and Baiping Coal Mine, which in turn led to a decrease in coal processing volume of the Group's coal beneficiation plant.

## *Breakdown of the Group's Unit Cost of Sales*

	Six months ended 30 June	
	2024	2023
<b>Cost Items for Coal Mining Activities</b>	<b>CNY/tonne</b>	<b>CNY/tonne</b>
Labour costs	112.2	85.5
Materials, fuel and energy	93.3	68.5
Depreciation and amortisation	84.7	98.5
Taxes & levies payable to governments	20.1	23.0
Other production-related costs	24.4	8.5
<b>Total unit cost of sales for coal mining</b>	<b>334.7</b>	<b>284.0</b>

	Six months ended 30 June	
	2024	2023
<b>Cost Items for Coal Processing Activities</b>	<b>CNY/tonne</b>	<b>CNY/tonne</b>
Labour costs	17.9	11.8
Materials, fuel and energy	34.1	27.2
Depreciation	55.2	10.0
Taxes & levies payable to governments	1.4	2.7
Transportation fee	0.4	16.3
Other coal processing related costs	3.1	1.3
<b>Total unit cost of sales for coal processing</b>	<b>112.1</b>	<b>69.3</b>

## *Gross Profit and Gross Margin*

As a result of the foregoing, the overall gross profit decreased by approximately 99.3% from approximately CNY224.3 million for the six months ended 30 June 2023 to approximately CNY1.5 million for the Reporting Period. The overall gross margin, which is equal to gross profit divided by revenue, decreased from approximately 35.0% for the six months ended 30 June 2023 to approximately 1.0% for the Reporting Period. The decrease in overall gross profit and gross margin was mainly caused by the drop in the average selling price, an increase in unit cost of sales and a decrease in sales volume of anthracite coal as discussed above.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Loss for the Reporting Period from Continuing Operations*

The loss from continuing operations increased from approximately CNY17.4 million for the six months ended 30 June 2023 to approximately CNY150.5 million for the Reporting period. The increase in loss from continuing operations for the Reporting Period was mainly caused by the decrease of approximately CNY222.8 million in gross profit mainly resulting from the drop in average selling price and sales volume of self-produced anthracite coal, and an increase in unit cost of sales during the Reporting Period. The increase in loss was partially offset by (i) the decrease of approximately CNY44.0 million in selling expenses mainly due to the decrease in transportation cost for delivery of thermal coal; (ii) the decrease of approximately CNY18.5 million in other operating expenses mainly due to the decrease in the compensation paid to local residents for repairing the damaged houses and/or relocation affected by the mines' operations of the Group and service fees for other operating business; (iii) the decrease of approximately CNY8.0 million in administrative expenses mainly due to the decrease in entertainment expenses and staff cost; (iv) the decrease of approximately CNY7.2 million in finance costs due to the decline in the discounted bills and the average interest-bearing bank and other borrowings during the Reporting Period compared with the same period in 2023; and (v) the increase of approximately CNY12.8 million in income tax credit mainly due to the increase in deferred income tax benefit resulting from the increase in unutilised tax losses.

## *Loss Attributable to Owners of the Parent from Continuing Operations*

The loss attributable to owners of the parent from continuing operations increased to approximately CNY143.4 million during the Reporting Period from approximately CNY22.5 million for the six months ended 30 June 2023. The reasons for the increase in the loss attributable to owners of the parent for the Reporting Period from continuing operations have been discussed above.

## **Discontinued Operation**

### *Discontinued operation of Gouchang Coal Mine*

Since March 2013, the operations of Gouchang Coal Mine had been suspended. The Group planned to close down Gouchang Coal Mine in accordance with the second batch of the restructuring proposal approved by the Energy Bureau of Guizhou Province and the Leading Group Office of Guizhou Province on Coal Enterprises Consolidation on 5 January 2016.

During the Reporting Period, works at Gouchang Coal Mine had substantially ceased, therefore the operating results have been reclassified as a discontinued operation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL RESOURCES REVIEW

### Liquidity, Financial Resources and Capital Structure

As at 31 December 2023 and 30 June 2024, the Group had net current liabilities of approximately CNY3,537.5 million and approximately CNY3,647.6 million, respectively. All the borrowings are denominated in CNY. The Group has not engaged any foreign currency contract to hedge the potential foreign currency exchange exposure. The Group intends to fund the cash requirements with additional bank and other borrowings, and/or possible equity financing.

No equity fund raising activity was conducted by the Company during the Reporting Period. As at 30 June 2024, the Group had cash and cash equivalents of approximately CNY19.5 million.

The interest-bearing loans consist of short-term and long-term bank and other borrowings. As at 30 June 2024, the total outstanding amount of the Group's short-term bank and other borrowings and the current portion of the Group's outstanding long-term bank borrowings were approximately CNY1,628.3 million. The Group had total outstanding long-term bank borrowings (excluding the current portion) of approximately CNY22.0 million. Some of the outstanding bank and other borrowings are guaranteed by Mr. LI Feilie and/or companies controlled by him, and some of the Group's bank borrowings are secured by pledges of the mining rights of the Group, equity interests in Guizhou Puxin Energy Co., Ltd. ("Guizhou Puxin"), Guizhou Yongfu Mining Co., Limited ("Guizhou Yongfu"), Guizhou Dayun Mining Co., Ltd. ("Guizhou Dayun"), Liuzhi Xinsong Coal Mining Co., Ltd. ("Xinsong Coal") and Jinsha Baiping Mining Co., Ltd. ("Baiping Mining"), certain trade receivables in Guizhou Dayun, certain mining structure, machinery and equipment in Guizhou Dayun, Baiping Mining and Xinsong Coal, and a bank deposit in Guizhou Yongfu. As at 30 June 2024, the Group had loans amounting to approximately CNY1,208.8 million with fixed interest rates ranging from 3.38% to 10.24% per annum. The remaining loans held by the Group as at 30 June 2024 had floating interest rates ranging from 6.770% to 7.35% per annum.

### Pledge of Assets of the Group

As at 31 December 2023 and 30 June 2024, the amount of outstanding bank borrowings that were guaranteed by Mr. LI Feilie were approximately CNY1,614.3 million and approximately CNY1,527.1 million, respectively and the amount of outstanding bank borrowings that were guaranteed by certain associates of Mr. LI Feilie were approximately CNY1,584.3 million and approximately CNY1,497.1 million, respectively.

As at 31 December 2023 and 30 June 2024, certain mining rights of the Group with carrying amounts of approximately CNY453.3 million and approximately CNY451.2 million, respectively were pledged to secure bank loans with carrying amounts of approximately CNY1,371.2 million and approximately CNY1,359.0 million, respectively.

As at 31 December 2023 and 30 June 2024, the Company's equity interest in Guizhou Puxin, Guizhou Yongfu, Guizhou Dayun, Xinsong Coal and Baiping Mining were pledged to secure bank loans with a carrying amount of approximately CNY619.0 million and approximately CNY577.8 million, respectively.

# MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2023 and 30 June 2024, certain mining structure, machinery and equipment owned by the Group with carrying amounts of approximately CNY171.0 million and approximately CNY20.2 million, respectively were pledged to secure the loans with carrying amounts of approximately CNY109.6 million and approximately CNY96.8 million, respectively.

As at 31 December 2023 and 30 June 2024, certain trade receivables (including inter-company trade receivables) owned by the Group with a carrying amount of approximately CNY52.3 million was pledged to secure a loan with a carrying amount of CNY48.5 million.

As at 31 December 2023 and 30 June 2024, a bank deposit owned by the Group with a carrying amount of CNY15.0 million was pledged to secure a loan with a carrying amount of CNY30.0 million.

## Pledge of Shares by the Controlling Shareholder

As at 30 June 2024, working capital facilities of up to CNY200.0 million advanced by Guizhou Province Development Investment Company Limited (“GPDIC”) from time to time to Guizhou Puxin have been made available by the pledging of 600,000,000 ordinary shares of the Company’s issued share capital held by Feishang Group Limited (a controlling shareholder of the Company) in favour of GPDIC. For details of the pledge of shares, please refer to the announcement of the Company dated 19 May 2023. In addition, the above-mentioned advances by GPDIC have been guaranteed by the Company and its four subsidiary companies, Mr. LI Feilie and his associates, and an independent third party.

## Provision of the Corporate Guarantee

On 25 September 2023, Guizhou Puxin entered into the corporate guarantee in favour of the Bank of Guizhou (Jinsha Branch) in the maximum amount of CNY36.0 million in respect of the indebtedness of Jinsha Economic Development Zone Trading Co., Ltd. which may arise from a loan facility in the principal amount of CNY300.0 million during the period from 25 September 2023 to 24 September 2024 to be advanced by the Bank of Guizhou (Jinsha Branch) to Jinsha Economic Development Zone Trading Co., Ltd.. For details of the corporate guarantee, please refer to the announcement of the Company dated 25 September 2023.

## Currency Exposure and Management

Since the majority of the Group’s business activities are transacted in CNY, the Directors consider that the Group’s risk in foreign exchange is insignificant.

## Capital Commitments

As at 30 June 2024, the Group had contractual capital commitments in respect of purchase of materials, machinery and equipment amounting to approximately CNY11.6 million.

## Contingent Liabilities

As at 30 June 2024, except for the bank borrowings, the Group did not have any loan capital or debt securities issued or agreed to be issued, outstanding bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits, finance leases or hire purchase commitments or guarantees or material contingent liabilities.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Gearing Ratio

As at 31 December 2023 and 30 June 2024, the gearing ratio (which is calculated by dividing total interest-bearing debt by total equity plus total interest-bearing debt at the end of the year/Reporting Period and multiplying by 100%) was 223.8% and 304.7%, respectively. The gearing ratio increased as the Group recorded a significant loss for the Reporting Period.

## INTERIM DIVIDEND

The Board does not declare an interim dividend for the Reporting Period (six months ended 30 June 2023: Nil).

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed 2,018 full time employees (not including 702 workers provided by third party labour agencies) from continuing operations for its principal activities. Employees' costs (including Directors' emoluments) amounted to approximately CNY96.8 million (including payment to workers provided by third party labour agencies) for the Reporting Period (six months ended 30 June 2023: approximately CNY165.3 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company.

## SUBSEQUENT EVENTS

On 16 August 2024, Guizhou Puxin received and fully drew down a short-term bank loan of CNY32.0 million from Liupanshui branch of Bank of Guizhou Co., Ltd. to be repaid on 15 August 2025. The purpose of the loan is for purchasing coal. The loan bears a fixed annual interest rate at 6.775% per annum.

## PROSPECTS

Against the backdrop of China's commitment to emission peak and carbon neutrality targets, and due to persistently low capital expenditures in new production capacity, long construction cycles, high development costs, as well as tight safety and environmental regulation becoming a new normal, the future expansion of production capacity and output in the coal industry is expected to remain mild and constrained. The policy of securing coal supply is expected to remain in place to stabilise and increase domestic coal production. In the second half of 2024, due to insufficient domestic production, coal import is expected to remain relatively high, but the growth of import is expected to gradually slow down due to the narrowing international price advantage and the previous high base. Overall, coal supply in 2024 is not expected to increase, depending on the speed and the extent to which major coal producing provinces restore production capacity in the second half of the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

On the demand side, the government is ramping up efforts to sustain steady growth in the second half of 2024 with a targeted policy mix. A slew of proactive fiscal policies, including the issuance and usage of special bonds and ultra-long special treasury bonds and the promotion of large-scale equipment upgrades and trade-ins of bulk durable consumer goods, have been adopted to strengthen counter-cyclical adjustments and bolster the real economy. It is expected that multiple monetary policy tools will be fully utilised to ensure sufficient liquidity, reduce social financing costs and stabilise market expectations. It is also expected that with the emphasis on consistency of macro policy orientation, the resulting economic recovery in the near future will lend steady support to total electricity consumption as well as coal demand. The coal chemical industry is expected to continue to benefit from the supportive policies, further boosting coal demand. The iron and steel industry and the building materials industry are expected to slowly recover, as the real estate industry would expect to see increasingly more policy support in various innovative ways. Although the year 2024 is not expected to see any significant growth in coal supply and demand, the industry fundamentals are likely to improve gradually in 2025. In the second half of 2024, the price of coal is expected to fluctuate within a narrow range and reach an annual high in the fourth quarter.

In the near future, the Group expects to see a continuation in low production volume as compared with prior years. This is mainly caused by (i) the geological complexities of current mining faces which are expected to continue well into the near future and adversely affect production volume and coal quality; (ii) the streamlining of mining teams and the delay in excavation work which might further cause suspension of coal production; and (iii) the trend of increasingly tight safety supervision and regulation, which is expected to further affect production and output. The Group will continue to attach great importance to production safety and environmental protection while striving to address internal challenges, including expanding production output, managing coal quality and adjusting product mix, to improve the competitiveness and average selling price of its coal products and restore revenue and gross profit. The Group will also continue to improve production efficiency and intelligence and enhance refined management and cost control. Facing the geological complexities of current mining faces, the Group will continue to make strategic preparations for concentrated mining of high-quality coal in the coming years, in order to place itself in an advantageous position for competing in the high-quality coal market in the future. Notwithstanding the above, the Group is expected to record a slump in turnover and a surge in consolidated loss attributable to owners of the parent for the year ending 31 December 2024 when compared with the year ended 31 December 2023. This is mainly caused by the anticipated continuation of the adverse factors in the second half of 2024 as discussed in the business review section.

The Company will also consider other business projects that can provide its shareholders with promising returns and benefit the Group as a whole when opportunities arise. In particular, against the backdrop of emission peak and carbon neutrality targets, the Company will actively leverage the resources and experience of its major shareholder in the new energy sector to explore investment opportunities in the new energy sector.

# MANAGEMENT DISCUSSION AND ANALYSIS

## AUDIT COMMITTEE

The Company has an audit committee (“Audit Committee”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process, risk management and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. CHAN Him Alfred, Ms. LIANG Ying and Mr. WANG Xiufeng. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditors to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management. The Audit Committee has reviewed the Group’s interim condensed consolidated financial information for the Reporting Period.

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to all staff and management team of the Group for their devoted efforts and hard work during the Reporting Period. I would also like to express my sincere gratitude to all the shareholders of the Company for their continuous support.

By Order of the Board

**Feishang Anthracite Resources Limited**

**WANG Xinhua**

*Chairman*

Hong Kong, 29 August 2024



## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of substantial shareholder	Long/short position	Capacity	Number of shares	Notes	Percentage of the issued shares (%)
Mr. LI Feilie	Long position	Beneficial owner	15,000,000		
	Long position	Interest held by his controlled corporation	699,029,650	1, 3	
			714,029,650		51.72
Laitan Investments Limited	Long position	Interest held by its controlled corporation	699,029,650	1, 3	50.63
Feishang Group Limited	Long position	Beneficial owner	699,029,650	1, 3	50.63
Guizhou Province Development Investment Company Limited* (貴州省物資開發投資有限責任公司)	Long position	Person having a security interest in shares	600,000,000	3	43.46
Mr. LI Zongyang	Long position	Interest held by his controlled corporation	133,000,000	2	9.63
Shenzhen Feishang Industry Investment Holding Co., Ltd.	Long position	Interest held by its controlled corporation	133,000,000	2	9.63
Shenzhen Qianhai Feishang Industry Investment Holding Co., Ltd.	Long position	Interest held by its controlled corporation	133,000,000	2	9.63
Shenzhen Qianhai Feishang Investment Co., Ltd.	Long position	Interest held by its controlled corporation	133,000,000	2	9.63
Feishang Heyuan Investments Limited	Long position	Beneficial owner	133,000,000	2	9.63

## OTHER INFORMATION

### Notes:

1. The 699,029,650 ordinary shares are directly held by Feishang Group Limited, which is wholly owned by Laitan Investments Limited, which is in turn wholly owned by Mr. LI Feilie. According to the SFO, both Mr. LI Feilie and Laitan Investments Limited are deemed to have interests in the 699,029,650 ordinary shares held by Feishang Group Limited.
2. Mr. LI Zongyang is Mr. LI Feilie's son. The 133,000,000 ordinary shares are directly held by Feishang Heyuan Investment Limited, which is wholly owned by Shenzhen Qianhai Feishang Investment Co., Ltd., which is in turn wholly owned by Shenzhen Qianhai Feishang Industry Investment Holding Co., Ltd., which is in turn wholly owned by Shenzhen Feishang Industry Investment Holding Co., Ltd., which is 99% owned by Mr. LI Zongyang. According to the SFO, Mr. LI Zongyang, Shenzhen Feishang Industry Investment Holding Co., Ltd., Shenzhen Qianhai Feishang Industry Investment Holding Co., Ltd. and Shenzhen Qianhai Feishang Investment Co., Ltd. are deemed to have interests in the 133,000,000 ordinary shares held by Feishang Heyuan Investment Limited.
3. Feishang Group Limited has entered into a share charge agreement dated 19 May 2023 whereby it has agreed to pledge 600,000,000 shares of the Company held by it in favour of Guizhou Province Development Investment Company Limited\* (貴州省物資開發投資有限責任公司) ("GPDIC") as security for working capital facilities of up to CNY200,000,000 to be advanced by GPDIC from time to time to Guizhou Puxin, an indirect wholly-owned subsidiary of the Company. With regard to GPDIC, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) GPDIC is owned by three state-owned enterprises, namely, Central Enterprise Rural Industry Investment Fund Co., Ltd.\* (中央企業鄉村產業投資基金股份有限公司), Guizhou Modern Logistics Industry (Group) Co., Ltd.\* (貴州現代物流產業(集團)有限責任公司) and Guizhou Qiansheng State-owned Capital Operation Co., Ltd.\* (貴州省黔晟國有資本運營有限公司); (b) the ultimate beneficial owner of Central Enterprise Rural Industry Investment Fund Co., Ltd.\* (中央企業鄉村產業投資基金股份有限公司) is State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會); (c) the ultimate beneficial owner of Guizhou Modern Logistics Industry (Group) Co., Ltd.\* (貴州現代物流產業(集團)有限責任公司) and Guizhou Qiansheng State-owned Capital Operation Co., Ltd.\* (貴州省黔晟國有資本運營有限公司) is State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou (貴州省人民政府國有資產監督管理委員會); and (d) the above mentioned ultimate beneficial owners are independent of and not connected with any of the connected persons of the Company and any of its subsidiaries or any of their respective associates within the meaning of the Listing Rules.

\* For identification purposes only

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"), were set out below:

#### (I) The Company

Name of Director	Long/short position	Capacity	Number of shares	Percentage of the issued shares (%)
Mr. WONG Wah On Edward	Long position	Beneficial owner	20,000,000	1.45
Mr. TAM Cheuk Ho	Long position	Beneficial owner	14,096,300	1.02

#### (II) Associated Corporations (within the meaning of the SFO)

*China Natural Resources, Inc.*

Name of Director	Long/short position	Capacity	Number of shares	Percentage of the issued shares (%)
Mr. WONG Wah On Edward	Long position	Beneficial owner	80,000	0.81
Mr. TAM Cheuk Ho	Long position	Beneficial owner	56,386	0.57

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or are required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## OTHER INFORMATION

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND OTHER CORPORATION

Other than the share option as disclosed under the heading of “Share Option Scheme of the Company” below, at no time during the period under review 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, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

### CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied with the code provisions as set out in the CG Code, save and except for code provision C.2.1 as set out below.

#### Chairman and Chief Executive

Mr. HAN Weibing was the chairman and chief executive officer of the Company prior to his resignation from the period from 1 January 2024 up to 12 January 2024. He was mainly responsible for the Group's overall strategies, planning, management and business development.

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Company deviated from this code provision of the CG Code with Mr. HAN Weibing being the chairman and chief executive officer of the Company from 1 January 2024 up to 12 January 2024. The Board considered this arrangement was in the best interests of the Group as it allowed for efficient discharge of the executive functions of the chief executive officer. The Board believed that the balance of power and authority was adequately ensured by the operations of the Board which comprised experienced and high-calibre individuals including three independent non-executive Directors offering independent advice from different perspectives. In addition, major decisions were made after consultation with the Board and senior management as well as relevant Board committees. The Board was therefore of the view that there were adequate measures in place to balance power and safeguard shareholders' interests.

Subsequent to 12 January 2024, Mr. WANG Xinhua was appointed as the Chairman of the Company.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, the Company confirmed that all the Directors have complied with the required standard set out in the Model Code during the Reporting Period.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the Reporting Period.

## OTHER INFORMATION

### DISCLOSURE OF CHANGE OF DIRECTORS' INFORMATION

Mr. LO Kin Cheung did not offer himself for re-election as an independent non-executive director of the Company at the annual general meeting on 18 June 2024 ("AGM") and retired by rotation from office at the conclusion of the AGM. Mr. Lo also ceased to be the chairman of the audit committee of the Company and member of the remuneration committee and nomination committee of the Company on 18 June 2024.

Ms. LIANG Ying was elected as an independent non-executive director of the Company at the AGM. She was also appointed as member of the audit committee, remuneration committee and nomination committee of the Company with effect from 18 June 2024.

Mr. FU Jiangen was not elected as an executive director at the AGM.

Mr. CHAN Him, Alfred was appointed as the chairman of the audit committee of the Company, and stepped down from the chairman (but has remained as a member) of the nomination committee of the Company with effect from 18 June 2024.

Mr. TAM Cheuk Ho was appointed as the chairman of the nomination committee of the Company on 18 June 2024.

Mr. WONG Wah On Edward was appointed as the chairman of the remuneration committee of the Company on 18 June 2024.

Mr. WANG Xiufeng stepped down from the chairman (but has remained as a member) of the remuneration committee of the Company with effect from 18 June 2024.

Save as disclosed above, the Directors are not aware of any change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2023 Annual Report of the Company.

### SHARE OPTION SCHEME OF THE COMPANY

A share option scheme was adopted by shareholders of the Company on 28 June 2022 (the "Date of Adoption") (the "Share Option Scheme"), under which the Board may, at its discretion, offer any Eligible Persons (as hereinafter defined) options to subscribe for shares in the Company (the "Shares") subject to the terms and conditions stipulated therein. The Share Option Scheme is valid and for an effective period of 10 years from the Date of Adoption. The Share Option Scheme is an incentive scheme and is established to enable the Group to recognise the contribution that certain individuals have made to the Company, to attract and retain the best available personnel and to promote the success of the Company's business and that of its subsidiaries. The Eligible Persons include (a) any employee, executive director, non-executive director (excluding independent non-executive director) or consultant of the Company or any subsidiary; or (b) any other person who has contributed to the success of the listing of the Company on the Stock Exchange, in each case, as determined by the Board. The eligibility of an Eligible Person will be determined by the Board with reference to his or her past and expected commitment and contribution to the Company and/or the subsidiaries.

## OTHER INFORMATION

The share options are exercisable at any time for a period to be determined by the Directors, which shall not be more than 10 years from the offer date. The minimum period for which a share option must be held before it can be exercised would be determined by the Board.

The total number of Shares in respect of which options may be granted under the Share Option Scheme was 138,054,580 Shares, representing 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The listing approval in respect of the Shares which may be issued on exercise of the options under the Share Option Scheme was granted by the Listing Committee of the Stock Exchange on 5 July 2022. The number of Shares in respect of which options may be granted to any Eligible Person in any 12-month period is not permitted to exceed 1% of the Shares in issue at any point in time, unless approved by the Company's shareholders. In addition, the number of Shares in respect of which options may be granted to any Eligible Person (who is a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates (within the meaning as ascribed under the Listing Rules)) in any 12-month period is not permitted to exceed 0.1% of the total number of Shares in issue and HK\$5,000,000 in an aggregate value, based on the closing price of the Shares at the date of each grant, unless approved by the Company's shareholders.

The subscription price for the Shares under the Share Option Scheme shall be a price determined by the Board at its sole discretion and notified to the Eligible Persons (subject to any adjustments made pursuant to the terms and conditions of the Share Option Scheme) and shall be the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the offer date; and (iii) the nominal value of a Share.

Consideration of HK\$1 is payable by each Eligible Person for the grant of option.

As at 30 June 2024, no options were granted or agreed to be granted since the Date of Adoption. The Company had a total of 138,054,580 Shares available for issue under the Share Option Scheme (representing 10.0% of the existing issued Shares of the Company as at the date of this report).

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
<b>CONTINUING OPERATIONS</b>			
Revenue	4	153,619	641,344
Cost of sales		(152,119)	(417,024)
Gross profit		1,500	224,320
Selling and distribution expenses		(14,239)	(58,246)
Administrative expenses		(73,576)	(81,595)
Other operating income/(expenses), net		(16,925)	(35,389)
Finance costs	5	(67,196)	(74,383)
Interest income	6	56	808
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	6	(170,380)	(24,485)
Income tax credit	8	19,922	7,078
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(150,458)	(17,407)
<b>DISCONTINUED OPERATION</b>			
LOSS FOR THE PERIOD FROM A DISCONTINUED OPERATION	3	(210)	(938)
LOSS FOR THE PERIOD		(150,668)	(18,345)
ATTRIBUTABLE TO:			
Owners of the parent			
From continuing operations		(143,382)	(22,508)
From a discontinued operation		(208)	(929)
		(143,590)	(23,437)
Non-controlling interests			
From continuing operations		(7,076)	5,101
From a discontinued operation		(2)	(9)
		(7,078)	5,092
		(150,668)	(18,345)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (CNY per share)			
– For loss from continuing operations	9	(0.10)	(0.02)
– For loss from a discontinued operation	9	*	*
– Net loss per share		(0.10)	(0.02)

\* Insignificant

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
LOSS FOR THE PERIOD	(150,668)	(18,345)
Other comprehensive income		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(3,975)	(6,959)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	3,531	6,304
Other comprehensive loss for the period, net of tax	(444)	(655)
TOTAL COMPREHENSIVE LOSS, NET OF TAX	(151,112)	(19,000)
ATTRIBUTABLE TO:		
Owners of the parent		
From continuing operations	(143,826)	(23,163)
From a discontinued operation	(208)	(929)
	(144,034)	(24,092)
Non-controlling interests		
From continuing operations	(7,076)	5,101
From a discontinued operation	(2)	(9)
	(7,078)	5,092
	(151,112)	(19,000)



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	30 June 2024 CNY'000 (Unaudited)	31 December 2023 CNY'000 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	2,566,443	2,528,870
Right-of-use assets	12(a)	266,164	269,098
Rehabilitation fund	13	16,035	17,285
Prepayments and other receivables	16	12,591	34,285
Investments in associates		–	–
Deferred tax assets	8	21,297	14,633
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,882,530</b>	2,864,171
<b>CURRENT ASSETS</b>			
Inventories	14	52,204	60,555
Trade and bills receivables	15	8,758	9,316
Prepayments and other receivables	16	88,194	114,797
Pledged deposits	17	16,925	46,934
Cash and cash equivalents	17	19,520	10,107
<b>TOTAL CURRENT ASSETS</b>		<b>185,601</b>	241,709
<b>TOTAL ASSETS</b>		<b>3,068,131</b>	3,105,880
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	18	846,697	948,910
Other payables and accruals	19	1,154,964	921,783
Interest-bearing bank and other borrowings	20	1,628,275	1,702,875
Lease liabilities	12(b)	58,852	64,614
Interest payable		44,998	41,553
Income tax payable		55,679	55,679
Mining right payables		43,783	43,783
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,833,248</b>	3,779,197

continued/...

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2024

	Notes	30 June 2024 CNY'000 (Unaudited)	31 December 2023 CNY'000 (Audited)
NON-CURRENT LIABILITIES			
Due to related companies	25(b)	272,994	165,407
Due to the Shareholder	25(b)	13,075	14,463
Interest-bearing bank and other borrowings	20	22,030	35,125
Lease liabilities	12(b)	47,671	67,455
Deferred tax liabilities	8	60,804	74,062
Deferred income	21	11,604	12,903
Asset retirement obligations	22	16,339	15,790
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>444,517</b>	385,205
<b>TOTAL LIABILITIES</b>		<b>4,277,765</b>	4,164,402
EQUITY			
Share capital	23	1,081	1,081
Reserves		(1,427,739)	(1,283,705)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>(1,426,658)</b>	(1,282,624)
<b>NON-CONTROLLING INTERESTS</b>		<b>217,024</b>	224,102
<b>TOTAL EQUITY</b>		<b>(1,209,634)</b>	(1,058,522)
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,068,131</b>	3,105,880

**Wang Xinghua**

*Chairman and Executive Director*

**He Jianhu**

*Executive Director*

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent								
	Share capital CNY'000 (Note 23)	Share premium account* CNY'000	Safety fund and production maintenance fund*	Special reserve* CNY'000	Accumulated losses* CNY'000	Exchange fluctuation reserve* CNY'000	Total CNY'000	Non-controlling interests CNY'000	Total equity CNY'000
			CNY'000						
At 31 December 2022 (audited)	1,081	204,524	296,176	30,724	(1,334,115)	4,717	(796,893)	249,084	(547,809)
Loss for the period	-	-	-	-	(23,437)	-	(23,437)	5,092	(18,345)
Exchange differences on translation of foreign operations	-	-	-	-	-	(655)	(655)	-	(655)
Total comprehensive loss for the period	-	-	-	-	(23,437)	(655)	(24,092)	5,092	(19,000)
Appropriation and utilisation of the safety fund and production maintenance fund, net	-	-	5,348	-	(5,348)	-	-	-	-
At 30 June 2023 (unaudited)	1,081	204,524	301,524	30,724	(1,362,900)	4,062	(820,985)	254,176	(566,809)
At 31 December 2023 (audited)	<b>1,081</b>	<b>204,524</b>	<b>284,440</b>	<b>38,741</b>	<b>(1,815,797)</b>	<b>4,387</b>	<b>(1,282,624)</b>	<b>224,102</b>	<b>(1,058,522)</b>
Loss for the period	-	-	-	-	(143,590)	-	(143,590)	(7,078)	(150,668)
Exchange differences on translation of foreign operations	-	-	-	-	-	(444)	(444)	-	(444)
Total comprehensive loss for the period	-	-	-	-	(143,590)	(444)	(144,034)	(7,078)	(151,112)
Appropriation and utilisation of the safety fund and production maintenance fund, net	-	-	(9,159)	-	9,159	-	-	-	-
At 30 June 2024 (unaudited)	<b>1,081</b>	<b>204,524</b>	<b>275,281</b>	<b>38,741</b>	<b>(1,950,228)</b>	<b>3,943</b>	<b>(1,426,658)</b>	<b>217,024</b>	<b>(1,209,634)</b>

\* These reserve accounts comprise the consolidated negative reserves of CNY1,427.7 million (30 June 2023: consolidated negative reserves of CNY822.1 million) as at 30 June 2024.

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	Six months ended 30 June	
		2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		<b>167,028</b>	445,958
Interest received		<b>56</b>	808
Interest paid		<b>(60,537)</b>	(63,301)
Income tax paid		<b>–</b>	(28,387)
Net cash flows from operating activities		<b>106,547</b>	355,078
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(83,636)</b>	(201,727)
Proceeds from disposal of items of property, plant and equipment		<b>51</b>	–
Net cash flows used in investing activities		<b>(83,585)</b>	(201,727)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from interest-bearing bank and other borrowings		<b>419,853</b>	475,483
Repayments of interest-bearing bank and other borrowings		<b>(477,548)</b>	(419,379)
Decrease/(increase) in pledged deposits		<b>28,000</b>	(103,014)
Advances from the Shareholder		<b>–</b>	1,341
Repayments to the Shareholder		<b>(1,388)</b>	–
Advances from related companies		<b>436,132</b>	529,918
Repayments to a related company		<b>(393,058)</b>	(574,346)
Principal portion of lease payments		<b>(25,546)</b>	(53,615)
Net cash flows used in financing activities		<b>(13,555)</b>	(143,612)
NET INCREASE IN CASH AND CASH EQUIVALENTS		<b>9,407</b>	9,739
Effect of foreign exchange rate changes, net		<b>6</b>	–
Cash and cash equivalents at the beginning of the period		<b>10,107</b>	24,713
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	17	<b>19,520</b>	34,452

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION AND CHANGES IN THE GROUP'S ACCOUNTING POLICIES

### 1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information has been prepared on the historical cost basis. The interim condensed consolidated financial information is presented in Chinese Yuan ("CNY") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 30 June 2024, the Group had net current liabilities of CNY3,647.6 million (31 December 2023: CNY3,537.5 million) and total assets less current liabilities of negative CNY765.1 million (31 December 2023: negative CNY673.3 million).

#### *GOING CONCERN*

As at 30 June 2024, the Group had net current liabilities of CNY3,647.6 million and shareholders' deficit of CNY1,209.6 million. In view of these circumstances, the directors have given consideration to the future liquidity, performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Feishang Enterprise Group Co., Ltd. ("Feishang Enterprise"), controlled by Mr. Li Feilie, has undertaken to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operations.

In order to improve the Group's profitability, liquidity and cash flows to sustain the Group as a going concern, the Group is in the process of implementing the following measures, namely: (i) focusing on coal quality management to improve the competitiveness and average selling price of its coal products by expanding coal washing capacity, setting up coal quality control teams and formulating coal quality control policies; (ii) continuing to expand production output in pursuit of economies of scale and opportunities for better product diversification; (iii) taking measures to tighten cost controls over various production costs and expenses; (iv) entering into loan renewal discussions with banks; and (v) obtaining continual financial support and funding from Feishang Enterprise.

After taking into account the above measures, the directors consider that the Group will be able to realise its assets and discharge its liabilities and commitments in the normal course of business. Therefore, the interim condensed consolidated financial information of the Group has been prepared on a going concern basis.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION AND CHANGES IN THE GROUP'S ACCOUNTING POLICIES (continued)

### 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION AND CHANGES IN THE GROUP'S ACCOUNTING POLICIES (continued)

### 1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. The Group had supplier finance arrangements as at 30 June 2024 and will provide additional disclosures of its supplier finance arrangements in the Group's consolidated financial statements for the year ending 31 December 2024.

## 2. OPERATING SEGMENT INFORMATION

During the six months ended 30 June 2024, the Group had only one operating segment: extraction and sale of anthracite coal, and trading of anthracite coal.

For management purposes, the Group operates in one business unit based on its products, and has only one reportable segment. The Group conducts its principal operations in Chinese Mainland. The Group's management monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment.

### GEOGRAPHICAL INFORMATION

The Group's revenue from external customers is derived solely from its operations in Chinese Mainland, and no non-current assets of the Group are located outside Chinese Mainland.

### INFORMATION ABOUT MAJOR CUSTOMERS

During the six months ended 30 June 2024, revenue derived from sales to the four largest customers individually amounted to 21.1%, 12.1%, 10.4% and 10.1% of the consolidated revenue. During the six months ended 30 June 2023, revenue derived from sales to the largest customer amounted to 21.5% of the consolidated revenue.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 3. DISCONTINUED OPERATION

Gouchang Coal Mine is a coal mine located in Guizhou Province, the People's Republic of China (the "PRC"), which is wholly owned by Nayong Gouchang Coal Mining Co., Ltd., a subsidiary of the Company. The operation of Gouchang Coal Mine has been suspended since March 2013. The Group therefore planned to close down Gouchang Coal Mine in accordance with the second batch of the restructuring proposals approved by the Energy Bureau of Guizhou Province\* (貴州省能源局) and the Leading Group Office of Guizhou Province on Coal Enterprises Consolidation\* (貴州省煤礦企業兼併重組工作領導小組辦公室) on 5 January 2016. During the six months ended 30 June 2024, substantially all the work at Gouchang Coal Mine had ceased, and therefore, the operating results have been reclassified to a discontinued operation for the purpose of preparing the interim condensed consolidated statement of profit or loss.

\* For identification purposes only

The results of Gouchang Coal Mine for the six months ended 30 June 2024 and 2023 are presented below:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>CNY'000</b>	CNY'000
	<b>(Unaudited)</b>	(Unaudited)
Administrative expenses	<b>(210)</b>	(938)
LOSS BEFORE INCOME TAX	<b>(210)</b>	(938)
LOSS FOR THE PERIOD FROM A DISCONTINUED OPERATION	<b>(210)</b>	(938)
Attributable to:		
Owners of the parent	<b>(208)</b>	(929)
Non-controlling interests	<b>(2)</b>	(9)
	<b>(210)</b>	(938)

The net cash flows incurred by Gouchang Coal Mine are as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>CNY'000</b>	CNY'000
	<b>(Unaudited)</b>	(Unaudited)
Operating activities	<b>(145)</b>	(471)
Financing activities	<b>(28)</b>	614
Net cash (outflow)/inflow	<b>(173)</b>	143



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 3. DISCONTINUED OPERATION (continued)

The calculations of basic and diluted loss per share from a discontinued operation are based on:

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Loss for the period attributable to ordinary equity holders of the parent from a discontinued operation	(208)	(929)
Weighted average number of ordinary shares ('000 shares):		
Basic and diluted	1,380,546	1,380,546
Loss per share attributable to ordinary equity holders of the parent from a discontinued operation (CNY per share):		
Basic and diluted	*	*

\* Insignificant

## 4. REVENUE FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Revenue from contracts with customers	153,619	641,344

### (i) Disaggregated revenue information

	Six month ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Types of goods		
Sale of coal	153,607	641,229
Coal trading	12	115
Total	153,619	641,344
Geographic market		
Chinese Mainland	153,619	641,344
Timing of revenue recognition		
Goods transferred at a point of time	153,619	641,344

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 4. REVENUE FROM CONTINUING OPERATIONS (continued)

### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

#### *Sale of coal*

The performance obligation is satisfied upon delivery of the coal and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

#### *Coal trading*

The performance obligation is satisfied upon receipt of the coal and payment is generally due within 30 days from receipt.

As almost of the Group's contracts provide for a credit period of less than one year after the transfer of the associated goods, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

## 5. FINANCE COSTS FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Interest on interest-bearing bank and other borrowings	59,407	61,277
Interest on lease liabilities	3,338	3,739
Interest on payables for mining rights	1,237	2,278
Total interest expense	63,982	67,294
Bank charges	26	444
Interest on discounted bills	2,639	6,131
Accretion expenses	549	514
	67,196	74,383

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 6. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after (crediting)/charging:

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Crediting:		
Interest income on bank deposits	(56)	(808)
Government grant (a)	(5,645)	(3,671)
Charging:		
Cost of inventories sold (b)	110,762	326,345
Sales tax and surcharge	8,551	31,972
Utilisation of the safety fund and production maintenance fund	32,806	58,707
Cost of sales	152,119	417,024
Employee benefit expenses (Note 7)	92,119	164,725
Depreciation, depletion and amortisation:		
– Property, plant and equipment	43,747	127,806
– Right-of-use assets	3,497	17,221
Lease payments not included in the measurement of lease liabilities	718	1,096
Impairment of financial assets, net	4,914	530
Loss on disposal of property, plant and equipment	881	–

(a) The government grant with a total amount of CNY5.6 million was included in other operating income for the six months ended 30 June 2024 (six months ended 30 June 2023: CNY3.7 million).

(b) Included in the cost of inventories sold was CNY94.4 million for the six months ended 30 June 2024 (six months ended 30 June 2023: CNY246.2 million) relating to employee benefit expenses and depreciation, depletion and amortisation, which are also included in the respective amounts disclosed separately above for each type of expenses.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 7. EMPLOYEE BENEFITS FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Wages, salaries and allowances	81,591	145,834
Contribution to pension plans (a)	4,217	4,934
Housing funds (a)	1,090	1,282
Welfare and other expenses	9,873	13,260
	<b>96,771</b>	165,310

- (a) According to the PRC state regulations, the employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government and government-sponsored housing funds. These subsidiaries are required to contribute certain percentages of their payroll costs for those qualified urban employees to the central pension scheme as well as the housing funds.

Employee benefits charged to loss before tax from continuing operations are analysed as follows:

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Total employee benefits accrued for the period	96,771	165,310
Less: Amount included in inventories	(4,652)	(585)
Amount charged to loss before tax from continuing operations (Note 6)	<b>92,119</b>	164,725

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 8. INCOME TAX CREDIT FROM CONTINUING OPERATIONS AND DEFERRED TAX

The Company is a limited liability company incorporated in the British Virgin Islands (“BVI”) and conducts its primary business through its subsidiaries in Chinese Mainland. It also has an intermediate holding company in Hong Kong. Under the current laws of the BVI, the Company incorporated in the BVI is not subject to tax on income or capital gains. The Hong Kong profits tax rate was 16.5% for the six months ended 30 June 2024 (six months ended 30 June 2023: 16.5%). The Company’s Hong Kong subsidiary has both Hong Kong-sourced and non-Hong Kong-sourced income. The latter is not subject to Hong Kong profits tax and the related expenses are non-tax-deductible. For the Hong Kong-sourced income, no provision for Hong Kong profits tax was made as this operation had tax losses during the six months ended 30 June 2024 and 2023. Furthermore, there are no withholding taxes in Hong Kong on the remittance of dividends.

Under the Law of the PRC on corporate income tax (“CIT”) and Implementation Regulation of the Corporate Income Tax Law (the “CIT Law”), the tax rate applicable to PRC group entities was 25% for the six months ended 30 June 2024 except that Jinsha Juli Energy Co., Ltd. was entitled to the preferential tax rate of 15% according to the approval document issued by the Guizhou Provincial Development and Reform Commission in June 2022, because the technique adopted by its operating business meets the criterion of “Catalogue of Encouraged Industries in Western Regions (2020 Version)” (six months ended 30 June 2023: 25%).

Under the prevailing CIT law and its relevant regulations, any dividends paid by the Company’s PRC subsidiaries from their earnings derived after 1 January 2008 to the Company’s Hong Kong subsidiary are subject to PRC dividend withholding tax of 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty.

As of 30 June 2024, the Group did not recognise deferred tax liabilities for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group’s subsidiaries established in Chinese Mainland as there were no undistributed earnings available due to the aggregate loss of these subsidiaries.

The current and deferred components of income tax credit from the continuing operations are as follows:

	Six months ended 30 June	
	2024	2023
	CNY’000	CNY’000
	(Unaudited)	(Unaudited)
Current – Chinese Mainland	–	8,470
Deferred – Chinese Mainland	19,922	(1,392)
	19,922	7,078

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 8. INCOME TAX CREDIT FROM CONTINUING OPERATIONS AND DEFERRED TAX (continued)

The Group's major deferred tax assets and deferred tax liabilities, classified after netting on a jurisdictional basis, are as follows:

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Deferred tax assets		
Accrued liabilities and other payables	5,445	4,577
Asset retirement obligations	3,946	3,802
Capitalised pilot run income	8,293	8,726
Tax losses	86,992	52,260
Right-of-use assets	6,275	4,417
Bad debt provision	5,807	5,623
	<b>116,758</b>	79,405
Deferred tax liabilities		
Dismantled assets	(1,073)	(1,066)
Lease liabilities	(3,749)	(2,431)
Depreciation and fair value adjustment of property, plant and equipment	(151,443)	(135,337)
	<b>(156,265)</b>	(138,834)
Net deferred tax liabilities	<b>(39,507)</b>	(59,429)
Classification in the interim condensed consolidated statement of financial position:		
Deferred tax assets	<b>21,297</b>	14,633
Deferred tax liabilities	<b>(60,804)</b>	(74,062)

In assessing the recoverability of the Group's deferred tax assets, management has performed a detailed assessment on the available taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the deductible temporary differences and unused tax losses can be utilised before they expire. In addition, management has also performed a detailed assessment on the profitability of these coal mining subsidiaries based on their production plans, product mix, forecasted selling prices, and the related production and operational costs, where strong profits are expected.

Accordingly, management considered that it is probable that the Group, in the future, will earn sufficient taxable profits to utilise these coal mining subsidiaries' deductible temporary differences and unused tax losses before they expire, and as such, the related deferred tax assets are recognised.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic and diluted loss per share amounts for the period were calculated as follows:

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Loss for the period attributable to ordinary equity holders of the parent:		
From continuing operations	(143,382)	(22,508)
From a discontinued operation	(208)	(929)
	(143,590)	(23,437)
Weighted average number of ordinary shares ('000 shares):		
Basic and diluted	1,380,546	1,380,546
Loss per share attributable to ordinary equity holders of the parent (CNY per share):		
Basic and diluted		
From continuing operations	(0.10)	(0.02)
From a discontinued operation	*	*
	(0.10)	(0.02)

\* Insignificant

The Company did not have any potential diluted shares throughout the period. Accordingly, the diluted loss per share amounts are the same as the basic loss per share amounts.

## 10. DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the additions of property, plant and equipment (excluding the items transferred from construction in progress) and construction in progress amounted to CNY9.8 million (six months ended 30 June 2023: CNY9.7 million) and CNY72.7 million (six months ended 30 June 2023: CNY92.4 million), respectively.

During the six months ended 30 June 2024, assets with a net book value of CNY1.2 million were disposed of by the Group (six months ended 30 June 2023: Nil), resulting in a net gain on disposal of CNY0.9 million (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2024, the total depreciation accrued was CNY43.7 million (six months ended 30 June 2023: CNY127.8 million).

As at 30 June 2024, certain mining rights with a carrying amount of CNY451.2 million (31 December 2023: CNY453.3 million) were pledged to secure bank loans with a carrying amount of CNY1,359.0 million (31 December 2023: CNY1,371.2 million) (Note 20).

As at 30 June 2024, certain mining structure, machinery and equipment with a carrying amount of CNY20.2 million (31 December 2023: CNY171.0 million) were pledged to secure bank loans with a carrying amount of CNY96.8 million (31 December 2023: CNY109.6 million) (Note 20).

As at 30 June 2024, certain buildings with a carrying amount totalling CNY112.0 million (31 December 2023: CNY108.4 million) were without title certificates.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 12. LEASES

### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year/period are as follows:

	Leasehold land CNY'000	Machinery and equipment CNY'000	Buildings CNY'000	Total CNY'000
As at 1 January 2023	55,023	227,529	4,278	286,830
Additions	18,780	95,386	–	114,166
Depreciation charge	(474)	(20,446)	(1,670)	(22,590)
Reclassified to property, plant and equipment	–	(109,308)	–	(109,308)
<b>As at 31 December 2023 and 1 January 2024</b>	<b>73,329</b>	<b>193,161</b>	<b>2,608</b>	<b>269,098</b>
Additions	563	–	–	563
Depreciation charge	(107)	(2,915)	(475)	(3,497)
<b>As at 30 June 2024</b>	<b>73,785</b>	<b>190,246</b>	<b>2,133</b>	<b>266,164</b>

### (b) Lease liabilities

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
<b>Carrying amount at the beginning of period/year</b>	<b>132,069</b>	132,659
New leases	–	114,166
Accretion expense	<b>3,338</b>	6,302
Payments	<b>(28,884)</b>	(121,058)
<b>Carrying amount at the end of period/year</b>	<b>106,523</b>	132,069
Analysed into:		
Current portion	<b>58,852</b>	64,614
Non-current portion	<b>47,671</b>	67,455

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 13. REHABILITATION FUND

The rehabilitation fund represents restricted cash set aside by the Group in banks and cash placed with authorities for the purposes of future environmental rehabilitation as well as the settlement of asset retirement obligations.

## 14. INVENTORIES

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Spare parts and consumables	38,232	38,820
Coal	15,782	23,545
Less: Provision for impairment	(1,810)	(1,810)
	<b>52,204</b>	60,555

## 15. TRADE AND BILLS RECEIVABLES

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Trade receivables	59,644	59,198
Less: Loss allowance for impairment of trade receivables	(54,640)	(53,236)
	<b>5,004</b>	5,962
Bills receivable	3,754	3,354
	<b>8,758</b>	9,316

A credit period of up to three months is granted to customers with an established trading history, and for other customers, sales on cash terms or payments in advance are required. Trade receivables are non-interest-bearing.

Trade receivables (including inter-company trade receivables) of CNY52.3 million (31 December 2023: CNY52.3 million) were pledged as security for a short-term loan of CNY48.5 million (31 December 2023: CNY48.5 million) as at 30 June 2024 (Note 20).

Bills receivable are bills of exchange with maturity dates of less than one year, and management considers the probability of the default is minimal.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 15. TRADE AND BILLS RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the period/year, based on the invoice date and net of loss allowance, is as follows:

	<b>At 30 June 2024 CNY'000 (Unaudited)</b>	<b>At 31 December 2023 CNY'000 (Audited)</b>
Within 3 months	3,011	2,979
3 to 6 months	88	–
6 to 12 months	–	–
Over 12 months	1,905	2,983
	<b>5,004</b>	<b>5,962</b>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>At 30 June 2024 CNY'000 (Unaudited)</b>	<b>At 31 December 2023 CNY'000 (Audited)</b>
At the beginning of the period/year	53,236	53,501
Impairment loss recognised	1,404	–
Reversal of impairment	–	(265)
At the end of the period/year	<b>54,640</b>	<b>53,236</b>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit loss on trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 16. PREPAYMENTS AND OTHER RECEIVABLES

The balances consist of prepayments and other receivables at cost of:

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Current:		
Prepayments for purchase of spare parts and consumables	14,347	18,432
Deposits	16,438	20,184
Advances to staff	7,769	8,593
Withheld social security	37,627	35,141
Value-added tax recoverable	9,960	8,007
Prepaid transportation fee	1,686	1,704
Prepayments for coals for trading purposes	5,214	26,932
Others	12,872	10,652
Less: Provision for impairment	(17,719)	(14,848)
	<b>88,194</b>	114,797
Non-current:		
Prepayments for construction-related work	10,724	21,438
Prepayments for equipment purchases	4,837	14,722
Prepayments for mining plan design	456	562
Others	726	1,076
Less: Provision for impairment	(4,152)	(3,513)
	<b>12,591</b>	34,285
	<b>100,785</b>	149,082

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 16. PREPAYMENTS AND OTHER RECEIVABLES (continued)

The movements in provision for impairment of prepayments and other receivables are as follows:

	<b>At 30 June 2024 CNY'000 (Unaudited)</b>	At 31 December 2023 CNY'000 (Audited)
Current:		
At the beginning of the period/year	<b>14,848</b>	10,149
Impairment losses recognised	<b>2,871</b>	4,699
Sub-total	<b>17,719</b>	14,848
Non-current:		
At the beginning of the period/year	<b>3,513</b>	3,513
Impairment loss recognised	<b>639</b>	–
Sub-total	<b>4,152</b>	3,513
At the end of the period/year	<b>21,871</b>	18,361

## 17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	<b>At 30 June 2024 CNY'000 (Unaudited)</b>	At 31 December 2023 CNY'000 (Audited)
Pledged deposits (i):		
Pledged and restricted for bank bills (Note 18)	–	28,000
Restricted bank deposits	<b>1,925</b>	3,934
Pledged and restricted for bank loans	<b>15,000</b>	15,000
Cash and cash equivalents	<b>19,520</b>	10,107
	<b>36,445</b>	57,041

- (i) Pledged deposits mainly include deposits of nil (31 December 2023: CNY28.0 million) held as security for the issuance of bank bills and a deposit of CNY15.0 million (31 December 2023: CNY15.0 million) held as security for a bank loan and restricted bank deposits of CNY1.9 million (31 December 2023: CNY3.9 million) frozen due to a lawsuit as at 30 June 2024.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (continued)

- (ii) Deposits and cash and cash equivalents are denominated in the following currencies:

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
CNY	36,113	56,909
Hong Kong dollar	332	132
	<b>36,445</b>	57,041

Cash and cash equivalents are principally CNY-denominated deposits placed with banks in the PRC. The CNY is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange CNY into other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

## 18. TRADE AND BILLS PAYABLES

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Trade payables (a)	846,697	892,910
Bills payable (b)	–	56,000
	<b>846,697</b>	948,910

- (a) Included in trade payables was CNY533.0 million (31 December 2023: CNY544.0 million) due to construction-related contractors as at 30 June 2024.

- (b) Pledged deposits of nil (31 December 2023: CNY28.0 million) were pledged to secure the bank bills as at 30 June 2024 (Note 17).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 18. TRADE AND BILLS PAYABLES (continued)

The ageing analysis of trade payables, based on the invoice date, is as follows:

	<b>At 30 June 2024 CNY'000 (Unaudited)</b>	<b>At 31 December 2023 CNY'000 (Audited)</b>
Within one year	<b>254,587</b>	486,711
One to two years	<b>237,408</b>	357,058
More than two years	<b>354,702</b>	49,141
	<b>846,697</b>	892,910

Bills payable are bills of exchange with maturity of less than one year.

The trade payables are non-interest-bearing and are normally settled on a term of three to six months, except for those due to construction-related contractors which are repayable on terms ranging from three months to approximately one year.

## 19. OTHER PAYABLES AND ACCRUALS

	<b>At 30 June 2024 CNY'000 (Unaudited)</b>	<b>At 31 December 2023 CNY'000 (Audited)</b>
Deposits from contractors	<b>225,671</b>	233,551
Social security payable (a)	<b>106,107</b>	103,025
Payroll payable	<b>79,489</b>	43,336
Welfare payable	<b>442</b>	–
Contract liabilities (b)	<b>527,981</b>	385,558
Other taxes payable	<b>123,016</b>	90,836
Professional fee	<b>3,678</b>	2,878
Payables for emergency rescue of the coal mine	<b>4,000</b>	4,943
Geological hazard compensation	<b>7,921</b>	8,744
Others	<b>76,659</b>	48,912
	<b>1,154,964</b>	921,783

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 19. OTHER PAYABLES AND ACCRUALS (continued)

- (a) The social security payable consists of employee retirement insurance, medical insurance, maternity insurance, employment injury insurance and unemployment insurance and housing funds for the Group's employees.
- (b) Contract liabilities include short-term advances received to deliver coal. In May 2023, Guizhou Puxin Energy Co., Ltd. ("Guizhou Puxin") signed a contract for sales of coal with Guizhou Province Development Investment Co., Ltd. \* (貴州省物資開發投資有限責任公司) and received the prepayment for coal amounting to CNY200,000,000 according to the contract terms. Feishang Group Limited pledged 600,000,000 ordinary shares of the Company held by it to secure the delivery of coal mentioned in the contract. Besides, Mr. Li Feilie, Ms. Wang Jing (the spouse of Mr. Li Feilie), the Company, the Group's subsidiaries including Guizhou Yongfu Mining Co., Limited ("Guizhou Yongfu"), Guizhou Dayun Mining Co., Ltd. ("Guizhou Dayun"), Jinsha Baiping Mining Co., Ltd. ("Baiping Mining") and Liuzhi Xinsong Coal Mining Co., Ltd. ("Xinsong Coal"), the Group's related parties including Feishang Enterprise and Guizhou Feishang Energy Co., Ltd.\* (貴州飛尚能源有限公司) and the independent third party including Guizhou Credit Promotion Co., Ltd.\* (貴州省信用增進有限公司) also provided guarantees for the delivery of coal.
- \* For identification purposes only

Other payables are non-interest-bearing and have an average term of three months.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
<b>Current</b>		
Bank and other borrowings — guaranteed	90,290	149,092
Bank and other borrowings — secured	48,500	48,500
Bank and other borrowings — secured and guaranteed	1,277,485	1,276,241
Current portion of long-term bank and other borrowings — secured and guaranteed	208,467	225,750
Current portion of long term bank and other borrowings – secured	649	–
Current portion of long-term bank and other borrowings — guaranteed	2,884	3,292
	<b>1,628,275</b>	1,702,875
<b>Non-current</b>		
Bank and other borrowings — guaranteed	649	1,868
Bank and other borrowings — secured and guaranteed	20,815	33,257
Bank and other borrowings — secured	566	–
	<b>22,030</b>	35,125
	<b>1,650,305</b>	1,738,000

Certain of the interest-bearing bank and other borrowings are secured by:

- (1) pledges over the Group's mining rights with a carrying amount of CNY451.2 million (31 December 2023: CNY453.3 million) as at 30 June 2024 (Note 11);
- (2) pledges over the Company's equity interests in Guizhou Puxin, Guizhou Dayun, Baiping Mining, Xinsong Coal and Guizhou Yongfu as at 30 June 2024 and as at 31 December 2023;
- (3) pledges over trade receivables (including inter-company trade receivables) with a carrying amount of CNY52.3 million (31 December 2023: CNY52.3 million) as at 30 June 2024 (Note 15);
- (4) pledges over mining structure, machinery and equipment owned by Guizhou Dayun, Baiping Mining, and Xinsong Coal with a carrying amount of CNY20.2 million (31 December 2023: CNY171.0 million) as at 30 June 2024 (Note 11); and
- (5) a pledge of a deposit with a carrying amount of CNY15.0 million (31 December 2023: CNY15.0 million) as at 30 June 2024 (Note 17).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 20. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

In addition, Mr. Li Feilie has guaranteed certain of the Group's interest-bearing bank and other borrowings up to CNY1,527.1 million (31 December 2023: CNY1,614.3 million) as at 30 June 2024. Also, the Group's fellow subsidiaries have guaranteed certain of the Group's interest-bearing bank and other borrowings up to CNY1,497.1 million (31 December 2023: CNY1,584.3 million) as at 30 June 2024.

All borrowings are denominated in CNY.

## 21. DEFERRED INCOME

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
At the beginning of period/year	12,903	15,706
Amortised during the period/year	(1,299)	(2,803)
At the end of period/year	11,604	12,903

## 22. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations primarily relate to the closure of mines, which includes dismantling mining-related structures and the reclamation of land upon exhaustion of coal reserves.

The following table describes the changes to the Group's asset retirement obligation liabilities:

	Amount CNY'000
At 1 January 2023	14,763
Accretion expenses	1,027
At 31 December 2023 (audited) and 1 January 2024	15,790
Accretion expenses	549
At 30 June 2024 (unaudited)	16,339

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 23. SHARE CAPITAL

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Authorised:		
100,000,000,000 ordinary shares of HK\$0.001 each (31 December 2023: 100,000,000,000 ordinary shares of HK\$0.001 each)	79,960	79,960
Issued and fully paid:		
1,380,545,800 ordinary shares of HK\$0.001 each (31 December 2023: 1,380,545,800 ordinary shares of HK\$0.001 each)	1,081	1,081

## 24. COMMITMENTS

### Capital commitments

The Group had the following capital commitments at the end of the reporting period:

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Contracted, but not provided for		
– Construction and purchase of items of property, plant and equipment	11,561	18,245
– Capital contribution to associates	11,600	11,600
	23,161	29,845

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 25. RELATED PARTY TRANSACTIONS

- (a) In addition to the guarantees provided by related parties detailed in note 20 to the interim condensed consolidated financial information, the Group had the following transactions with related parties during the year:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>CNY'000</b>	CNY'000
	<b>(Unaudited)</b>	(Unaudited)
Payment of share of office rental, rates and others to Anka Consultants Limited ("Anka") (i)/(ii)	<b>311</b>	302
Payment of share of office rental to Feishang Enterprise (i)/(iii)	<b>82</b>	82

- (i) The related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.
- (ii) On 1 July 2020, the Company and China Natural Resources, Inc. ("CHNR"), a related company which is controlled by the controlling shareholder of the Group, signed the office sharing agreement with Anka, a Hong Kong private company that is owned by certain directors. Pursuant to the agreement, 119 square meters out of the total area of the office premises were used by the Company, and 184 square metres were used by CHNR. The agreement also provided that the Company and CHNR shared certain costs and expenses in connection with their use of the office, in addition to some of the accounting and secretarial services and day-to-day office administration provided by Anka. On 25 July 2022, the Company's lease with Anka was extended for another two years, from 1 July 2022 to 30 June 2024.
- (iii) In September 2022, Shenzhen Chixin Information and Consulting Co., Ltd. ("Shenzhen Chixin"), a wholly-owned subsidiary of the Group, entered into an office sharing leasing agreement with Feishang Enterprise for one year. Pursuant to the agreement, the office premises of 40 square metres were shared by the Company. In September 2023, the agreement expired, and Shenzhen Chixin signed the new contract with Feishang Enterprise for one year, from 1 October 2023 to 30 September 2024.

The directors of the Company are of the opinion that the above transactions with related parties were conducted in the ordinary course of business and on normal commercial terms or in accordance with the agreements governing such transactions.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 25. RELATED PARTY TRANSACTIONS (continued)

### (b) Outstanding balances with related parties

The Group's payables with related parties, all of which have no fixed terms of repayment, are unsecured and non-interest-bearing, are summarised as follows:

	At 30 June 2024 CNY'000 (Unaudited)	At 31 December 2023 CNY'000 (Audited)
Payables to the Shareholder:		
Feishang Group Limited	13,075	14,463
	<b>13,075</b>	14,463
Payables to related companies:		
Feishang Enterprise (i)	268,062	165,407
Anka Capital Limited (ii)	4,932	–
	<b>272,994</b>	165,407
Lease liabilities due to a related company:		
Anka	665	224
	<b>665</b>	224

(i) During the six months ended 30 June 2024, the Group received advances from Feishang Enterprise of CNY431.2 million (six months ended 30 June 2023: CNY529.9 million) and made repayments to Feishang Enterprise of CNY393.1 million (six months ended 30 June 2023: CNY574.3 million).

(ii) During the six months ended 30 June 2024, the Group received advances from Anka Capital Limited of CNY4.9 million (six months ended 30 June 2023: nil).

### (c) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2024 CNY'000 (Unaudited)	2023 CNY'000 (Unaudited)
Wages, salaries and allowances	1,700	2,496
Contribution to pension plans	12	57
Housing funds	62	39
Welfare and other expenses	8	51
	<b>1,782</b>	2,643

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### Fair value hierarchy

The table below analyses financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

### Assets measured at fair value

#### At 30 June 2024

	Fair value measurement using			Total CNY'000 (Unaudited)
	Quoted prices in active markets (Level 1) CNY'000 (Unaudited)	Significant observable inputs (Level 2) CNY'000 (Unaudited)	Significant unobservable inputs (Level 3) CNY'000 (Unaudited)	
Bills receivable	–	3,754	–	3,754
Total	–	3,754	–	3,754

#### At 31 December 2023

	Fair value measurement using			Total CNY'000 (Audited)
	Quoted prices in active markets (Level 1) CNY'000 (Audited)	Significant observable inputs (Level 2) CNY'000 (Audited)	Significant unobservable inputs (Level 3) CNY'000 (Audited)	
Bills receivable	–	3,354	–	3,354
Total	–	3,354	–	3,354

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2024

## 27. EVENTS AFTER THE REPORTING PERIOD

On 16 August 2024, Guizhou Puxin received and fully drew down a short-term bank loan of CNY32.0 million from Liupanshui branch of Bank of Guizhou Co., Ltd., which has to be repaid on 15 August 2025. The purpose of the loan is for purchasing coal. The loan bears a fixed annual interest rate at 6.775% per annum.

## 28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 29 August 2024.

## SUMMARY OF MINE PROPERTIES

The following table sets forth certain information relating to each of the Group's four anthracite coal mines as of the date of this report:

Mine	Commercial Production			Discontinued Operation	
	Baiping Coal Mine	Yongsheng Coal Mine	Dayun Coal Mine	Liujiaba Coal Mine (Note 2)	Gouchang Coal Mine (Note 1)
Location (within Guizhou province, the PRC)	Jinsha County, Qianbei Coal District	Jinsha County, Qianbei Coal District	Jinsha County, Qianbei Coal District	Liuzhi Special District, Zhina Coal District	Nayong County, Zhina Coal District
Equity interest held by the Group	70%	70%	100%	100%	99%
Date of initial commercial production	June 2009	February 2014	July 2015	December 2012	n/a
<b>Reserve data (as of 31 July 2013) (Note 3)</b>					
Proved reserve (million tonnes)	3.44	3.77	12.50	2.08	n/a
Probable reserve (million tonnes)	19.04	48.19	84.79	11.52	n/a
<b>Total proved and probable reserve (million tonnes)</b>	<b>22.48</b>	<b>51.96</b>	<b>97.29</b>	<b>13.60</b>	<b>n/a</b>
<b>Reserve data (as of 30 June 2024) (Note 4)</b>					
Proved reserve (million tonnes)	–	–	6.48	–	n/a
Probable reserve (million tonnes)	19.01	43.50	84.79	9.96	n/a
<b>Total proved and probable reserve (million tonnes)</b>	<b>19.01</b>	<b>43.50</b>	<b>91.27</b>	<b>9.96</b>	<b>n/a</b>
<b>Capital expenditure for the six months ended 30 June 2024 (CNY in millions)</b>	<b>53.6</b>	<b>0.9</b>	<b>16.3</b>	<b>12.1</b>	<b>n/a</b>



# SUMMARY OF MINE PROPERTIES

## *Notes:*

- (1) The Group has closed down Gouchang Coal Mine in accordance with relevant Guizhou province's coal mine consolidation policy. The credit of the coal resource and reserve of Gouchang Coal Mine has been utilised by Baiping Coal Mine in 2023.
- (2) On 26 January 2015, the first batch of the restructuring proposal has been approved by the Energy Bureau of Guizhou Province and the Leading Group Office of Guizhou Province on Coal Enterprises Consolidation. Under the first batch of the restructuring proposal, the Group would integrate Zhulinzhai Coal Mine and Liujiaba Coal Mine, both located in Xinhua, Liuzhi Special District, Zhina Coal District, Guizhou province, into a single coal mine under the name of Liujiaba Coal Mine. On 4 December 2020, Guizhou Puxin received an amended new mining right permit of Liujiaba Coal Mine. According to the new mining right permit, the mining area of Liujiaba Coal Mine has been adjusted to facilitate better urban and regional planning as disclosed in the Business Update Announcement of the Company dated 8 December 2020.
- (3) The reserve data as of 31 July 2013 is extracted from competent person's report dated 7 December 2013 prepared by Behre Dolbear Asia, Inc. under the JORC Code.
- (4) The reserve data as of 30 June 2024 has been substantiated by the Group's internal expert by adjusting those reserves extracted by the Group's mining activities from August 2013 to June 2024 from the proved reserve figure as of 31 July 2013. All assumptions and technical parameters set out in the competent person's report as shown in the listing document of the Company dated 31 December 2013 have not been materially changed and are continued to apply to the reserve data as of 30 June 2024 (except that of Gouchang Coal Mine).
- (5) There was no exploration activity for the Group during the Reporting Period.