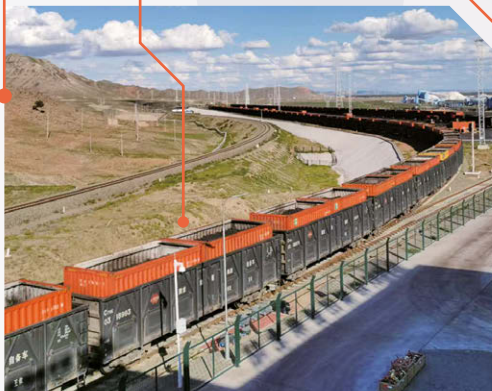
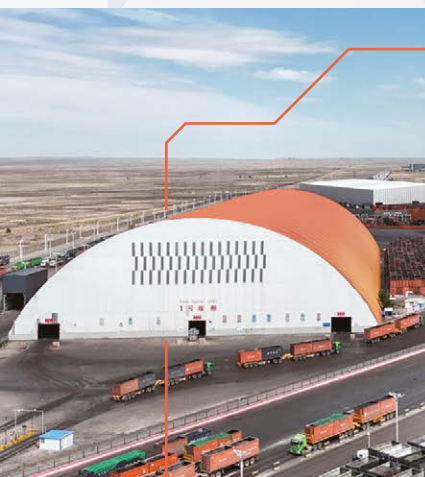


WINSWAY 易大宗

E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(Incorporated in the British Virgin Islands with limited liability)
Stock Code : 1733



ANNUAL REPORT

2025

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Chairman's Statement

Dear Shareholders and colleagues,

The year 2025 marked a period of profound adjustment for the commodities sector. The external environment remained highly complex and volatile with market demand and pricing mechanisms undergoing continuous restructuring. These conditions placed significant pressure on the industry participants' business operations. While our performance this year was not as remarkable as in the past, our team remained dedicated, ensuring stable operations and maintaining business continuity in a highly volatile market, thereby laying a solid foundation for the Company's long-term development.

I hereby would like to extend my sincere gratitude to every member of the "E-Commodities Family" who has forged ahead under pressure, as well as to all shareholders for your trust and companionship, your support has given us the confidence and courage to navigate through market cycles. This year, we remained committed to our promise of rewarding shareholders by maintaining a stable dividend policy, and proposed to declare a final dividend of approximately HK\$79 million for 2025.

INDUSTRY REVIEW

In 2025, the steel industry and coking coal market exhibited distinct characteristics of transformation. The price benchmarks shifted sharply downwards, profit margins across trading links were severely compressed, and operational challenges intensified significantly:

The steel industry continued the pattern of strong supply and weak demand. According to data from the National Bureau of Statistics of China, the annual crude steel production amounted to 961 million tonnes, representing a year-on-year decrease of approximately 4.40%; and the consumption of apparent crude steel was 829 million tonnes, representing a year-on-year decrease of approximately 7.10% and a reduction of roughly 20.90% as compared to the peak in 2020. The demand structure underwent significant adjustments, with the share of steel used in the construction sector falling to approximately 49.00%, while that used in the manufacturing sector rose to approximately 51.00%. Sectors such as automotive, shipbuilding, new energy, and new infrastructure became the primary drivers of demand. Steel exports reached 119 million tonnes for the year, representing a year-on-year increase of nearly 7.50%. However, the average export price was USD694 per tonne, representing a year-on-year decrease of approximately 8.10%, characterized by "rising volumes but falling prices".

Chairman's Statement

The coking coal market experienced significant volatility throughout the year, with a significant downward shift in the price benchmark, presenting severe challenges for trading operations. From the beginning to the middle of the year, price continued to bottom out. The price of coking coal fell persistently from nearly RMB2,000 per tonne at the beginning of the year, with the major futures contract recording a maximum decline of approximately 39.01%, hitting a new low since 2017. While policy stimulus in the third quarter drove a short-lived rebound, the market resumed its downward trend in the fourth quarter and retested its lows at the end of the year, with the average coking coal market price standing at around RMB1,304 per tonne in December. Sharp price fluctuations reflected the high degree of uncertainty in the market. The sustained downturn in the price benchmark squeezed trading intermediaries from both upstream and downstream, severely narrowing profit margins and posing significant challenges to traditional trading models.

Restructuring of industrial chain profits and transformation of inventory strategies. Downstream steel mills wielded the pricing power, which narrowed the profit margins at the upstream resource end, squeezing trading intermediaries from both sides and resulting in extremely thin profit margins. Meanwhile, downstream enterprises generally adopted low-inventory, rapid-turnover strategies, intensifying risks in the trading and distribution segments and significantly increasing pressure on capital turnover. Consequently, the industry placed markedly higher requirements on risk control capabilities, operational efficiency, and capital security.

BUSINESS PERFORMANCE

Amidst a challenging market environment, the Group recorded a revenue of HK\$25,241 million and a net profit of HK\$315 million for the year. The changes in performance were primarily attributable to the significant volatility in the coking coal market throughout the year, a significant downturn in the price benchmark, and a restructuring of industrial chain profits, causing the intermediary trading and logistics segments to suffer from margin compression on both sides, thereby drastically squeezing profit margins. The performance of each business segment is as follows:

Supply Chain Trading Segment: During the year, the Group completed coal sales of 17.25 million tonnes, and sold 8.69 million tonnes of Mongolian coal through a joint venture, Xianghui Energy (Xiamen) Co., Ltd.* (象暉能源(廈門)有限公司) ("**Xianghui Energy**"). In response to a market environment characterized by drastic price fluctuations throughout the year, we implemented a dual-engine strategy: First, we optimized the product mix and strengthened research and development in coal blending technology to enhance our service capability for high-quality prepared coal, thereby building a differentiated competitive advantage. Second, we coordinated efforts across domestic and overseas markets, steadily expanding our overseas footprint and lifting the share of overseas sales in total supply chain trading revenue to approximately 25.34%. In response to the new normal of trading defined by "low margins, high risks, and fast turnover", we simultaneously intensified risk control measures, and flexibly utilized futures instruments to hedge against the impact of price volatility, thereby assisting partners in accurately matching spot and futures positions to mitigate operational risks. Against the backdrop of profit contraction across the industry, we achieved risk sharing and mutual benefits with partners through providing value-added services, thereby solidifying core customer relationships.



Chairman's Statement

Integrated Supply Chain Services Segment: In 2025, the competitive landscape at Sino-Mongolia ports underwent profound changes. The clearance capacity of Gants Mod port continued to improve, while infrastructure enhancement of other ports including Ceke port and Mandula port was accelerated, the resulting increase in transport capacity led to a decline in profits across various segments of cross-border transportation, which has become an inevitable industry-wide and structural trend. During the year, the Company delivered mining services volume of 36.83 million m³, domestic transportation volume of 11.22 million tonnes, and washing and processing volume of 6.70 million tonnes. Through our subsidiaries, joint ventures and associates, we achieved cross-border transportation volume of 9.71 million tonnes and participated in port storage handling of 16.86 million tonnes. Amid industry-wide margin compression and heightened competition, the Company's business volume remained relatively stable, which fully validated the anti-cyclical capability and operational resilience of the integrated supply chain closed-loop service model built over many years. In the future, the Company intends to continue exploring ways to adapt to the new competitive landscape among the ports by implementing a strategy of "optimizing layout and multi-point support": consolidating the foundation of Gants Mod port to maintain existing service advantages; assessing the opportunities to increase the share of operations of Ceke port and Mandula port to form incremental support; and exploring to build a balanced cross-border supply chain system to reduce dependence on any single port, thereby enhancing our overall risk resistance and long-term profitability stability.

SERVICE CAPABILITY DEVELOPMENT AND SUSTAINABLE GROWTH

In 2025, building on a foundation of stable operations, the Company achieved breakthroughs in its service capabilities: we successfully obtained the qualification for a coking coal delivery warehouse from the Dalian Commodity Exchange, providing the market with risk management tools and a standard pricing reference; we advanced the establishment of a supervised warehouse for copper concentrate at Gants Mod port, achieving breakthroughs in bonded storage and multi-category operations; and we steadily progressed with pilots for smart logistics and unmanned transportation, enhancing operational efficiency and long-term competitiveness.

The Company has always embedded responsibility and sustainability into its development gene. In 2025, we made comprehensive progress in our ESG development: integrating green and low-carbon principles throughout entire supply chain services, ensuring safety and compliance across every aspect of our operations and management, and putting employee care and social responsibility into practice. We safeguard the ecosystem, our partners and shareholder value through more transparent governance, greener operations and more compassionate social responsibility.

Chairman's Statement

OUTLOOK: HOLDING THE BOTTOM LINE, AND BUILDING MOMENTUM FOR RECOVERY

The profound market adjustment in 2025 presented a systemic challenge for the entire industry. The downward shift in the price benchmark, shrinking profit margins, and intensified volatility risk posed challenges to the risk control capabilities and operational efficiency of every market player. In the future, the Company will continue to adhere to a steady, prudent and sustainable business strategy to optimize resource allocation, strengthen risk control, enhance operational efficiency, focus on core ports and core customers, and deepen services across the entire coal supply chain.

Industry cycles are bound to ebb and flow, yet improved supply-demand dynamics and market recovery are foreseeable. We believe that our resilience and capability building at the bottom of the cycle will accumulate stronger momentum for the next upswing. The Company will deliver tangible operating results to reward the trust and support of all shareholders.

May we join hands and hearts to traverse mountains and seas, and build a long-lasting brilliance for E-Commodities together!

Cao Xinyi

Chairman

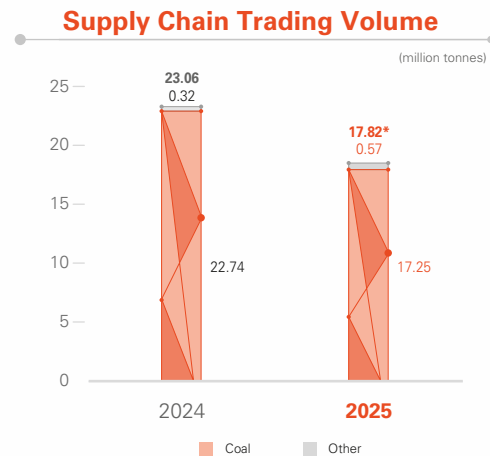
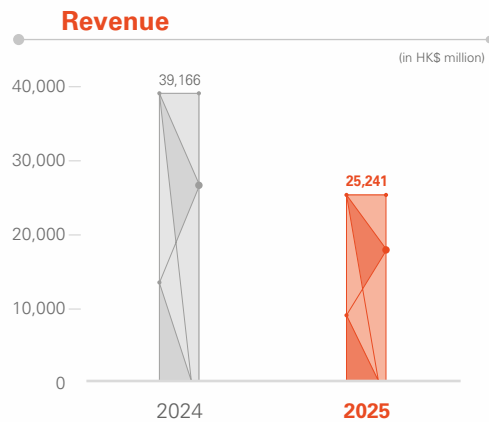
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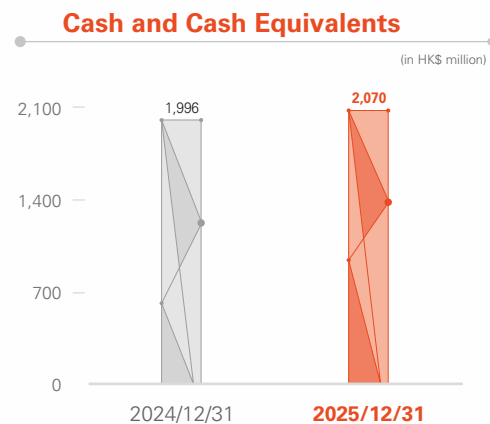
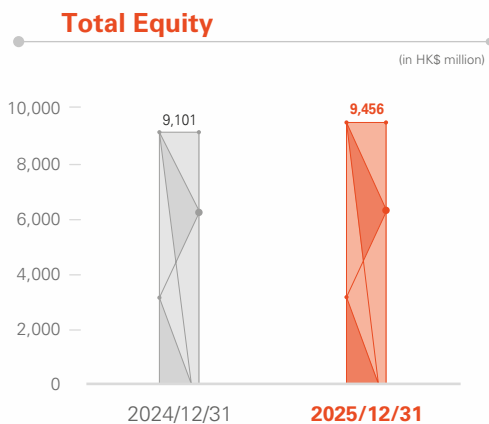
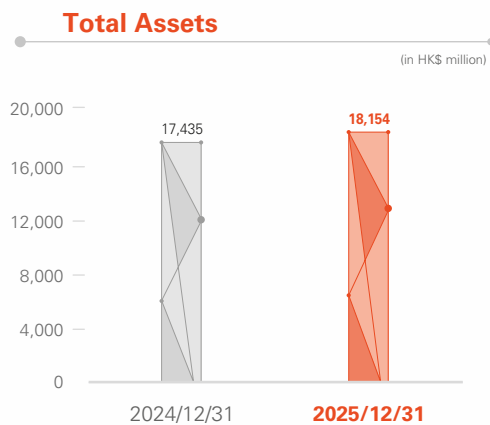
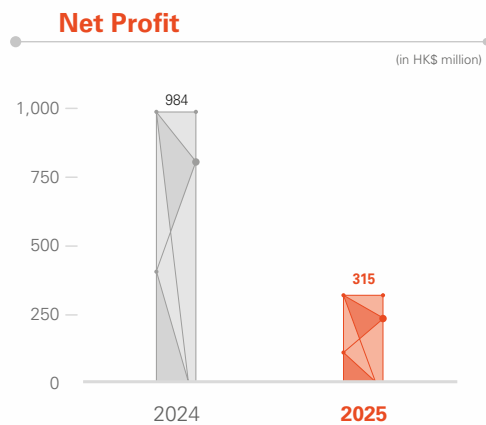
Management Discussion and Analysis of Financial Conditions and Operating Results

The following discussion and analysis should be read together with the Group's financial information and the notes thereto. The Group's financial statements have been prepared in accordance with all IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

I. OVERVIEW



* Excluding sales volume of approximately 8.69 million tonnes of Mongolian coal executed through our associate Xianghui Energy.



Management Discussion and Analysis of Financial Conditions and Operating Results

II. FINANCIAL REVIEW

1. Revenue Overview

The year 2025 marked a period of profound adjustment for the commodities sector. The external environment remained highly complex and volatile with market demand and pricing mechanisms undergoing continuous restructuring. These conditions placed significant pressure on the industry participants' business operations. The steel industry remained a mismatch of strong supply and weak demand, with year-on-year declines in both crude steel output and consumption, as demand shifted from construction to manufacturing, particularly in automotive, shipbuilding, new energy, and new infrastructure. The coking coal market experienced significant volatility throughout the year, with a significant downward shift in the price benchmark. Steel mills held pricing power, margins at the upstream resource side narrowed, and midstream traders were squeezed from both ends, resulting in extremely thin profit margins. Meanwhile, downstream enterprises adopted low-inventory and fast-turnover strategies, intensifying risks in trading and increasing the need for effective risk management and operational efficiency. Despite these challenges, the Group recorded consolidated revenue of HK\$25,241 million, representing a decrease of 35.55% compared to HK\$39,166 million in 2024. This decrease was mainly due to a year-on-year decline in coking coal prices and a corresponding decrease in coal trading volume, resulting in a 42.50% drop in coal trading revenue compared to the same period last year.

	2025 HK\$'000	2024 HK\$'000
Disaggregated by major products or service lines		
– Coal	19,461,514	33,848,161
– Rendering of integrated supply chain services	3,406,574	3,951,002
– Oil and petrochemical products	2,092,131	1,135,268
– Coke	154,897	–
– Iron ore	98,116	179,538
– Others	28,092	52,222
	25,241,324	39,166,191



Management Discussion and Analysis of Financial Conditions and Operating Results

In 2025, sales revenue generated from outside of the PRC (including Hong Kong, Macau and Taiwan) was HK\$7,298 million, and the percentage to the total revenue rose to 28.90% in 2025 from 20.76% in 2024, showing the great effort of the Group in global market expansion and market diversification. In 2025, the Group's oversea business geographic coverage includes Indonesia, Mongolia, Malaysia, South Korea, Vietnam, India, Canada, Japan and others.

	Revenues from External Customers	
	2025 HK\$'000	2024 HK\$'000
The PRC (including Hong Kong, Macau and Taiwan)	17,943,221	31,035,530
Indonesia	1,853,381	2,633,338
Mongolia	1,395,097	1,089,654
Malaysia	922,557	1,580,972
South Korea	919,231	1,045,207
Vietnam	628,224	384,048
India	592,705	776,320
Canada	372,211	-
Japan	361,006	502,576
Others	253,691	118,546
	25,241,324	39,166,191

In 2025, the sales from our top five customers accounted for 39.90% of our total sales, whereas the same ratio was 44.92% in 2024. These customers are mainly large-scale, state-owned steel groups in China, all being leading companies in the industry.

Management Discussion and Analysis of Financial Conditions and Operating Results

Supply Chain Trading

In 2025, the Group's supply chain trading business segment recorded a revenue of HK\$21,834 million, representing approximately 86.50% of the total revenue. This segment generates income by providing commodities trading services to our end customers, covering diversified commodities including, among others, coal products, oil and petrochemical products, coke and iron ore.

The revenue generated from coal products decreased by approximately 42.50% from approximately HK\$33,848 million in 2024 to approximately HK\$19,462 million in 2025. This was primarily due to:

- 1) the market remained under sustained pressure, and the benchmark price of coking coal continued its downward trend, with the average price of tier-one premium coking coal falling by approximately 26.62% year-on-year;
- 2) against the price discrepancies between domestic and international coal markets, China's import volume of seaborne coking coal (excluding cargoes sourced from Mongolia) decreased by approximately 9.96% year-on-year. The Group has adopted a prudent procurement strategy to strictly control risks and prioritize quality sales.

Nevertheless, the Group confronted market price fluctuations by implementing a dual-engine strategy actively optimizing its product structure and strengthening research and development in coal blending technology to enhance its service capability for high-quality prepared coal, thereby building a differentiated competitive advantage. The Group also coordinated efforts in both domestic and international markets to steadily expand its overseas presence, with the share of sales in non-PRC market in total trade revenue rising from 20.03% to 25.34% over the corresponding period last year. Meanwhile, the Group strengthened risk control by proactively and flexibly utilizing futures instruments to hedge against price fluctuations, thereby assisting partners in accurately matching spot and futures positions to mitigate operational risks.

Integrated Supply Chain Services

In 2025, our integrated supply chain services business segment recorded a revenue of HK\$3,407 million, representing approximately 13.50% of the total revenue, a decrease of approximately 13.77% compared to HK\$3,951 million in 2024. The decrease was mainly attributable to significant changes in the competitive landscape at the Sino-Mongolia border. Continuous improvements in port clearance capability and an increase in transport capacity have led to a decline in market prices across various segments of cross-border transportation, which has become an inevitable industry-wide and structural trend. In addition, the average annual price of Mongolia 5# raw coal at the Gants Mod port in 2025 stood at RMB909 per tonne, a year-on-year decrease of approximately 28.61%. Such decline in coal prices affected customers' purchasing intentions and slowed their procurement pace, which in turn impacted the pricing levels of related services.



Management Discussion and Analysis of Financial Conditions and Operating Results

In 2025, the competitive landscape at Sino-Mongolia ports underwent profound changes. With the continuous improvement in the clearance capacity of Gants Mod port and the ongoing infrastructure enhancements at other ports such as Ceke port and Mandula port, the overall transportation capacity in the industry increased significantly, leading to increasingly fierce market competition and narrowing profit margins across all segments of cross-border transportation.

Against the backdrop of overall profit contraction and intensified competition within the industry, the Company's business volume remained relatively stable, fully demonstrating the anti-cyclical capability and operational resilience of the integrated supply chain closed-loop service model built over many years. During the year, the Company recorded mining services volume of 36.83 million m³, domestic transportation volume of 11.22 million tonnes, and washing and processing volume of 6.70 million tonnes. Through our subsidiaries, joint ventures and associates, we achieved cross-border transportation volume of 9.71 million tonnes and participated in port storage handling of 16.86 million tonnes.

In the future, the Company will proactively adapt to the new competitive landscape among the ports by implementing a strategy of "optimizing layout and multi-point support": consolidating the foundation of Gants Mod port to maintain existing service advantages; increasing the share of operations of other ports including but not limited to Ceke and Mandula port to form incremental support; and building a balanced cross-border supply chain system to reduce dependence on any single port, thereby enhancing overall risk resistance and long-term profitability stability.

Business Prospects

Despite industry-wide margin compression, the Group has demonstrated exceptional resilience and operational agility throughout 2025, successfully navigating a challenging market environment while maintaining its market shares. Building on this foundation, we will advance a dual-driven strategy in 2026 focused on customer-centric service excellence and enhanced risk management, underpinned by intelligent operations and full-chain integration. Specifically, we will deepen and expand its supply chain trading business by vertically elevating customer service capabilities across all touchpoints, horizontally diversifying its product portfolio to capture emerging market opportunities, and fortifying strategic alliances with key collaborators to secure competitive supply channels. Simultaneously, we will accelerate exploring upstream mining services in strategic Mongolian regions, systematically extend its proven full-chain service model to additional Sino-Mongolia border ports, and deliver enhanced value-added services to suppliers and buyers across the entire supply chain ecosystem. While consolidating our dual-core business pillars of supply chain trading and integrated supply chain services, we will further advance our market positioning through systematic intelligent transformation initiatives encompassing smart mining operations, intelligent transportation systems, and integrated PV-storage-charging infrastructure, thereby leveraging technological upgrading as a key enabler to enhance operational efficiency and strengthen competitive advantages across all core business segments.

Management Discussion and Analysis of Financial Conditions and Operating Results

2. Cost of Sales and Procurement

Cost of sales in 2025 was approximately HK\$24,341 million, representing a decrease of 35.35% compared to HK\$37,649 million in 2024. As procurement costs constitute the main costs in supply chain trading, the decrease in cost of sales was mainly due to the lower coal trading volume and the decline in coking coal prices. In 2025, the procurement volume was approximately 17.91 million tonnes compared to approximately 20.89 million tonnes in 2024, representing a decrease of 14.27%.

Procurement	2025		2024	
	Procurement Volume '000 tonnes	Procurement Amounts HK\$'000	Procurement Volume '000 tonnes	Procurement Amounts HK\$'000
Coal	17,288	17,936,856	20,565	29,127,349
Oil and petrochemical products	333	2,088,896	126	1,163,736
Coke	164	211,788	–	–
Iron ore	121	86,408	203	175,841
	17,906	20,323,948	20,894	30,466,926

In 2025, the total procurement amount was HK\$20,324 million, of which the top five suppliers accounted for 33.90%. No Director or their close associates (as defined under the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), or shareholders of the Company owning more than 5% of the issued shares in the Company, has any interest in suppliers.

3. Gross Profit

The Group recorded a gross profit of HK\$900 million in 2025, representing a decrease of 40.71% compared to a gross profit of HK\$1,518 million recorded in 2024. In response to the market downturn, the Group actively managed risks by using futures to hedge against risks, achieving an overall business gross profit (including futures-end profits) of approximately HK\$958 million in 2025.

- 1) **Supply chain trading segment** recorded a gross profit (including futures-end profits) of HK\$490 million, a decrease of 38.36% year-on-year, representing approximately 51.15% of the total gross profit (including futures-end profits). The decrease was mainly due to:
 - (i) the coking coal market experienced significant volatility in 2025. Downstream customers maintained low inventory levels and rapid turnover strategies, with subdued procurement appetite. The Company proactively adopted a prudent procurement approach, carefully selecting sales opportunities while strictly managing risk. Therefore, the volume of supply chain trading business decreased year-on-year.



Management Discussion and Analysis of Financial Conditions and Operating Results

- (ii) coking coal prices trended lower overall with a significant downturn in the pricing benchmark, showing the market uncertainty. The profit restructuring across the entire industry chain resulted in the intermediate trading segment experiencing compression from two-sides, thus narrowing profit margins.
- 2) **Integrated supply chain services segment** recorded a gross profit of HK\$468 million, a decrease of 46.21% year-on-year, representing approximately 48.85% of the total gross profit (including futures-end profits). The decrease was mainly due to:
- (i) continuous improvement of infrastructure construction at the China-Mongolia ports, the industry's transportation capacity supply increased, and the competition at the ports has intensified, leading to a decline in service fees across various stages of cross-border transportation;
- (ii) the coal market price weakened and such decline affected customers' procurement appetite and cargo freight demand, which in turn impacted the pricing of related services. As described in the "Revenue Overview" above, given the weak market demand and the declines in both coal prices and service fees, the gross profit of supply chain services decreased year-on-year.

In the face of a challenging market environment, the Company maintained its commitment to prudent operations, actively optimized its product and service mix, steadily expanded its global footprint, continuously enhanced its integrated synergy advantages, and deepened the development of its upstream and downstream industrial ecosystem, thereby solidifying its foundation against the market headwind.

4. Administrative Expenses

The Group recorded administrative expenses of HK\$640 million in 2025, representing a decrease of 14.09% compared to HK\$745 million of administrative expenses incurred in 2024. This was mainly due to the 11.89% decrease in staff costs.

	2025 HK\$'000	2024 HK\$'000
Staff costs	419,671	476,327
(Reversal of provision)/Provision for impairment losses on trade and other receivables	(43,940)	(36,127)
Others	263,855	305,042
	639,586	745,242

Management Discussion and Analysis of Financial Conditions and Operating Results

5. Other Income

	2025 HK\$'000	2024 HK\$'000
Net realised and unrealised gain on derivative financial instruments and structured deposits products <i>(note)</i>	50,728	171,051
Gain on disposal of property, plant and equipment, construction in progress and intangible assets	4,247	12,490
Government grants	12,125	45,274
Others	(6,385)	6,156
	60,715	234,971

Note: Net realised and unrealised gain on derivative financial instruments and structured deposits products mainly represented the net gain or loss from commodity futures contracts entered into by the Group for the years ended 31 December 2025 and 2024 respectively.

6. Net Finance Costs

The Group recorded net finance costs of HK\$122 million in 2025, compared to net finance costs of HK\$104 million in 2024, representing an increase of 17.31% compared with the amount for 2024, mainly because of the increase of finance costs. Finance costs increased by 11.14% compared with the amount for 2024. Such an increase was primarily due to unrealised exchange losses arising from exchange rate fluctuations in respect of intercompany balances between domestic and overseas subsidiaries.



Management Discussion and Analysis of Financial Conditions and Operating Results

	2025 HK\$'000	2024 HK\$'000
Interest income on financial assets measured at amortised cost	(65,567)	(64,360)
Finance income	(65,567)	(64,360)
Interest on secured bank loans	51,778	52,345
Interest on discounted bills receivable	26,884	53,965
Interest on lease liabilities	19,572	30,348
Total interest expense	98,234	136,658
Foreign exchange loss, net	74,295	8,674
Bank and other charges	14,632	23,073
Finance costs	187,161	168,405
Net finance costs	121,594	104,045

7. Profit for the Year

The Group's profit for the year 2025 was HK\$315 million, representing a decrease of 67.99% compared with HK\$984 million in 2024. For the details of reasons for such decrease, please refer to the subsections headed "Revenue Overview" and "Gross Profit" above.

8. Profit Attributable to Equity Shareholders of the Company and Earnings Per Share

The profit attributable to equity shareholders of the Company was HK\$316 million in 2025, representing a decrease of 65.73% compared with the profit attributable to equity shareholders of the Company of HK\$922 million in 2024. For details of reasons for such decrease, please refer to the subsection headed "Revenue Overview and Gross Profit" above.

Both basic and diluted earnings per share of the Company were HK\$0.120 for 2025, in comparison, both basic and diluted earnings per share for 2024 were HK\$0.346.

For the year ended 31 December 2025 and 2024, basic and diluted earnings per share was the same as there were no potentially dilutive ordinary shares in issue during the period.

Management Discussion and Analysis of Financial Conditions and Operating Results

9. Bank Loans

The total amount of bank loans owed by the Group at the end of 2025 was HK\$3,041 million. Interest rates on these loans range from 1.05% to 5.49% per annum, whereas the range in 2024 was from 0.72% to 6.56%.

10. Major Financial Indicators

The following table sets forth the Group's major financial indicators as at the dates and for the years indicated:

	As of and for The Year Ended December 31	
	2025	2024
Gross profit margin ⁽¹⁾	3.57%	3.87%
EBITDA margin ⁽²⁾	3.43%	3.78%
Return on equity ⁽³⁾	3.56%	10.74%
Gearing ratio ⁽⁴⁾	47.91%	47.80%
EBITDA/interest expense ⁽⁵⁾	8.80	10.84
DEBT/EBITDA ⁽⁶⁾	3.90	1.90

Notes:

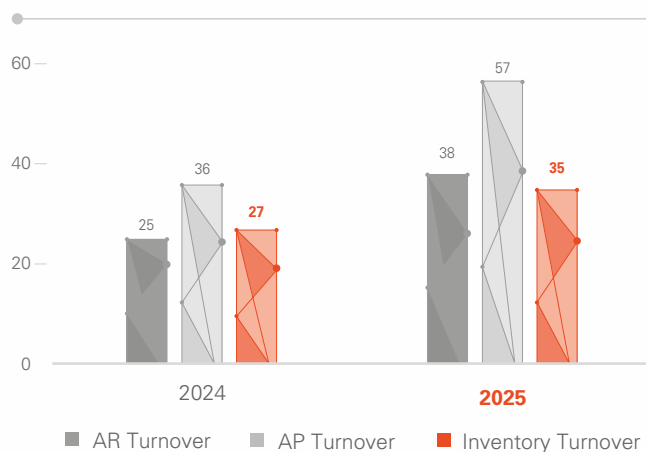
- (1) Calculated as gross profit divided by revenue for the year.
- (2) Calculated as earnings before interest, tax, depreciation and amortization ("EBITDA") divided by revenue for the year.
- (3) Calculated as profit attributable to equity shareholders divided by average shareholders' equity as of the end of the year.
- (4) Calculated as total liabilities divided by total assets as of the end of the year.
- (5) Calculated as EBITDA for the year divided by interest expense for the year.
- (6) Calculated as total debt divided by EBITDA for the year.



Management Discussion and Analysis of Financial Conditions and Operating Results

11. Working Capital

Our accounts receivable turnover days, accounts payable turnover days, and inventory turnover days were 38 days, 57 days, and 35 days, respectively, in 2025. As a result, the overall cash conversion cycle was approximately 16 days in 2025 the same level as in 2024.



12. Pledge of Assets

At 31 December 2025, bank loans amounting to HK\$1,190 million (31 December 2024: HK\$936 million) together with bills payable amounting to HK\$279 million (31 December 2024: HK\$38 million) had been secured by credit guarantee with an aggregate guaranteed amount of HK\$1,379 million (31 December 2024: HK\$959 million) provided by subsidiaries of the Group and restricted bank deposits with an aggregate carrying value of HK\$90 million (31 December 2024: HK\$15 million).

At 31 December 2025, bank loans amounting to HK\$1,452 million (31 December 2024: HK\$712 million) together with bills payable amounting to HK\$628 million (31 December 2024: HK\$218 million) had been secured by restricted bank deposits with an aggregate carrying value of HK\$252 million (31 December 2024: HK\$70 million), property, plant and equipment with an aggregate carrying value of HK\$860 million (31 December 2024: HK\$782 million), land use rights with an aggregate carrying value of HK\$555 million (31 December 2024: HK\$121 million), and inventories with an aggregate carrying value of HK\$538 million (31 December 2024: HK\$225 million), and accounts receivable HK\$34 million (31 December 2024: HK\$nil).

At 31 December 2025, bank loans amounting to HK\$399 million (31 December 2024: HK\$644 million), together with bills payable amounting to HK\$2,133 million (31 December 2024: HK\$1,970 million), had been secured by trade and bills receivable HK\$687 million (31 December 2024: HK\$878 million), restricted bank deposits HK\$1,933 million (31 December 2024: HK\$1,718 million), and structured deposits HK\$nil (31 December 2024: HK\$112 million).

Management Discussion and Analysis of Financial Conditions and Operating Results

At 31 December 2025, lease liabilities amounting to HK\$33 million (31 December 2024: HK\$73 million) had been secured by property, plant and equipment with an aggregate carrying value of HK\$14 million (31 December 2024: HK\$41 million), land use rights with an aggregate carrying value of HK\$50 million (31 December 2024: HK\$40 million).

13. Cash Flow

In 2025, the Group had a net cash inflow from operating activities of HK\$305 million compared to HK\$640 million cash inflow during 2024. The net cash inflow in 2025 was mainly attributable to profit in cash from operating activities.

In 2025, the Group had a net cash outflow from investing activities of HK\$437 million compared to HK\$910 million cash outflow during 2024. The cash outflow from investing activities in 2025 was approximately HK\$856 million which was mainly attributable to an expenditures of approximately HK\$793 million relating to mining equipment, construction of supporting facilities for domestic and overseas logistics parks, construction of coal washing plants and expenditure on coal washing equipment, as well as other investments. The cash inflow from investing activities in 2025 was approximately HK\$419 million, which was attributable to a cash inflow from (i) receipt from the future side of the spot and futures combined business and other investments of approximately HK\$176 million, (ii) receipt of dividends from associates, joint ventures and other investments of approximately HK\$107 million, and (iii) receipt of loan principal and interest repayments from joint ventures of approximately HK\$58 million.

In 2025, the Group had a net cash inflow from financing activities of HK\$181 million compared to HK\$652 million cash outflow during 2024. The net cash inflow from financing activities in 2025 was mainly attributable to (i) the net cash inflow from bank borrowings and finance leases of approximately HK\$562 million, (ii) the payment of dividends of approximately HK\$231 million.



Management Discussion and Analysis of Financial Conditions and Operating Results

III. WORKING CAPITAL AND FINANCIAL POLICY

The Group managed its funds by pre-planning and real-time monitoring measures. The Group raised funds through operational activities, domestic and foreign bank financing, finance leasing and accounts receivable factoring to ensure business operations, repayment of loans, and capital expenditures. In 2025, the primary financing methods of the Group will include, but are not limited to, bank working capital loans, bills receivable discounting, finance leasing, accounts receivable factoring, and financing from other banks, state-owned enterprises, and financial institutions.

The Group has always adopted prudent and stable fund management methods. Internally, by managing the quota for the deployment of funds for each business department, we monitored the level of inventory, prepayment and receivables, and advance payment from customers, so as to improve the turnover rate of funds and reduce the daily working capital occupation of the business. Payment by finance leasing was given priority in purchase of assets once applicable.

The main currencies of the Group's business and operation were USD and RMB. For the business for which purchases were made in USD and sales were made in RMB, the Group paid close attention to the exchange rate of USD to RMB. In the fluctuation of foreign exchange rate of USD to RMB, the Group used foreign exchange derivatives to avoid exchange rate fluctuation risks and lock in business profits.

IV. RISK FACTORS

The operation of the Group involves certain risks, some of which are beyond our control. The risks set out below are those that the Company currently believes may materially affect its performance and/or financial condition. However, this should not be taken as an exhaustive list as there may be additional risks and uncertainties not currently known to the Company, or those which are currently deemed to be immaterial, but may become material in the future and which may adversely affect the Group's business, results of operations, financial condition and prospects.

1. Volatility of Commodities Prices

The market prices of commodities are volatile and are affected by numerous factors that are beyond our control. These include international and domestic supply and demand, the level of consumer product demand, international and domestic economic trends, customs policies, global or regional political events and international events, as well as a range of other market forces. The combined effects of any or all of these factors on commodities prices are impossible for us to predict. There can be no assurance that global and domestic commodities prices will continue to remain at a profitable level. Under the circumstances that our business fails to remain at a profitable level, there would be material and adverse effect on our financial condition.

Management Discussion and Analysis of Financial Conditions and Operating Results

By leveraging the professional expertise of its market-sensitive team, The Company has established a sound risk early warning mechanism through closely monitoring macroeconomic conditions and coal industry dynamics, thereby optimizing procurement and inventory management strategies. Meanwhile, the company adopts risk hedging instruments such as a combination of futures and spot trading to enhance proactive price risk management capabilities and mitigate the impact of commodity price fluctuations.

2. Dependence Upon The Steel Industry

The revenue of the Company was mainly generated from supply chain trading services of coking coal products, which are heavily dependent on the demand for coking coal by steel mills and coke plants in China. The steel industry's demand for metallurgical coal is affected by a number of factors including the cyclical nature of that industry's business, technological developments in the steel-making process and the availability of substitutes for steel such as aluminum, composites and plastics. A decline in demand for coking coal by domestic steel mills and coke plants would directly reduce the volume and revenue of the Company's supply chain trading business.

To mitigate such risks, the Company adheres to a global diversification strategy and continuously expands international trading business outside China. Over the years, the Company has established cooperative and stable relationships with customers in many countries, including but not limited to Indonesia, Mongolia, Malaysia, South Korea, Vietnam, India, Canada and Japan. At the same time, the Company closely monitor policy developments and demand fluctuations across overseas markets, flexibly adapt to evolving market environments, and take timely preventive measures to enhance its global operational stability.

3. Liquidity Risk

Our policy is to regularly monitor the Group's liquidity requirements and compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. If such risks were to materialize, they may adversely affect the Group's cash flow position, financing capability, and overall financial condition, thereby impacting the Company's operational results.

The Group is actively expanding new financing from banks, state-owned enterprises, and other financial institutions, while maintaining its existing financing foundation, to meet the funding needs of its business development.



Management Discussion and Analysis of Financial Conditions and Operating Results

4. Currency Risk

Over 51.58% of the Group's revenue in 2025 was denominated in RMB. Over 79.60% of the Group's purchase costs, and some of our operating expenses, are denominated in USD. Fluctuations in exchange rates may adversely affect the value of the Group's net assets, earnings or any declared dividends as RMB is translated or converted into USD or Hong Kong dollars. Any unfavourable movement in the exchange rate may lead to an increase in the costs of the Group or a decline in sales, which could materially affect the Group's results of operations.

The Group has been closely monitoring foreign exchange risk exposures and timely deploying hedging instruments such as foreign exchange forward contracts to manage and mitigate the adverse impact of exchange rate fluctuations on the Group's operating results and financial position.

5. Fair Value Measurement

The Group's financial assets and liabilities are carried at fair value. Fair value of forward exchange contracts of derivative financial instruments held by the Group is determined by discounting the contractual forward price and deducting the current spot rate. The discount rate used is derived from the relevant government yield curve as at the end of the reporting period plus an adequate constant credit spread. Changes in market interest rates, foreign exchange rates, and other valuation parameters may lead to fluctuations in the fair value of these financial instruments. Any material adverse changes in such fair values may lead to fair value losses, thereby affecting the Group's operating results. The Group uses derivative instruments primarily for hedging purposes rather than speculative trading.

To mitigate such risks, The Company has maintained a robust and comprehensive risk management framework, with clearly defined decision-making mechanism, internal controls and monitoring procedures for all hedging activities. In addition, the Group continuously reviews its valuation models and optimises its financial structure and strengthens its overall risk resilience to mitigate the impact of fair value fluctuations on its operating results and financial stability.

V. HUMAN RESOURCES

1. Employee Overview

The Group aims to set up a performance-oriented compensation and benefit system while balancing the internal and external market competitiveness of different positions. As at 31 December 2025, the Group has subsidiaries and branch offices in PRC (including Hong Kong and Macau), Singapore, Mongolia and other countries and regions. The Group has entered into formal employment contracts with all employees and pays all mandatory social insurances in full in the relevant countries and regions in strict compliance with the applicable laws and regulations.

Management Discussion and Analysis of Financial Conditions and Operating Results

As at 31 December 2025, there were 2,601 full-time employees in the Group (excluding 881 dispatch staff from domestic subsidiaries). The breakdown of employee categories is as follows:

Functions	2025		2024	
	No. of Employees	Percentage	No. of Employees	Percentage
Management, Administration and Finance	189	7%	199	9%
Sales & Marketing	125	5%	135	6%
Front line production, transportation operation workers	2,287	88%	1,956	85%
	2,601	100%	2,290	100%

2. Employee Education Overview

Qualifications	2025		2024	
	No. of Employees	Percentage	No. of Employees	Percentage
Master & above	144	6%	141	6%
Bachelor	721	28%	690	30%
Diploma	235	9%	289	13%
Middle-school (secondary school) and below	1,501	57%	1,170	51%
	2,601	100%	2,290	100%

3. Training Overview

The Group considers training to be an invaluable process to provide employees with information, new skills, and professional development opportunities. During the year ended 31 December 2025, the Group held various training programs totaling 5,706 hours, and over 48,225 attendances were recorded for these programs a year-on-year increase mainly due to the inclusion of TTJV Co. LLC, which the Group fully acquired in August 2024, in its HR data reporting for the year.

The Group also holds an orientation program for newly admitted employees. The program covers modules such as, among other things, introduction to corporate culture, briefing about of Group regulations and understanding of safety and operational guidelines.



Management Discussion and Analysis of Financial Conditions and Operating Results

The Group has also sponsored professional training programs such as an EMBA program, Chartered Professional Accountant program, Hong Kong Chartered Secretary program, and so forth to employees and management staff at different levels.

Training Overview

Training Courses	2025		2024	
	No. of Hours	No. of Participants	No. of Hours	No. of Participants
Safety	1,022	19,914	345	5,378
Management & Leadership	1,626	15,291	142	2,735
Operation Excellence	3,058	13,020	511	4,677
	5,706	48,225	998	12,790

4. Pension

With respect to employees in Hong Kong and Singapore, the Group operates the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees in Hong Kong, and participates in the Central Provident Fund (CPF) Scheme (CPF Act 1953) for the employees in Singapore. The MPF Scheme is a defined contribution retirement plan administered by independent trustees, and The CPF is a mandatory social security savings scheme funded by contributions from employers and employees in Singapore, pursuant to which, (i) for the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the respective employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000; and (ii) working Singaporeans and permanent residents will be covered for the CPF scheme and the employer's CPF contribution is 17% of the employee's gross salary, subject to the applicable CPF contribution ceiling. For 2025, the applicable monthly salary ceiling is SG\$7,400, with a corresponding annual salary ceiling of SG\$102,000. Contributions to both the MPF Scheme and CPF Scheme vest immediately. The Group made contributions of approximately HK\$502,320 to the MPF Scheme in 2025 (2024: HK\$426,304), and of approximately HK\$1,238,156 to the CPF Scheme in 2025 (2024: HK\$1,220,619).

Management Discussion and Analysis of Financial Conditions and Operating Results

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in a defined contribution retirement benefit scheme (the “**Retirement Benefit Scheme**”) organised by the relevant local government authorities in the PRC. The Group was required to make specified contributions to the basic pension insurance, limited to a maximum rate of 16% of the employees’ basic salaries subject to certain ceiling as stipulated by the relevant local governments in the PRC for the year ended 31 December 2025 (2024: 16%), and the employee was required to make contributions to the basic pension insurance in proportion to his/her salary as stipulated by the relevant local governments. After the employee reaches the statutory retirement age, he or she will receive a basic pension on a monthly basis. In 2025, the basic pension insurance premium paid by the Group amounted to approximately HK\$15,598,978 (2024: HK\$14,487,870). There was no forfeited contribution under the MPF Scheme, CPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years. In 2025, the Group did not have any defined benefit plan.

VI. HEALTH, SAFETY AND ENVIRONMENT

The Group attaches great importance on the health and safety of employees and understands the importance of environment protection. The Lost Time Injury Frequency Rate (LTIFR), Fatality Incident Rate (FTIR) and Total Recordable Case Frequency (TRCF) are key indicators to measure how we achieve our commitment.

In accordance with the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Listing Rules published by the Stock Exchange on 19 April 2024, the Group has engaged an independent professional third party to work in consultation for its 2025 report on ESG matters. Such third-party consultant has started its consultation and training accordingly, to the Directors and ESG relevant staff, on ESG policy changes, compliance requirements, suggested work procedures, and others. Further details will be disclosed in the 2025 ESG report of the Group.

VII. FINAL DIVIDENDS

In accordance with the dividend policy adopted by the Group, dividends shall, in principle, be distributed at 25% of the profit attributable to equity shareholders of the current year, while maintaining sufficient cash reserves to meet its funding requirements, future growth and equity value. Meanwhile, the distribution shall take into account the Group’s financial performance, business conditions and strategies for the current year, future operations and revenue, funding requirements and expenditure plans, among other key factors. Dividends may be distributed in such form as the board of directors deems appropriate, including cash or scrip shares or other forms.

A final dividend in cash of HK\$0.030 per share (2024: HK\$0.013 per share), totalling approximately HK\$79 million, has been declared for the year ended 31 December 2025. The final dividend would be payable to the shareholders of the Company subject to the approval of the shareholders of Company at the forthcoming annual general meeting. The final dividend is expected to be paid by no later than 16 September 2026. The dates for closure of register of members of the Company for ascertaining shareholders’ entitlement to the final dividend will be further announced.



Management Discussion and Analysis of Financial Conditions and Operating Results

VIII. COMPLIANCE WITH THE CG CODE

Throughout the year ended 31 December 2025, the Company complied with the code provisions (the “**Code Provisions**”) under the CG Code, except for the deviation from the Code Provision C.2.1 which requires that the roles of chairman and chief executive should be separate and not performed by the same individual. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

Ms. Cao Xinyi, the chairman of the Board (the “**Chairman**”), was appointed as the chief executive officer of the Company (“**CEO**”) on 18 July 2019. The Board believes that, considering Ms. Cao Xinyi’s length of employment and experience in the business and operations of the Group and her professional financial knowledge, vesting the roles of both the Chairman and the CEO in Ms. Cao Xinyi can provide the Group with consistent leadership, facilitate the execution of the Group’s business strategies and boost effectiveness of its operations. In addition, under the supervision of the Board (which consists of 4 executive Directors, 1 non-executive Director and 3 independent non-executive Directors) and Board committees (only 2 executive Directors served on the Board committees and other members of which are all independent non-executive Directors), the Board is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company as a whole. Therefore, the Board considers that the deviation from the Code Provision C.2.1 is appropriate in such circumstances.

Except for the deviation mentioned above from the CG Code, the Company fully complied with all the Code Provisions throughout the year ended 31 December 2025.

IX. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors, each Director has confirmed that he/she has complied with the required standards set out in the Model Code throughout the year of 2025.

X. PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

As at 31 December 2025, the Company had a total of 2,673,088,962 Shares in issue. The Company repurchased 22,758,000 and 700,000 Shares on the Stock Exchange in March and April 2025 respectively, all the repurchased Shares have been cancelled in April 2025. As at 31 December 2025, 3,306,000 Shares were held by the Company as treasury shares. The Company has not yet determined on the intended use of such treasury Shares and will utilize them as permitted under the Listing Rules and applicable laws and regulations subject to market conditions and its capital management needs.

Management Discussion and Analysis of Financial Conditions and Operating Results

XI. OTHER INFORMATION AND EVENTS SUBSEQUENT TO THE REPORTING DATE

Counter-Guarantee in January 2026

In connection with the banking facilities extended to Xianghui Energy by the designated bank and the relevant bank guarantee provided by Xiangyu Joint Stock in relation thereto, on 27 January 2026, the Company and Xiangyu Joint Stock entered into a counter-guarantee contract, pursuant to which the Company agreed to provide such counter-guarantee in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, for an aggregate amount of RMB161.7 million representing proportionate guaranteed amount together with any compensation payments made to the designated bank, any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the bank guarantee provided by Xiangyu Joint Stock in favour of the designated bank in relation to the relevant banking facilities (the “**Counter-Guarantee in January 2026**”).

For further details of the Counter-Guarantee in January 2026, please refer to the announcement of the Company dated 27 January 2026.

The Cooperation with Bridge Mining

On 5 November 2025, the Company entered into the Cooperation Agreement with Bridge Mining to establish a strategic alliance through the Cooperation Agreement. Bridge Mining has extensive undeveloped coal projects located in the South Gobi region of Mongolia (“**Terra Mine**”), primarily producing high-quality coking coal that is low-sulfur, low-ash, low volatile matter, high coke strength and easy to beneficiate. Under the Cooperation Agreement, both parties agreed to collaborate on integrated coal mining, logistics, and off-take services, with an expected minimum monthly off-take supply volume of 100,000 tonnes of coal products. The parties expected to expand the strategic alliance and further develop upstream resource cooperation along with complementary washing and processing operations in Mongolia.



Profile of Directors and Senior Management

I. EXECUTIVE DIRECTORS: MS. CAO XINYI, MR. WANG YAXU, MR. ZHAO WEI, MS. CHEN XIUZHU

Ms. Cao Xinyi (曹欣怡), aged 43, is currently an executive Director, the Chairman and CEO of the Company. Ms. Cao joined the Company in 2009. She has extensive experience in the corporate strategy, business management, capital operation and corporate governance, and she has been successively responsible for the office of the Board, financial management, business operation and overall management of the Group since joining the Company, and possesses deep understanding and practice in commodities trading, logistics and finance. Before joining the Company in 2009, Ms. Cao worked at PricewaterhouseCoopers from 2005 to 2009. Ms. Cao serves as director and/or general manager of several subsidiaries of the Company. She graduated from City University of Hong Kong with a bachelor's degree in Business Administration in 2005. Ms. Cao is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Wang Yaxu (王雅旭), aged 54, is currently an executive Director and senior vice president of the Company. Mr. Wang Yaxu joined the Group in 1995, then became an employee of the Company in 2007 upon the Company's establishment. He is currently responsible for business development of domestic coal, as well as coal washing and processing at the coal washing plants of Urad Middle Banner, Salazi Minghua and Baiyun; and he was responsible for business of the Group's Mongolian coal businesses such as procurement, sales, logistics, coal washing and processing. He also serves as director and/or general manager of several subsidiaries of the Company. Mr. Wang obtained a bachelor's degree in industrial management and engineering from Beijing University of Chemical Technology, and graduated with an EMBA degree from Beijing Jiaotong University in 2011.

Mr. Zhao Wei (趙偉), aged 55, is currently an executive Director and a vice president of the Company. Mr. Zhao joined the Group in 2016 and was appointed as the vice president of the Company in January 2021. Mr. Zhao serves as a director and general manager of Inner Mongolia E-35. Mr. Zhao is currently responsible for the Sino-Mongolia AGV transportation, domestic warehousing and logistics, and the development of new ports of the Group. Prior to joining the Group, Mr. Zhao served as, among others, assistant engineer, engineer, manager of business development department and general manager of Jinan Railway Bureau* (濟南鐵路局), Han Ji Railway Co., Ltd.* (邯濟鐵路有限責任公司) and Qingdao Bao Han Transportation and Trading Co., Ltd.* (青島寶邯運輸貿易有限公司) during the period from 1992 to 2009; and held positions in Lung Ming Mining Co., Ltd. during the period from 2009 to 2016, which were mainly responsible for the construction and improvement and operation management of mining railways, as well as the domestic circulation and sales of iron ore. Mr. Zhao has over 30 years of experience in logistics management and corporate operations. Mr. Zhao graduated from Lanzhou Jiaotong University in 1992 with a bachelor's degree in engineering.

Profile of Directors and Senior Management

Ms. Chen Xiuzhu (陳秀珠), aged 41, is currently an executive Director and the vice president of the Company. Ms. Chen joined the Company in July 2012 and was appointed as the vice president of the Company in March 2023. She is currently responsible for the Group's integrated management, digital development and innovative technology application. Ms. Chen also serves as the director and/or general manager of certain subsidiaries of the Company. Ms. Chen has extensive experience in corporate governance and capital operations. Prior to joining the Company, Ms. Chen served as a project manager for ChinaMex from October 2006 to April 2010, and as an investor relations manager for China Solar & Clean Energy Solutions Inc. and Kailong Fund* (凱龍基金), respectively, from June 2010 to May 2012. Ms. Chen is a senior member of the Hong Kong Chartered Governance Institute. Ms. Chen obtained a bachelor's degree in arts from China University of Political Science and Law in September 2006, a master's degree in business administration from Beijing Normal University Business School in June 2014, and a master's degree in corporate governance from the Open University of Hong Kong in August 2019.

II. NON-EXECUTIVE DIRECTOR: MS. FENG TONG

Ms. Feng Tong (馮彤), aged 51, is currently a non-executive Director. She is also the general manager of Minmetals International Trading Company. Ms. Feng worked in the coke division of China Minmetals Corporation from August 1997 to September 2010, and has served as the division manager since February 2001; she served as coke division general manager of the raw materials department of Minmetals Development Co., Ltd. from September 2010 to May 2013; as well as the deputy general manager and the general manager of Minmetals Cheerglory Limited from May 2013 to June 2022. Ms. Feng has been served as the general manager of Minmetals International Trading Company since June 2022. Ms. Feng obtained a bachelor's degree in Japanese from the University of International Business and Economics in July 1997.



Profile of Directors and Senior Management

III. INDEPENDENT NON-EXECUTIVE DIRECTORS: MR. NG YUK KEUNG, MR. WANG WENFU, MR. GAO ZHIKAI

Mr. Ng Yuk Keung (吳育強), aged 61, is currently an independent non-executive Director. Mr. Ng worked with PricewaterhouseCoopers for over 12 years from 1988 to 2001. From 2001 to 2003, Mr. Ng was the Chief Financial Officer of the International School of Beijing–Shunyi, an academic institution in Beijing, China. He subsequently joined Australian Business Lawyers, a law firm in Australia in 2003 and was later appointed as a consultant in 2004 responsible for advising on accounting matters. From 2004 to 2006, he was the deputy chief financial officer, a joint company secretary and the qualified accountant of Irico Group Electronics Company Limited (stock code: 0438), a company listed on the Hong Kong Stock Exchange. From 2006 to 2010, Mr. Ng was a vice-president, the chief financial officer, the company secretary and the qualified accountant of China Huiyuan Juice Group Limited. From 2010 to 2012, Mr. Ng was an executive director and the chief financial officer of China NT Pharma Group Company Limited (Stock Code: 1011), a company listed on the Hong Kong Stock Exchange. From February 2007 to October 2011, Mr. Ng was the independent non-executive director of Xinjiang Xinxin Mining Industry Co., Ltd. (Stock Code: 3833), a company listed on the Hong Kong Stock Exchange. Mr. Ng also served as an executive director of Kingsoft Corporation Limited (Stock Code: 3888), a company listed on the Hong Kong Stock Limited, from March 2013 to May 2022, and as the chief financial officer thereof from July 2012 to July 2022. From 2013 to May 2025, Mr. Ng was an independent non-executive director of Sany Heavy Equipment International Holdings Company Limited (Stock Code: 631), a company listed on the Hong Kong Stock Exchange. Mr. Ng is currently the chairman of board of directors of the International School of Beijing–Shunyi, and an independent non-executive director of RoboSense Technology Co., Ltd (Stock Code: 2498). Mr. Ng graduated from The University of Hong Kong with a bachelor's degree in Social Sciences in 1988 and a master's degree in Global Business Management and E-commerce in 2002. He is a professional accountant and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Wang Wenfu (王文福), aged 59, is currently an independent non-executive Director. Mr. Wang has extensive experience in the mining industry, with international business development, cross-border mergers and acquisitions, business network establishment, international trading and enterprises management experience. From April 2021 to July 2022, Mr. Wang was the managing director of Phu Bla Mining (Laos). Before Mr. Wang joined our Group as an independent non-executive Director in 2010, he worked for Aluminum Corporation of China Ltd. ("**CHALCO**") (Stock Code: 2600), a company listed on the Hong Kong Stock Exchange, Shanghai Stock Exchange and the New York Stock Exchange since 2004, and was mainly responsible for the development of CHALCO's overseas business, cross border mergers and acquisitions, foreign investment and risk management. He also acted as the President of Chinalco Overseas Holding Ltd., director and president of Chalco Hong Kong Ltd., chairman of Chalco Australia Pty. Ltd. and Chief Representative of CHALCO's operations in Vietnam and Indonesia. Mr. Wang graduated from the Department of Linguistics of Kunming University of Science and Technology in 1987. He also obtained a Master of Business Administration degree from Monash University in 1995 and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia in 2002.

Profile of Directors and Senior Management

Mr. Gao Zhikai (高志凱), aged 64, is currently an independent non-executive Director. He also currently holds the positions of Chair Professor at Soochow University and Guest Professor at Shenzhen University. Since January 2024, Mr. Gao has joined Cedrus Group, a global Swiss financial group, as a senior advisor to the chairman and the board of Cedrus Group. Mr. Gao is primarily responsible for Cedrus' cross-border development and transactions, and participate in investments in China as well as globally. Mr. Gao is the independent non-executive director of Modern Land (China) Co., Ltd (Stock Code: 1107) from November 2020 to present. Mr. Gao is currently the chairman of China Energy Security Institute, a vice president of Center for China and Globalization. Mr. Gao is also a current affairs commentator with CCTV News and appears regularly on BBC, CNN, Channel News Asia, Al Jazeera, NHK, RT, and other major news media. Mr. Gao has extensive work experience in diplomacy, legal, securities regulation, investment bank, equity investment, corporate management and charity. Mr. Gao was an interpreter for Mr. Deng Xiaoping and other Chinese leaders in the 1980s and worked in the Ministry of Foreign Affairs of the People's Republic of China. He also worked in the Secretariat of the United Nations and the Hong Kong Securities and Futures Commission. Mr. Gao has held senior positions in Morgan Stanley, China International Capital Corporation and Daiwa Securities. He has also held senior corporate positions in PCCW, Henderson Group and CNOOC Limited. Mr. Gao obtained a Juris Doctor degree from Yale Law School and a master's degree in Political Science from Yale Graduate School, a master's degree in English Literature from Beijing University of Foreign Studies, and a bachelor's degree in English Literature from Soochow University. Mr. Gao is a licensed attorney-at-law in the State of New York, USA.

IV. SENIOR MANAGEMENT:

Ms. Zhu Hongchan (朱紅嬋), aged 51, is currently a senior vice president of the Company. She joined Group in 1995 and is currently responsible for the management of seaborne coal trading. Ms. Zhu is currently a director of E-Commodities Holdings Private Limited, a wholly-owned subsidiary of the Company. Ms. Zhu graduated from Beijing University of Chemical Technology in 1995 with a bachelor's degree in Management Engineering and an EMBA degree from Beijing Jiaotong University in 2011.

Ms. Di Jingmin (邸京敏), aged 54, is currently a senior vice president of the Company. Ms. Di joined the Group in 1995 and is currently responsible for inheriting corporate culture, cultivating and selecting outstanding talents of the Group and other related work. She also serves as director and/or general manager of certain subsidiaries of the Company. Ms. Di graduated from Beijing University of Chemical Technology with a bachelor's degree in management engineering in 1995 and subsequently obtained a Master of Laws degree from the Chinese Academy of Social Sciences in 2009.

Ms. Ren Haiyan (任海燕), aged 42, is currently the chief financial officer of the Company. She joined the Group in 2009 and is currently responsible for the financial management of the Group. Ms. Ren has extensive experience in the financial management of the Group. She also serves as director of certain subsidiaries of the Company. Ms. Ren graduated from the University of Science and Technology Beijing in 2009 with a master's degree in management. She is a non-practising member of the Chinese Institute of Certified Public Accountants and a non-practising (registered) tax accountant of the China Certified Tax Agents Association.



Profile of Directors and Senior Management

Ms. Zhu Jinzhu (朱金珠), aged 42, is currently a vice president of the Company. She joined Group in 2004 and was appointed as the Company's vice president in January 2021. She is currently responsible for the procurement of Mongolian coal and its associated logistics work. Ms. Zhu has extensive experience in Mongolian coal procurement cooperation and cross-border logistics management. Ms. Zhu also serves as director and/or general manager of certain subsidiaries of the Company. Ms. Zhu graduated from University of Science and Technology Beijing in 2004 with a bachelor's degree in Engineering and an EMBA degree from Beijing Jiaotong University in 2014.

Ms. Zhong Fei (仲非), aged 55, is currently a vice president of the Company. She joined the Group in 2010 and is currently responsible for the Group's seaborne coking coal procurement and management. Ms. Zhong Fei has extensive experience in coking coal procurement. Ms. Zhong Fei graduated from Griffith University in 2000 with a Bachelor degree of Arts in Asian and International Studies.

Ms. Liu Jinhong (劉錦紅), aged 46, is currently a vice president of the Company. She joined the Group in 2004 and is currently responsible for part of the sales and management of part of the Group's coking coal business. Ms. Liu has extensive experience in coking coal sales. Ms. Liu graduated from the University of Science and Technology Beijing in 2004 with a master's degree in management.

Mr. Wang Wei (王威), aged 42, is currently a vice president of the Company. He joined the Company in 2009 and is currently responsible for the projects development and construction management and mining services. Mr. Wang was successively responsible for the coal washing and processing of the Group's Mongolian coal business and related infrastructure construction, operation management, coal quality management, and mining services. Mr. Wang graduated from China University of Mining and Technology in 2009 with a master's degree in engineering.

Mr. Dong Guoxuan (董國選), aged 53, is currently a vice president of the Company. He joined the Company in 2023 and is currently responsible for the management of the Group's campsites in Mongolia and other related affairs. Mr. Dong has extensive experience in the operation and management of the Group's Mongolian operations, as well as transportation organization and coordination. Mr. Dong graduated from Henan University of Economics and Law in 1992.

Mr. Zhang Hongyuan (張宏元), aged 45, is currently a vice president of the Company. He joined the Company in 2024 and is currently responsible for coal washing and processing business, coal trading business and futures-spot business of the Tangshan Coal Washing Plant, Yingkou Coal Washing Plant and Longkou Coal Washing Plant. Mr. Zhang has extensive experience in coal washing processing and coal trading. Mr. Zhang graduated from North China Institute of Technology in 2003.

Profile of Directors and Senior Management

V. COMPANY SECRETARY:

Ms. Ren Yu (任郁), aged 41, is currently the company secretary of the Company. She joined the Company in August 2017 and served as general manager of the Chairman's Office of the Company since 2018, where she has been closely involved in supporting the board of directors of the Company in various matters including, among others, the preparation of board meetings, coordination of corporate governance and disclosure obligations. Ms. Ren obtained a bachelor of arts degree from Beijing Foreign Studies University in July 2007, a Professional Master Degree of Accounting from Renmin University of China in January 2012, and an Executive Master of Business Administration (EMBA) degree from The Chinese University of Hong Kong in November 2025. Ms. Ren is an associate member of The Hong Kong Chartered Governance Institute and a CFA charterholder.



Corporate Governance Report

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are essential for maintaining and promoting investors' confidence and furthering Shareholders' interests. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfil its commitment to excellence in corporate governance.

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company for the year ended 31 December 2025.

CORPORATE PURPOSE, CULTURE AND STRATEGY

The mission of the Group is to "make commodity business easier". Leveraging on its rich experience in commodities trading management and well-established logistic infrastructures, the Group is able to provide comprehensive services across the value chain of commodities trading with high efficiency to satisfy the demands of its customers.

The Group is committed to developing "Simplicity, Efficiency and Dedication" corporate culture to achieve its mission and purpose. The Group is led by a young and motivated management and implements a comprehensive career development system with competitive remuneration and benefits designed to attract, motivate and retain talented people at all levels. The Group believes that its corporate culture enhance its employees sense of belonging and responsibility that enables the Group to deliver long-term sustainable growth and success.

The Board assumes responsibility for establishing the Group's strategy to align with its mission and corporate culture, upon which the Group would generate value in the long run. For the year ended 31 December 2025, the Group continued to expand and adopted innovative business model to establish omni-channels of marketing, accumulate resources and explore opportunities. Please refer to the sections headed "Chairman Statement" and "Management Discussion and Analysis of Financial Conditions and Operating Results" on pages 2 to 25 of this annual report.

Corporate Governance Report

CORPORATE GOVERNANCE

The Board has adopted the CG Code set out in Part 2 of Appendix C1 of the Listing Rules as its own set of corporate governance guidelines, with the additional requirement of at least 7 days' prior notice for Board meetings other than regular Board meetings (for which at least 14 days' notice is required) to give all Directors greater opportunity to attend.

Throughout the year ended 31 December 2025, the Board believes that the Company complied with the Code Provisions under the CG Code, except for the deviation from the Code Provision C.2.1 which requires that the roles of chairman and chief executive officer be separate and not performed by the same individual. Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below. Ms. Cao Xinyi is the Chairman and also serves as the CEO. The Board believes that, considering Ms. Cao Xinyi's length of employment and experience in the business and operations of the Group and her professional financial knowledge, vesting the roles of both the Chairman and the CEO in Ms. Cao Xinyi can provide the Group with consistent leadership, facilitate the execution of the Group's business strategies and boost effectiveness of its operations. In addition, under the supervision of the Board (which consists of 4 executive Directors, 1 non-executive Director and 3 independent non-executive Directors) and Board committees (only 2 executive Directors served on the Board committees and other members of which are all independent non-executive Directors), the Board is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders as a whole. Therefore, the Board considers that the deviation from the Code Provision C.2.1 is appropriate in such circumstances.

Except for the deviation mentioned above from the CG Code, the Board believes that the Company fully complied with all the Code Provisions throughout the year ended 31 December 2025 with which listed issuers are expected to comply with.

THE BOARD

The Board is the principal decision-making body of the Company. The powers, functions and duties of the Board include convening general meetings and reporting the Board's work at general meetings, implementing resolutions passed at general meetings, determining the Company's business plans and investment plans, formulating the annual budget and final accounts, formulating proposals for profit distributions and for the increase or reduction of registered capital as well as exercising other powers, functions and duties as conferred by the Memorandum and Articles. The Board has given clear directions to the senior management as to the matters that must be approved by the Board before decisions are made on behalf of the Company.



Corporate Governance Report

The Board consists of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. The Board considers that it has maintained a balanced composition of executive directors and non-executive directors (including independent non-executive directors). The non-executive Director and three independent non-executive Directors actively participate in the formulation of the Company's policies and seek to represent the interests of the Shareholders as a whole. During the year ended 31 December 2025 and up to the date of this report, the composition of the Board is as follows:

Executive Directors

Ms. Cao Xinyi (Chairman)
Mr. Wang Yaxu
Mr. Zhao Wei
Ms. Chen Xiuzhu

Non-executive Director

Ms. Feng Tong

Independent Non-executive Directors

Mr. Ng Yuk Keung
Mr. Wang Wenfu
Mr. Gao Zhikai

During the year ended 31 December 2025, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, the number of which must represent at least one-third of its Board, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Biographical details of the Directors and senior management of the Company are set out in the section headed "Profile of Directors and Senior Management" on pages 26 to 31 of this annual report.

The Board selects and recommends candidates for directorship having regard to the balance of skills and experience appropriate to the Company's business. There was no material financial, business, family or other relevant relationship among members of the Board.

Corporate Governance Report

For the year ended 31 December 2025, four full board meetings and one general meeting were held. The following is the attendance record of the board meetings held by the Board during 2025:

Name of Director	Attendance/ Number of General Meetings Held	Attendance/ Number of Board Meetings Held
Executive Directors		
Cao Xinyi (Chairman)	1/1	4/4
Wang Yaxu	0/1	4/4
Zhao Wei	0/1	4/4
Chen Xiuzhu	1/1	4/4
Non-executive Director		
Feng Tong	1/1	4/4
Independent Non-executive Directors		
Ng Yuk Keung	1/1	4/4
Wang Wenfu	1/1	4/4
Gao Zhikai	1/1	4/4

Sufficient notice convening the Board meetings was given to the Directors setting out the matters to be discussed. All Directors were given an opportunity to include matters in the agenda for the Board meetings and have access to the company secretary to ensure that all Board procedures and applicable rules and regulations were followed. At the meetings, the Directors were provided with the relevant documents to be discussed and approved. The company secretary is responsible for keeping minutes for the Board meetings.

Each of executive Directors and non-executive Director has entered into a service contract with the Company for a term of three years. Each of independent non-executive Directors was appointed for a term of three years under the relevant appointment letter. They are all subject to retirement from office by rotation and re-election in accordance with the Articles of Association. On 1 July 2025, Ms. Cao Xinyi and Mr. Wang Yaxu renewed their service contracts with the Company for a term of three years commencing from 1 July 2025. On 18 July 2025, Mr. Gao Zhikai renewed his service contract with the Company for a term of three years commencing from 18 July 2025.

To ensure that independent views and input are available to the Board, the Board strictly complies with the Listing Rules, CG Code and nomination policy to assess and ensure the independence of the independent non-executive Directors. Each committee of the Board is authorised to engage external legal, financial or other independent professional advisers or other persons to enable it to discharge its duties as it considers necessary. For the year ended 31 December 2025, the aforesaid mechanisms were implemented effectively.



Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the CEO, Ms. Cao Xinyi, has executive responsibilities, provides leadership to the Board in terms of establishing policies and business direction and oversees the day-to-day management of the Group's business. She ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. She also ensures that all Directors are properly briefed on issues to be discussed at board meetings.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The three independent non-executive Directors are persons of high calibre, with academic and professional qualifications in the fields of accounting, law, banking, business management and risk management. With their experience gained from senior positions held in other companies, they provide strong support towards the effective discharge of the duties and responsibilities of the Board. Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considers these Directors to be independent under Rule 3.13 of the Listing Rules.

The participation of the independent non-executive Directors in the Board brings independent judgment on the issues relating to the Group's strategy, conflicts of interest, connected transactions and management process in order to ensure that the interests of all Shareholders have been duly considered.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry of all the Directors, each Director confirmed that he/she has complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

According to the Articles, at each annual general meeting one-third of the Directors are subject to retirement by rotation or, if the number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and shall be eligible for re-election. Every Director shall be subject to retirement at an annual general meeting at least once every three years. Any other appointment, resignation, removal or re-designation of Director will be disclosed in a timely manner to the Shareholders by way of announcement and shall include in such announcement the reasons given by the Director for his/her resignation.

Corporate Governance Report

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C4 of Part 2 of the CG Code on 7 September 2010 and revised the written terms of reference on 26 March 2012, 31 December 2015 and 27 December 2018. The primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system of the Group, overseeing the audit process and acting as the key representative body for overseeing the Group's relations with the external auditor and performing other duties and responsibilities as assigned by the Board from time to time. The audit committee currently comprises the three independent non-executive Directors, Mr. Ng Yuk Keung (chairman), Mr. Wang Wenfu and Mr. Gao Zhikai.

For the year ended 31 December 2025, the audit committee held 2 meetings, at which members of the audit committee reviewed and discussed with the external auditors and the management of the Group's interim financial results and reports in respect of the first half year of 2025, and the annual financial results and reports in respect of the year ended 31 December 2024, and are of the opinion that such financial statements have complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosure has been made.

The attendance records of the audit committee for the year ended 31 December 2025 are set out below:

Name of Director	Attendance/ Number of Meetings
Mr. Ng Yuk Keung	2/2
Mr. Wang Wenfu	2/2
Mr. Gao Zhikai	2/2



Corporate Governance Report

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the fees paid/payable in respect of audit and non-audit services provided by KPMG, the Group's external auditor, are set out below:

Service	Sum (HK\$'000)
Audit services ⁽¹⁾	7,041
Other services ⁽²⁾	39
	7,080

Notes:

- (1) Fees for audit services consisted of fees incurred to KPMG (HK\$7,041,000) in connection with the audit of the Company's annual financial statements, review of the Company's interim financial statements.
- (2) Fees for non-audit services consisted of fees incurred to KPMG (HK\$39,000) in connection with the tax advisory and other services of the Company.

The audit committee is responsible for making recommendations to the Board as to the appointment, re-appointment and removal of the external auditors, which is subject to the approval by the Board and at the general meetings of the Company by the Shareholders.

INDUCTION AND CONTINUING DEVELOPMENT OF DIRECTORS

The Company provided each newly appointed Director with formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are updated on the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities from time to time. The Company will arrange training and professional development for Directors as and when necessary. Each of the Directors also arranged by themselves to participate in courses relating to the roles, functions and duties of a listed company director or further enhancement of their professional development by way of attending training courses or reading relevant materials.

Corporate Governance Report

During the year ended 31 December 2025, the Directors confirmed that they have participated in training and continuous professional development activities and a summary is provided as follows:

Name of Director	Type of Continuous Professional Development Programmes
Executive Directors	
Ms. Cao Xinyi (Chairman)	1,2,3
Mr. Wang Yaxu	1,2,3
Mr. Zhao Wei	1,2,3
Ms. Chen Xiuzhu	1,2,3
Non-executive Director	
Ms. Feng Tong	1,2,3
Independent non-executive Directors	
Mr. Ng Yuk Keung	1,2,3
Mr. Wang Wenfu	1,2,3
Mr. Gao Zhikai	1,2,3

Notes:

1. Reading materials and updates relating to the latest developments of the Listing Rules and other applicable regulatory requirements.
2. Attending seminars/training workshops offered by external professionals and/or experts.
3. Internal group discussions on updates relating to general economy, business trend, corporate governance, directors' duties and the latest development of the Listing Rules and other applicable regulatory requirements.



Corporate Governance Report

DIRECTORS' AND AUDITOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company deploys appropriate and sufficient resources to prepare its financial statements in accordance with IFRSs. Senior management is required to present and explain the financial reporting and matters that materially affect or may have a material impact on the financial performance and operations of the Company to the audit committee and the Board and respond to the queries and concerns raised by the audit committee and the Board to their satisfaction. The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the financial statements include applicable disclosure required by the Listing Rules and by the Hong Kong Companies Ordinance. The reporting responsibility of the external auditors of the Company on the financial statements of the Group is set out in the independent auditor's report on pages 66 to 72 of this annual report.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 7 September 2010 with written terms of reference in compliance with the Listing Rules and CG Code. The remuneration committee currently comprises two independent non-executive Directors, namely, Mr. Wang Wenfu (chairman) and Mr. Ng Yuk Keung and one executive Director, Ms. Cao Xinyi. The primary duties of the remuneration committee are to review and formulate remuneration policies for the Directors and senior management, to make recommendations on the remuneration package of the Directors and senior management and to evaluate and make recommendations on employee benefit arrangements. The remuneration committee also assesses performance of the Directors and proposes the terms of the Directors' service contracts.

The remuneration committee held 1 meeting during the year ended 31 December 2025, at which the members of the committee reviewed the remuneration and bonus plan of the Directors and senior management with reference to their duties, responsibilities, experience, qualifications and performance. No Director took part in any discussion about his/her own remuneration.

The attendance records of the remuneration committee for the year ended 31 December 2025 are set out below:

Name of Director	Attendance/ Number of Meetings
Mr. Wang Wenfu	1/1
Mr. Ng Yuk Keung	1/1
Ms. Cao Xinyi	1/1

Details of the Directors' remuneration are set out in note 8 to the financial statements.

Corporate Governance Report

NOMINATION COMMITTEE

The Company established a nomination and corporate governance committee on 7 September 2010, which was renamed as the nomination committee on 10 December 2021, with written terms of reference in compliance with the Listing Rules and the CG Code. The nomination committee comprises two independent non-executive Directors, namely, Mr. Gao Zhikai (chairman) and Mr. Ng Yuk Keung and one executive Director, Ms. Chen Xiuzhu. The primary function of the nomination committee is to formulate and implement the nomination policy laid down by the Board to oversee the composition, structure and evaluation of the Board and its committees and to develop, recommend to the Board and oversee the implementation of corporate governance principles and policies. The Board has adopted policy of nomination, setting out the standards and procedures for nomination and appointment of directors, to ensure the continuity of the Board and maintain its leadership, for the nomination of candidates for directorship of the Company by considering the skills, experience, professional knowledge, personal integrity and time commitment of such individuals, the Company's needs and other relevant statutory requirements and regulations.

The nomination committee held 1 meeting during the year ended 31 December 2025, at which the members of the nomination committee reviewed and discussed the composition and structure of the Board and also evaluated the performance of the Board and its committees.

The nomination committee will review annually the structure, size and composition of the Board and where appropriate, recommend candidates to the Board before election to complement the Company's corporate strategy.

The attendance records of the nomination committee for the year ended 31 December 2025 are set out below:

Name of Director	Attendance/ Number of Meetings
Mr. Gao Zhikai	1/1
Mr. Ng Yuk Keung	1/1
Ms. Chen Xiuzhu	1/1



Corporate Governance Report

ENVIRONMENTAL AND SOCIAL AND GOVERNANCE COMMITTEE

The Company established the health, safety and environmental committee on 7 September 2010, which was renamed as the environmental and social and governance committee on 10 December 2021 and the responsibilities of which were adjusted with and a new set of terms of reference adopted in compliance with the Listing Rules and CG Code. The environmental, social and governance committee comprises two independent non-executive Directors, Mr. Gao Zhikai and Mr. Wang Wenfu and one executive Director, Ms. Chen Xiuzhu (chairman). The primary function of the environmental, social and governance committee is to advise and assist the Board in monitoring, review and making appropriate recommendations to the Board on the best industry practices, the most recent requirements of Hong Kong market and the staff of ESG issues of the Group.

The environmental, social and governance committee held 1 meeting during the year ended 31 December 2025, at which the members of the environmental, social and governance committee reviewed and discussed ESG and the related matters of the Group.

The attendance records of the environmental, social and governance committee for the year ended 31 December 2025 are set out below:

Name of Director	Attendance/ Number of Meetings
Mr. Gao Zhikai	1/1
Mr. Wang Wenfu	1/1
Ms. Chen Xiuzhu	1/1

RISK MANAGEMENT AND INTERNAL CONTROL

The internal control system has been designed to safeguard the assets of the Group, maintain proper accounting records and to ensure execution with appropriate authority and compliance with relevant laws and regulations.

Corporate Governance Report

The Board is responsible for maintaining and reviewing the effectiveness of the Group's risk management and internal control system. During the year ended 31 December 2025, the Board carried out an annual review of the implemented system and procedures, including areas covering financial, operational and legal compliance controls and risk management functions. The internal control system is implemented to minimize the risks to which the Group is exposed and used as a management tool for the day-to-day business operation. All purchase and sales contracts need to be reviewed by finance and legal departments before signing. The Group uses ERP system to track and record business invoices, and accounting entries will be generated from the system automatically. During execution, revenue and cost data are regularly being collected and examined with each business department to ensure the truthfulness and accuracy of the records. This allows us to monitor the operations of each business unit. The preparation process of the financial statements includes division of labor, authorisation and review. Only authorised individuals have access to prepare and modify the financial statements. The system can only provide reasonable but not absolute assurance against misstatements or losses.

The Group adopted a series internal control procedures for the handling and dissemination of inside information, including the management of insiders list, training for insiders and management controls for inside information to ensure that the potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide the disclosure of inside information in accordance with the SFO and the Listing Rules.

The Company also adopted an internal control system for the handling of its continuing connected transactions. In particular, the independent non-executive Directors conduct an annual review on the continuing connected transactions of the Company in the previous financial year, and confirm in the annual report of the Company that the continuing connected transactions were entered into in the ordinary and usual course of business, and conducted on normal commercial terms or better and according to the agreements of such transactions. The terms are fair, reasonable and in the interest of the Shareholders as a whole. The external auditor of the Company conducts an annual review on the continuing connected transactions of the Company in the previous financial year according to the Listing Rules, express its opinions, and issue relevant letters to the Board according to the requirements of the Listing Rules.

For the year ended 31 December 2025, the Board considers that the Group's internal control system was adequate and effective and that the Company complied with the CG Code with respect to its internal controls.

The Company established a whistleblowing policy and system for employees and those who deal with the Group to raise concerns, in confidence and with anonymity, where desired, about actual or suspected cases of impropriety in any matter related to the Group. For details, please refer to "Management Of Sustainable Development" section of the Company's 2025 ESG Report.

The Company also established the Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy which sets out the Company's policy and systems that promote and support compliance with applicable anti-fraud, antibribery and corruption laws and regulations. For details, please refer to "Management Of Sustainable Development" section of the Company's 2025 ESG Report.



Corporate Governance Report

COMPANY SECRETARY

For the year ended 31 December 2025, in compliance with Rule 3.28 of Listing Rules, the Company's company secretary is a full-time employee of the Company and familiar with the ordinary affairs of the Company. The company secretary supports the Board and each of the Board committees by ensuring good information flow and that policies and procedures of the Board and the relevant Board committees are followed advises the Board on governance matters and facilitates the induction and professional development of Directors. The company secretary also plays an essential role in the relationship between the Company and its Shareholders, including assisting the Board in discharging its obligations to the Shareholders pursuant to the Listing Rules.

In compliance with Rule 3.29 of the Listing Rules, Ms. Ren Yu confirmed that she has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2025.

CONVENING GENERAL MEETINGS AND PUTTING FORWARD PROPOSALS BY SHAREHOLDERS

According to the Articles of Association, Shareholders who request the convening of an extraordinary general meeting shall comply with the following procedures:

- General meetings shall be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s).
- If the Board does not within 21 days from the date of deposit of the requisition duly proceed to convene the general meeting, the requisitionist(s) themselves or any of them representing more than one-half of their total voting rights, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business performance and strategies. The Board established a shareholders' communication policy setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring the Shareholders and investment community are provided with timely access to comprehensive, equal and understandable information about the Company.

The Company maintains its open communication policy and deliver information to Shareholders and the investment community through various channels, which include publication of the Company's financial reports (including interim and annual reports), information and notices of the annual general meeting and extraordinary general meeting that may be convened, other disclosures in accordance with the regulatory requirements under the relevant laws and regulations and the Listing Rules, as well as its corporate communications and other corporate publications on the the Stock Exchange's website (www.hkexnews.hk) and/or the Company's website.

Shareholders may send their enquiries and concerns to the Board by addressing them to the company secretary or relevant personnel by mail to the Company's principal place of business in Hong Kong at the following address:

Unit 1902, Floor 19,
Far East Finance Centre
16 Harcourt Road, Admiralty, Hong Kong

The company secretary and relevant personnel shall, on a regular basis, report the Shareholder's enquiries and concerns to the Board and/or relevant Board committees of the Company and where appropriate, respond to such enquiries.

The Company has reviewed the implementation of the above Shareholders and investor communication policy in 2025 and based on the information set out the paragraphs above, considers the shareholders' communication policy effective.



Corporate Governance Report

DIVIDEND POLICY

On 27 December 2018, the Board approved and adopted a dividend policy, pursuant to which, dividends shall, in principle, be distributed at 25% of the profit attributable to equity shareholders of the current year, while in recommending or declaring the dividend, the Company shall maintain adequate cash reserves to meet its working capital requirements and future growth as well as its shareholders' value. The Board has the discretion to declare and distribute dividends to Shareholders, subject to the Articles of Association and all applicable laws and regulations. In recommending or declaring the dividend, the Board shall take into account, among others, the Group's financial results, cash flow situation, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, interests of shareholders, any restrictions on payment of dividends by the Company to Shareholders or by its subsidiaries to the Company, taxation consideration and any other factors that the Board may consider relevant.

DIVERSITY POLICY

The Company has adopted the board diversity policy (the "**Board Diversity Policy**"), pursuant to which, in reviewing and assessing the Board composition and the nomination of directors, Board diversity has to be considered from a number of aspects, including but not limited to the gender, age, cultural and educational background, professional qualifications and skills, knowledge and industry and regional experience.

Even though the Board has not established a specific target number or date by which to achieve a specific number of women on the Board, the Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth. The Board has three female Directors and five male Directors for the year ended 31 December 2025. The Board had reviewed the implementation and effectiveness of the Board Diversity Policy and was of the view that the Board Diversity Policy and its implementation was sufficient and effective. The Board will adhere to the Board Diversity Policy, closely monitor the proportion of female members and ensure that the selection and nomination of Board positions are appropriately structured so that a diverse range of candidates can be considered and selected.

The Company also values gender diversity at all levels of the Company, as at 31 December 2025, approximately 15.46% of the employees of the Group are female, in particular, 55.56% of senior management are female. The Company will continue to work to enhance gender diversity at all levels of the Company.

Report of the Directors

Dear Shareholders,

The Board is pleased to present its report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2025 prepared in accordance with IFRSs.

PRINCIPAL ACTIVITIES

The Company was incorporated in the BVI as a limited liability company on 17 September 2007. The Shares were listed on the Main Board on 11 October 2010.

The Group is principally engaged in trading of coal and other products and rendering of integrated supply chain services. Details of the Company's principal subsidiaries as at 31 December 2025 are set out in note 16 to the financial statements set out in this annual report.

OPERATING RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on pages 73 to 74 of this annual report.

Further discussion and analysis of the Group's performance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business are set out on pages 6 to 25 of this annual report. This discussion forms part of the Directors' report.

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 78 to 79 of this annual report.

As at 31 December 2025, there were no reserves available for distribution to Shareholders (31 December 2024: nil).

Subject to the BVI Business Companies Act (as revised), the Company may declare final dividends in any currency, but no dividend may be declared in excess of the amount recommended by the Board. The Articles of Association provide that dividends may be declared and distributed if the Directors reasonably believe that, immediately after the payment of the dividends, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

The reserves of the Group available for distribution depend on the dividend distributable by the Company's subsidiaries. Regulations in the PRC currently permit distribution by way of dividends by the PRC subsidiaries only out of accumulated profits as determined in accordance with the PRC generally accepted accounting principles. These distributable profits differ from those that are reflected in the Group's financial statements prepared in accordance with the IFRSs.



Report of the Directors

DIVIDENDS

A final dividend in cash of HK\$0.030 per share, totaling approximately HK\$79 million, has been declared for the year ended 31 December 2025. The declaration of the 2025 final dividend is in line with the Company's dividend policy. Notwithstanding that the absolute amount of the 2025 final dividend represents a decrease as compared with the total dividends declared for the year ended 31 December 2024 (in an aggregate amount of approximately HK\$230 million), such decrease was primarily attributable to the decrease in the Company's profit for the year ended 31 December 2025. The final dividend would be payable to the Shareholders subject to the approval of the Shareholders at the forthcoming annual general meeting. The final dividend is expected to be paid by no later than 16 September 2026. The dates for closure of register of members of the Company for ascertaining shareholders' entitlement to the final dividend will be further announced.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 178 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group for the year ended 31 December 2025 are set out in note 12 to the financial statements set out in this annual report.

SHARE CAPITAL

The Shares are without par value. Details of the movements in number of authorised and issued Shares during 2025 are set out in note 31 to the financial statements set out in this annual report.

LOANS AND BORROWINGS

Details of the loans and borrowings of the Group are set out in note 25 to the financial statements set out in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

Most of the Group's products are sold to steel mills in China. For the year ended 31 December 2025, sales to the Group's five largest customers accounted for 39.90% of the total revenue of the Group. The largest customer was accounted for 10.41% of the total revenue of the Group.

For the year ended 31 December 2025, total procurement amount of commodities was HK\$20,324million, of which, the top five suppliers accounted for 33.90%. The largest supplier accounted for 11.18% of the total procurement amount.

At no time during the year had the Directors, their associates or any Shareholder (which to the knowledge of the Directors own(s) more than 5% of the number of issued Shares) had any interest in these major customers and suppliers.

Report of the Directors

DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The Directors during the year and up to the date of this report of the Directors are as follows:

Name	Position
Executive Directors	
Ms. Cao Xinyi	Executive Director and Chairman and CEO
Mr. Wang Yaxu	Executive Director
Mr. Zhao Wei	Executive Director
Ms. Chen Xiuzhu	Executive Director
Non-executive Director	
Ms. Feng Tong	Non-executive Director
Independent Non-executive Directors	
Mr. Ng Yuk Keung	Independent Non-executive Director
Mr. Wang Wenfu	Independent Non-executive Director
Mr. Gao Zhikai	Independent Non-executive Director

Biographical details of the current Directors and the senior management of the Company are set out in the section headed "Profile of Directors and Senior Management" on pages 26 to 31 in this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has entered into any service agreements with the Company or any other member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 34 to the consolidated financial statements, none of the Directors and controlling shareholders of the Company had a material beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.



Report of the Directors

CONNECTED TRANSACTIONS

Provision of Counter-Guarantees

Counter-Guarantee in April 2025

On 8 April 2025, Xianghui Energy and the designated bank entered into a facility agreement, pursuant to which the designated bank granted to Xianghui Energy the banking facilities in the principal amount of up to RMB200 million. In connection with such banking facilities, Xiangyu Joint Stock agreed to provide a corporate guarantee in favour of the designated bank in respect of all the liabilities and obligations of Xianghui Energy thereof and executed a bank guarantee contract in relation thereto. Xianghui Energy is owned by the Company and Xiangyu Joint Stock as to 49% and 51%, respectively.

On 11 April 2025, the Company and Xiangyu Joint Stock entered into a counter-guarantee contract, pursuant to which the Company agreed to provide such counter-guarantee in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, for an aggregate amount of RMB107.8 million representing proportionate guaranteed amount together with any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the bank guarantee contract provided by Xiangyu Joint Stock in favour of the designated bank in relation to the banking facilities (the “**Counter-Guarantee in April 2025**”).

For further details of the Counter-Guarantee in April 2025, please refer to the announcement of the Company dated 11 April 2025.

Counter-Guarantee in May 2025

On 29 May 2025, Xianghui Energy (Ejin Banner) Co., Ltd. (象暉能源(額濟納旗)有限公司) (“**Xianghui Energy (Ejin Banner)**”), a wholly-owned subsidiary of Xianghui Energy, and the designated bank entered into a facility agreement, pursuant to which the designated bank granted to Xianghui Energy (Ejin Banner) the banking facilities in the principal amount of up to RMB50 million. In connection with such banking facilities, Xiangyu Joint Stock agreed to provide a corporate guarantee in favour of the designated bank in respect of all the liabilities and obligations of Xianghui Energy (Ejin Banner) thereof and executed a bank guarantee contract in relation thereto.

Report of the Directors

On 30 May 2025, the Company and Xiangyu Joint Stock entered into a counter-guarantee contract, pursuant to which the Company agreed to provide such counter-guarantee in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, for an aggregate amount of RMB26.95 million representing proportionate guaranteed amount together with any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the bank guarantee contract provided by Xiangyu Joint Stock in favour of the designated bank in relation to the banking facilities (the “**Counter-Guarantee in May 2025**”).

For further details of the Counter-Guarantee in May 2025, please refer to the announcement of the Company dated 30 May 2025.

Counter-Guarantees in September 2025

In connection with certain banking facilities extended by the relevant designated banks to (i) Xianghui Energy (Bayan Nur City) Co., Ltd. * (象暉能源(巴彥淖爾市)有限公司) (“**Xianghui Energy (Bayan Nur City)**”) in the principal amount of RMB50 million; and (ii) Xianghui Energy (Bayan Nur City) in the principal amount of RMB200 million; (iii) Xianghui Energy (Darhan Muming’an) Co., Ltd.* (象暉能源(達茂旗)有限責任公司) (“**Xianghui Energy (Darhan Muming’an)**”) in the principal amount of RMB60 million, Xiangyu Joint Stock agreed to provide the relevant corporate guarantees in favour of the respective designated banks in respect of all the liabilities and obligations of Xianghui Energy (Bayan Nur City) and Xianghui Energy (Darhan Muming’an), respectively, and therefore, executed the bank guarantee contracts in relation thereto.

On 8 September 2025, the Company and Xiangyu Joint Stock entered into (i) a counter-guarantee contract (the “**Counter-Guarantee I in September 2025**”), pursuant to which the Company agreed to provide the Counter-Guarantee I in September 2025 in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, for an aggregate amount of up to RMB26.95 million representing proportionate guaranteed amount together with any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the bank guarantee provided by Xiangyu Joint Stock in favour of the designated bank in relation to the relevant banking facilities; (ii) a counter-guarantee contract (the “**Counter-Guarantee II in September 2025**”), pursuant to which the Company agreed to provide the Counter-Guarantee II in September 2025 in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, for an aggregate amount of up to RMB107.8 million representing proportionate guaranteed amount together with any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the bank guarantee provided by Xiangyu Joint Stock in favour of the designated bank in relation to the relevant banking facilities, and to terminate and supersede the previous counter-guarantee granted in favour of Xiangyu Joint Stock on 25 October 2024 in relation to the banking facilities extended by the same designated bank; and (iii) a counter-guarantee contract (the “**Counter-Guarantee III in September 2025**”), pursuant to which the Company agreed to provide the Counter-Guarantee III in September 2025 in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, for an aggregate amount of up to RMB32.34 million representing proportionate guaranteed amount together with any interests accrued thereon, any penalties, compensation and other related fees and expenses which may be payable by Xiangyu Joint Stock as contemplated under the bank guarantee provided by Xiangyu Joint Stock in favour of the designated bank in relation to the relevant banking facilities.



Report of the Directors

For further details of the Counter-Guarantee I in September 2025, Counter-Guarantee II in September 2025, and Counter-Guarantee III in September 2025, please refer to the announcement of the Company dated 8 September 2025

CONTINUING CONNECTED TRANSACTIONS

The Mutual Supply Framework Agreement

On 31 December 2024, the Company and Xiangyu Joint Stock entered into the Mutual Supply Framework Agreement, to renew the previous mutual supply agreement dated 31 December 2021, in relation to the supply of E-Commodities Products, and the provision of E-Commodities Services, by the Group to Xiamen Xiangyu, and the supply of Xiangyu Products, and the provision of Xiangyu Services, by Xiamen Xiangyu to the Group, for a term of 3 years commencing from 1 January 2025 and ending on 31 December 2027. As Xiamen Xiangyu is a substantial shareholder of Inner Mongolia E-35 and Haotong Environmental Technology, both indirect non-wholly owned subsidiaries of the Company, therefore, Xiamen Xiangyu constitutes a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. As a result, the transactions contemplated under the Mutual Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Further details of the Mutual Supply Agreement are set out below and the Company's announcement dated 31 December 2024.

Report of the Directors

Supply of products

Under the Mutual Supply Agreement, (i) the Group shall supply to Xiamen Xiangyu, from time to time during the term thereof, the E-Commodities Products (the “**Sales Transactions**”) that mainly comprising coal products, petrochemical products, iron ores and other bulk commodities; and (ii) Xiamen Xiangyu shall supply to the Group, from time to time during the term thereof, the Xiangyu Products (the “**Procurement Transactions**”) that mainly comprising coal, petrochemical products, iron ores and other products, with a view to leverage each party’s respective advantages in resources and channels of suppliers and customers, and different nature of products in terms of, among others, country origins, products quality and indicators and categories, to expand their respective market competitiveness.

Provision of services

Under the Mutual Supply Agreement, (i) the Group shall provide to Xiamen Xiangyu, from time to time during the term thereof, the E-Commodities Services (the “**E-Commodities Services Transactions**”) that mainly comprising commodities logistics services in Mongolia, Inner Mongolia and cross border ports through truck and railway transportation, warehousing, washing, processing and consulting services. In particular, the Company will provide to Xiamen Xiangyu the logistics services in relation to the coal trading business of Xiamen Xiangyu, and (ii) Xiamen Xiangyu shall provide to the Group, from time to time during the term thereof, the Xiangyu Services (the “**Xiangyu Services Transactions**”) that mainly comprising full suite of door-to-door logistics services in relation to international and domestic commodities trading business including, among others, ship transportation, multi-modal transportation, ports terminal services and bulk warehouse storage. In particular, Xiamen Xiangyu will provide to the Group with logistics services through its bulk shipping, warehousing, and road and railway transportation resources at coastal area for the Group’s commodities trading business in relation to coal products and other products, in order to facilitate the business cooperation between the Group and Xiamen Xiangyu by equipping with commodities logistics services and transportation services, which are the core competitive capability of the Group, as well as the port services at coastal areas and inland waterway of Xiamen Xiangyu.

The table below sets out the transaction amount and annual cap under the current mutual supply agreement by the type of transactions for the year ended 31 December 2025:

	for The Year Ended 31 December 2025	
	Amounts	
	Transaction (HK\$ million)	Annual Cap (HK\$ million)
Sale Transactions	627	2,800
Procurement Transactions	481	1,050
E-Commodities Services Transactions	1,168	3,300
Xiangyu Services Transactions	–	60
TOTAL	2,276	7,210



Report of the Directors

The Settlement Agreement And Payment Agreement

Pursuant to the cooperation between the Company and Bridge Mining under the Cooperation Agreement, (a) Five Hills and Tsagaan Uvuljuu entered into the specific Mining Service Contract, pursuant to which Five Hills agreed to provide certain services regarding the mining operations and Tsagaan Uvuljuu shall pay the service fees and other related expenses (if any) to Five Hills; (b) Tsagaan Uvuljuu and Xianghui Singapore entered into certain specific Coal Sales Agreements in relation to, among other things, the sale and purchase of coal products from Terra Mine; and (c) Tsagaan Uvuljuu and Eco Global entered into the Coal Transportation Agreement, pursuant to which Eco Global shall provide Tsagaan Uvuljuu with transportation services for the coal products under the relevant Coal Sales Agreements from Terra Mine to Ceke Port in the PRC, and Tsagaan Uvuljuu shall pay the transportation fees to Eco Global.

With respect to the service fees payable by Tsagaan Uvuljuu under the Mining Service Contract, on 3 December 2025, Tsagaan Uvuljuu, Xianghui Singapore and Five Hills entered into the Settlement Agreement for a term commenced from 3 December 2025 and ending on 31 December 2026, pursuant to which, the parties agreed that Xianghui Singapore shall remit a portion of the payment under the Coal Sales Agreements directly to Five Hills, which shall be applied as a set-off against the mining service fees and any other related expenses payable by Tsagaan Uvuljuu to Five Hills under the Mining Service Contract. This direct payment mechanism constitutes a discharge of Tsagaan Uvuljuu's payment obligations to Five Hills, and to the corresponding extent, of Xianghui Singapore's payment obligations to Tsagaan Uvuljuu under the relevant Coal Sales Agreements.

With respect to the transportation fees payable by Tsagaan Uvuljuu under the Coal Transportation Agreement, on 3 December 2025, Tsagaan Uvuljuu, Xianghui Singapore and Eco Global entered into the Payment Agreement for a term commenced from 3 December 2025 and ending on 31 December 2026, pursuant to which, the parties agreed that the transportation fees arising from sale and purchase of coal products under the Coal Sales Agreements shall be paid by Xianghui Singapore directly to Eco Global. Such direct payment shall operate as a set-off against the corresponding amount of transportation fees payable by Tsagaan Uvuljuu to Eco Global under the Coal Transportation Agreement.

Xiangyu Joint Stock is a substantial shareholder of Inner Mongolia E-35 and Haotong Environmental Technology, both of which are indirect non-wholly owned subsidiaries of the Company; therefore, Xiangyu Joint Stock is a connected person of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules. Xianghui Singapore is a subsidiary of Xianghui Energy, which is in turn held as to 51% by Xiangyu Joint Stock, and therefore, Xianghui Singapore constitutes a connected person at subsidiary level of the Company under the Listing Rules. As a result, the transactions contemplated under each of the Settlement Agreement and Payment Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Further details of the Settlement Agreement and Payment Agreement are set out in the Company's announcement dated 3 December 2025.

Report of the Directors

The table below sets out the transaction amount and annual cap under each of the Settlement Agreement and the Payment Agreement for the year ended 31 December 2025:

	for The Year Ended 31 December 2025	
	Amounts	
	Transaction (HK\$ million)	Annual Cap (HK\$ million)
Amount paid by Xianghui Singapore directly to Five Hills under the Settlement Agreement	10	35
Amount paid by Xianghui Singapore directly to Eco Global under the Payment Agreement	–	4
TOTAL	10	39

The Consultancy Agreement

On 30 December 2022, the Company and Mr. Wang Xingchun as the senior strategy consultant entered into the consultancy agreement (the “**Consultancy Agreement**”) in relation to the provision of, on an exclusive basis, consultation and advisory services to the Company in relation to the development and construction of infrastructures and the related facilities for the Company’s business operation along the Chinese port areas for a term of three years commencing from 1 January 2023 and ending on 31 December 2025. Under the consultancy agreement, the Company shall pay an annual service fees in Hong Kong dollars equivalent to US\$1 million on a monthly basis. Mr. Wang Xingchun is the father of Ms. Wang, therefore, an associate of Ms. Wang and a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions contemplated under the consultancy agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Further details in respect of the consultancy agreement are set out in the Company’s announcement dated 30 December 2022.

For the year ended 31 December 2025, each of the transaction amount and the annual cap in respect of the service fees paid by the Company to Mr. Wang Xingchun as the senior strategy consultant was US\$1 million and US\$1 million, respectively.

The Master Tenancy Framework Agreement

On 31 March 2023, the Company entered into the Master Tenancy Framework Agreement with Ms. Wang, for the purpose of regulating various transactions relating to the renting of certain residential or commercial premises and/or car parking spaces between the members of the Group and Ms. Wang and/or her associates for a term commencing on 1 April 2023 and ending on 31 December 2025.



Report of the Directors

Right-of-use Asset

In accordance with IFRS 16 Leases, the Group as a lessee, shall recognise a right-of-use asset and a lease liability at the commencement date, a right-of-use asset represents the Group's right to use an underlying asset for the lease term and a lease liability is measured at the present value of the lease payments that are not paid at that date which is discounted using the Group's incremental borrowing rate. Under IFRS 16, the Group presents interest expense on the lease liability separately from the depreciation charge for the right-of-use asset in its consolidated statement of profit or loss. Correspondingly, the Company is required to set the annual cap on the total value of right-of-use assets relating to the individual lease transactions entered into, and to be entered into, by the Group as the tenant in each year under the Master Tenancy Framework Agreement.

Ms. Wang is the controlling shareholder of the Company and therefore, Ms. Wang or any of her associates is a connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the entering into the Master Tenancy Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Further details in respect of the Master Tenancy Framework Agreement are set out in the announcement of the Company dated 31 March 2023.

For the period from 1 January 2025 and ended 31 December 2025, each of the transaction amount and annual cap, which represents the total value of the right-of-use assets relating to the individual lease transactions entered into by the Group under the Master Tenancy Framework Agreement was HK\$0 and HK\$2.2 million, respectively.

Minmetals Cooperation Agreement

After completion of the distribution in specie in January 2024, Magnificent Gardenia became a substantial shareholder of the Company. Magnificent Gardenia is wholly owned by Minmetals South-East Asia, and therefore Minmetals South-East Asia will become a connected person of the Company by virtue of Rule 14A.13 of the Listing Rules. On 8 March 2023, the Company had entered into the Minmetals Cooperation Agreement with Minmetals South-East Asia for a term of six years ending on 7 March 2029. Upon completion of the distribution in specie, the transactions contemplated under the Minmetals Cooperation Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Under the Minmetals Cooperation Agreement, the Company and Minmetal South-East Asia and their respective subsidiaries and/or associates, have been in business cooperation for the procurement, sales, transportation and logistics services in respect of the coal related products. In respect of sale and/or purchase of the coal related products, the Company and Minmetal South-East Asia and their respective subsidiaries and/or associates shall enter into specific contract pursuant to the terms of the Minmetals Cooperation Agreement, setting out the detailed terms for individual transaction, including but not limited to the type, price, quality, quantity, delivery and payment terms, and rights and obligations of the parties. For details of the Minmetals Cooperation Agreement, please refer to the announcement of the Company dated 23 February and 13 March 2024.

Report of the Directors

The independent non-executive Directors have reviewed the continuing connected transactions contemplated under each of the Mutual Supply Framework Agreement, the Settlement Agreement, the Payment Agreement, the Consultancy Agreement, the Master Tenancy Framework Agreement and the Minmetals Cooperation Agreement for the year ended 31 December 2025 and confirmed that such continuing connected transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) according to the agreement governing them to terms that are fair and reasonable and in the interest of the Shareholders as a whole.

The Company's auditors were engaged to report on the Group's continuing connected transactions contemplated under each of the Mutual Supply Framework Agreement, the Settlement Agreement, the Payment Agreement, the Consultancy Agreement, the Master Tenancy Framework Agreement and the Minmetals Cooperation Agreement for the year ended 31 December 2025. The auditor has issued its unqualified letter in accordance with the Rule 14A.56 of the Listing Rules and confirmed to the Board that, with respect to the disclosed continuing connected transactions:

- (i) nothing has come to the attention of the auditors that causes us to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.
- (ii) for transactions involving the provision of goods or services by the Group, nothing has come to the attention of the auditors that causes to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (iii) nothing has come to the attention of the auditors that causes to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (iv) with respect to the aggregate amount of each of the continuing connected transactions set out above in the list of continuing connected transactions, nothing has come to the attention of the auditors that causes to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management of the Company receive compensation in the form of fees, salaries, allowances, share-based incentive payments, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The Company also reimburses Directors and senior management for expenses which are necessarily and reasonably incurred for providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for executive Directors, the remuneration committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Director, employment elsewhere in the Group and desirability of performance-based remuneration.



Report of the Directors

Details of the remuneration of the Directors are set out in note 8 to the financial statements set out in this annual report.

For the year ended 31 December 2025, the remuneration of the Company's senior management whose profiles are included in the section headed "Profile of Directors and Senior Management" of this annual report fell within the following bands:

Remuneration Bands	Number of Individuals
HK\$1,000,001 to HK\$1,500,000	1
HK\$2,000,001 to HK\$2,500,000	1
HK\$4,000,001 to HK\$4,500,000	2
HK\$5,500,001 to HK\$6,000,000	1
HK\$7,000,001 to HK\$7,500,000	1
HK\$10,000,001 to HK\$10,500,000	1
HK\$13,500,001 to HK\$14,000,000	1
HK\$30,500,001 to HK\$40,000,000	1

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that each of the independent non-executive Directors is independent in accordance with the guidelines set out in the Listing Rules.

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO which (a) were required to be notified to the Company and Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (c) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name of Director	Name of corporation	Nature of interest	Aggregate number of Shares	Approximate percentage of interest in the corporation⁽¹⁾
Cao Xinyi	The Company	Beneficial owner	12,052,041	0.45%
Wang Yaxu	The Company	Beneficial owner	10,736,190	0.40%

Notes:

(1) The shareholding percentage of the Company is calculated on the basis of 2,673,088,962 Shares in issue as at 31 December 2025, as the denominator.

Save as disclosed above, as at 31 December 2025, so far as is known to any Directors or chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (c) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.



Report of the Directors

SHARE-BASED INCENTIVE PLAN

2022 RSU Scheme

On 6 January 2022, the Board approved the adoption of the 2022 RSU Scheme. The purpose of the 2022 RSU Scheme is to retain and motivate participants to make contributions to the long-term growth and profits of the Group with a view to achieving the objective of increasing the value of the Group and to promote a greater alignment of the interests between the participants under the 2022 RSU Scheme and the Shareholders. Under the 2022 RSU Scheme, the participants (the “**Participant(s)**”) include: (i) a director, officer, member of senior management of any member of the Group; (ii) any non-executive Director (including independent non-executive Director); and (iii) any advisor and agent who provides value-added services to the Group, as determined by the Board in its sole discretion in accordance with the terms of the 2022 RSU Scheme.

Subject to the terms of the 2022 RSU Scheme, the total number of Shares (or, where cash amount is awarded in lieu of Shares, the aggregate number of Shares as are equivalent to the cash amount so awarded) underlying the restricted share unit(s) (“**RSU(s)**”) to be granted under the 2022 RSU Scheme (excluding the Shares underlying the RSUs that have lapsed or been cancelled in accordance with the terms of the 2022 RSU Scheme) shall not exceed 10% of the total number of Shares in issue as at the adoption date of the 2022 RSU Scheme. Under the 2022 RSU Scheme, the maximum number of Shares underlying the RSUs (including Shares, or shares equivalent to cash amount awarded, in respect of RSU Awards granted, vested, lapsed or cancelled) which may be granted to any one Participant during any 12-month period up to and including the relevant date of grant shall not exceed the limit in accordance with the applicable laws and regulations including, but not limited to, the Listing Rules, unless otherwise approved by the Board and/or the Shareholders (if applicable). Therefore, the maximum entitlement of each Participant under the 2022 RSU Scheme is subject to the 1% individual limit as stipulated under the Listing Rules.

A Participant shall confirm acceptance of the grant of an RSU made to him/her in such form and manner as determined by the Board from time to time (the “**RSU Agreement**”), within such time period and in such manner as specified by the Board or the plan administrator. No amount is payable on the application or acceptance of RSU to be granted under the 2022 RSU Scheme. Once accepted, the RSU is deemed to be granted on the relevant date of grant. If acceptance of an RSU is not confirmed by a Participant within the time specified, the RSU will lapse, but the Company has the discretion to extend the time for acceptance and credit RSUs to the Participant’s account upon acceptance within the extended time.

Subject to the terms of the 2022 RSU Scheme, an RSU granted thereunder shall vest in accordance with the rules of the 2022 RSU Scheme and the terms specified in the RSU Agreement of the relevant participants, which shall be satisfied by the existing Shares to be purchased by way of on-market transactions by the trustee in accordance with the terms of the 2022 RSU Scheme and the trust deed. The Company shall procure that sufficient funds are provided to the trustee to enable the trustee to satisfy its obligations in connection with the 2022 RSU Scheme. The vesting provisions in any RSU Agreement will be determined either by the Board, or the remuneration committee of the Company if so delegated by the Board, each in its sole discretion, provided that, the period between the date of award and the date of vesting must be at least 12 months.

Report of the Directors

Under the 2022 RSU Scheme, upon vesting of the RSUs and subject to the fulfilment (or waiver) of vesting criteria and conditions, the relevant Shares (or cash amount) will be delivered to the Participant. No purchase price is payable by the Participant for the Shares underlying the RSUs to be granted under the 2022 RSU Scheme.

Subject to the terms of the 2022 RSU Scheme, the term of the 2022 RSU Scheme shall be for a period of 10 years commencing from the date of adoption, 6 January 2022, and shall remain valid until 5 January 2032.

During the year end 31 December 2025, no RSUs was granted under the 2022 RSU Scheme. As at 1 January and 31 December 2025, the RSUs underlying 286,792,296 Shares were available for grant under the 2022 RSU Scheme. As at 31 December 2025, no outstanding and unvested RSUs was held by (i) any Director, (ii) the five highest paid individuals; or (iii) other participants under the 2022 RSU Scheme.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 31 December 2025, Shareholders who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company 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 were as follows:

Name of Shareholder	Name of Corporation	Nature of Interest	Aggregate number of Shares or underlying Shares⁽¹⁾	Approximate percentage of interest in the corporation⁽⁴⁾
Ms. Wang ⁽²⁾	The Company	Interest of controlled corporation	1,100,059,113 (L)	41.15%
Ace Beacon ⁽²⁾	The Company	Beneficial Owner	1,100,059,113 (L)	41.15%
China Minmetals Corporation ⁽³⁾	The Company	Interest of controlled corporation	400,021,495 (L)	14.96%
China Minmetals Corporation Limited ⁽³⁾	The Company	Interest of controlled corporation	400,021,495 (L)	14.96%
Magnificent Gardenia ⁽³⁾	The Company	Beneficial Owner	400,021,495 (L)	14.96%



Report of the Directors

Notes:

- (1) (L) – long position.
- (2) Ms. Wang Yihan (“**Ms. Wang**”), the controlling shareholder of the Company, holds the entire issued share capital of Ace Beacon and is deemed to be interested in the 1,100,059,113 Shares held by Ace Beacon. Ms. Wang is the sole director of Ace Beacon.
- (3) Magnificent Gardenia is a wholly-owned subsidiary of Minmetals South-East Asia, which is in turn indirectly wholly-owned by China Minmetals Corporation Limited. China Minmetals Corporation Limited is owned as to approximately 88.38% by China Minmetals Corporation. Therefore, each of China Minmetals Corporation and China Minmetals Corporation Limited is deemed to be interested in the Shares held by Magnificent Gardenia.
- (4) The shareholding percentage of the Company is calculated on the basis of 2,673,088,962 Shares in issue as at 31 December 2025, as the denominator.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons (other than the Directors or chief executives of the Company) who had interests or short positions representing 5% or more of the issued share capital of the Company which would fall to be disclosed to the Company 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.

MANAGEMENT CONTRACTS

Other than the service contracts of the Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year ended 31 December 2025.

CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no contracts of significance (as that term is used in Appendix D2 of the Listing Rules) in relation to the business of the Group, to which the Company, its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

Save as disclosed in this annual report, no contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of year or at any time during the year.

Save as disclosed in this annual report, no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year or at any time during the year.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive Directors, Mr. Ng Yuk Keung (chairman), Mr. Wang Wenfu and Mr. Gao Zhikai.

The audit committee has reviewed, together with the management of the Company, the accounting principles, accounting standards and methods adopted by the Company, discussed the matters concerning internal control, auditing and financial reporting matters and has reviewed the financial statements of the Group for the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no applicable provisions for pre-emptive rights under the Articles of Association or the BVI Business Companies Act (as revised) under which the Company is incorporated.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2025.

CODE OF CORPORATE GOVERNANCE PRACTICE

The Company has adopted the CG Code. Throughout the year ended 31 December 2025, save as disclosed in the Corporate Governance Report in this annual report, the Company has complied with all the applicable code provisions as set out in the CG Code. For details of the corporate governance practice of the Company, please refer to the Corporate Governance Report on pages 32 to 46 of this annual report.



Report of the Directors

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group in the ordinary course of business are set out in note 34 to the financial statements set out in this annual report. Save as disclosed in the paragraphs headed "Connected Transactions" and "Continuing Connected Transactions" in this annual report, the related party transactions disclosed in this annual report were not regarded as connected transactions or were exempt from reporting, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules. Such certain transactions between connected persons and the Group as disclosed have been entered into and/or are ongoing during the relevant financial year, and the Company had made relevant disclosures to the extent required in accordance with the requirements under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, as at the date of this annual report, the Company has maintained the prescribed public float of at least 25% as required under the Listing Rules.

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

Repurchase of shares

As at 31 December 2025, the Company had a total of 2,669,782,962 shares in issue. The Company repurchased 22,758,000 and 700,000 Shares on the Stock Exchange in March and April 2025 respectively, all the repurchased Shares have been cancelled in April 2025. As at 31 December 2025, 3,306,000 Shares were held by the Company as treasury shares. The Company has not yet determined on the intended use of such treasury Shares and will utilize them as permitted under the Listing Rules and applicable laws and regulations subject to market conditions and its capital management needs.

Details of the repurchases are summarised as follows:

Months of the repurchases	Total number of Shares repurchased	Repurchased price per Share		Settlement cost (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March 2025	22,758,000	0.94	0.84	20,347,911.61
April 2025	700,000	0.81	0.80	565,326.48
Total	23,458,000	–	–	20,913,238.09

Save as disclosed above, neither the Company nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

Report of the Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, none of the directors, or any of their respective close associates has engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group, which would require disclosure under the Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain in or about the execution of their duty in their offices or otherwise in relation thereto. Such permitted indemnity provision was in force throughout the year ended 31 December 2025 and up to the date of this report. The Company arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company for the year ended 31 December 2025 and up to the date of this report.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

DONATIONS

During the year ended 31 December 2025, the Group made donations of approximately HK\$1 million.

On behalf of the Board

Cao Xinyi

Chairman

27 March 2026



Independent Auditor's Report

Independent auditor's report to the shareholders of E-Commodities Holdings Limited

(incorporated in the British Virgin Islands with limited liability)

OPINION

We have audited the consolidated financial statements of E-Commodities Holdings Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 73 to 171, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSA**s") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Refer to note 4 to the consolidated financial statements and the accounting policies on page 102.

The Key Audit Matter

How the matter was addressed in our audit

The Group has the following principal sources of revenue:

- trading of coal and other products; and
- the rendering of integrated supply chain services.

These sources of revenue have differing terms and revenue recognition criteria and the accounting systems handle a high volume of individual transactions all of which increase the risk that errors may be made in the recognition of revenue.

Our audit procedures to assess revenue recognition included the following:

- assessing the design, implementation and operating effectiveness of the key internal controls over the recognition of revenue;
- inspecting, on a sample basis, the sales contracts to identify the terms of delivery and acceptance and assessing the revenue recognition criteria with reference to the requirements of the prevailing accounting standards;



Independent Auditor's Report

The Key Audit Matter

We identified recognition of revenue as a key audit matter because revenue is a key performance measure for the Group and a key driver of the gross margin which increases the risk that revenue may be manipulated to meet targets and expectations and because the volume of transactions and differing terms increase the risk of errors in the recognition of revenue.

How the matter was addressed in our audit

- selecting a sample of sales transactions recorded during the reporting period and just after the end of the reporting period and comparing the details with the relevant documentation evidencing the date of delivery and acceptance of the goods or services to assess whether the related revenue has been recognised in the appropriate accounting period and in accordance with the Group's revenue recognition accounting policies;
- requesting confirmations from the Group's customers, on a sample basis, to confirm the transaction amounts during the reporting period and inspecting underlying documentation relating to reconciling differences between the transactions confirmed by customers and the Group's accounting records; and
- inspecting manual adjustments to revenue during the reporting period which met certain risk-based criteria and inquiring management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation.

Independent Auditor's Report

Expected credit loss allowance for trade receivables

Refer to note 22 to the consolidated financial statements and the accounting policies on page 92.

The Key Audit Matter

How the matter was addressed in our audit

The Group's trade receivables are mainly due from steel manufacturers and traders.

Our audit procedures to assess the ECL allowance for trade receivables included the following:

According to the Group's past experience, the loss patterns for different groups of customers are not significantly different. Therefore, the trade receivables are not segmented when calculating the ECL allowance.

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and the estimation of the ECL allowance;

The Group measures the ECL allowance for the trade receivables at an amount equal to lifetime ECLs based on management's estimated loss rates. The estimated loss rates take into account the ageing of trade receivables balances and the repayment history of the Group's customers. Such assessment involves management judgement and estimation.

- evaluating the Group's ECL policy and the method of estimating the ECL allowance with reference to the requirements of the applicable accounting standard;

We identified the ECL allowance for trade receivables as a key audit matter because determining the level of the ECL allowance requires the exercise of management judgement, which is inherently subjective.

- assessing whether items in the trade receivables ageing reports were categorised in the appropriate time band by comparing individual items therein with the underlying documentation, on a sample basis;

- obtaining an understanding of the key parameters and assumptions that management uses in its implementation of the expected credit loss model, including historical credit loss data used in management's estimated loss rates;

- assessing the appropriateness of management's estimate of the ECL allowance by examining the information used by management to derive such estimate, including testing the accuracy of the historical credit loss data and evaluating whether the historical loss rates should be adjusted based on current market conditions and forward-looking information; and

- re-performing the calculation of the ECL allowance as at 31 December 2025 based on the Group's ECL policies and method.



Independent Auditor's Report

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Management Discussion and Analysis prior to the date of this auditor's report and expect remaining other information to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Ying Man, Simon (P04538).

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss

for the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	4	25,241,324	39,166,191
Cost of sales		(24,340,877)	(37,648,582)
Gross profit		900,447	1,517,609
Administrative expenses		(639,586)	(745,242)
Other income	5	60,715	234,971
Profit from operations		321,576	1,007,338
Finance income		65,567	64,360
Finance costs		(187,161)	(168,405)
Net finance costs	6(a)	(121,594)	(104,045)
Share of profits of associates	17	104,594	85,157
Share of profits of joint ventures	18	16,402	92,740
Profit before taxation		320,978	1,081,190
Income tax	7	(5,838)	(97,239)
Profit for the year		315,140	983,951



Consolidated Statement of Profit or Loss

for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Attributable to:			
Equity shareholders of the Company		315,681	921,528
Non-controlling interests		(541)	62,423
Profit for the year		315,140	983,951
Earnings per share			
	11		
Basic and diluted (HK\$)		0.120	0.346

The notes on pages 82 to 171 form part of these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	2025 HK\$'000	2024 HK\$'000
Profit for the year	315,140	983,951
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	5,106	(54,849)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation:	139,974	(201,394)
Other comprehensive income for the year	145,080	(256,243)
Total comprehensive income for the year	460,220	727,708
Attributable to:		
Equity shareholders of the Company	458,898	690,193
Non-controlling interests	1,322	37,515
Total comprehensive income for the year	460,220	727,708

The notes on pages 82 to 171 form part of these financial statements.



Consolidated Statement of Financial Position

at 31 December 2025

(Expressed in Hong Kong dollars)

	Note	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current assets			
Property, plant and equipment	12	3,863,317	3,642,781
Investment property	12	214,411	215,600
Right-of-use assets	14	978,794	1,088,373
Construction in progress	13	148,074	213,172
Intangible assets	15	219,188	243,054
Interest in associates	17	853,280	815,885
Interest in joint ventures	18	189,715	203,186
Other investments in equity securities	19	61,795	57,092
Deferred tax assets	30(b)	222,788	134,491
Other non-current assets	20	433,156	424,778
Total non-current assets		7,184,518	7,038,412
Current assets			
Inventories	21	2,533,856	2,032,906
Trade and other receivables	22	4,020,155	4,379,085
Restricted bank deposits	23	2,345,133	1,988,320
Cash and cash equivalents	24	2,070,042	1,996,015
Total current assets		10,969,186	10,396,326
Current liabilities			
Secured bank loans	25	2,997,400	2,100,180
Trade and other payables	27	4,991,964	4,955,836
Contract liabilities	28	132,871	323,071
Lease liabilities	29	105,052	202,936
Income tax payable	30(a)	121,554	146,899
Total current liabilities		8,348,841	7,728,922
Net current assets		2,620,345	2,667,404
Total assets less current liabilities		9,804,863	9,705,816

Consolidated Statement of Financial Position

at 31 December 2025
(Expressed in Hong Kong dollars)

	Note	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current liabilities			
Secured bank loans	25	44,008	191,345
Lease liabilities	29	225,808	314,476
Deferred income	26	23,410	25,350
Deferred tax liabilities	30(b)	55,201	73,672
Total non-current liabilities		348,427	604,843
NET ASSETS		9,456,436	9,100,973
CAPITAL AND RESERVES			
Share capital	31(c)	5,389,760	5,410,638
Reserves		3,675,143	3,250,912
Total equity attributable to equity shareholders of the Company		9,064,903	8,661,550
Non-controlling interests		391,533	439,423
TOTAL EQUITY		9,456,436	9,100,973

Approved and authorised for issue by the board of directors on 27 March 2026.

Cao Xinyi)
)
) Directors
Wang Yaxu)
)

The notes on pages 82 to 171 form part of these financial statements.



Consolidated Statement of Changes in Equity

for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Share capital	Statutory reserve	Employee share trusts	Exchange reserve	Treasury shares	Fair value reserve (non-recycling)	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 31(c))	(note 31(d))		(note 31(d))	(note 31(d))		(note 31(d))				
Balance at 1 January 2025	5,410,638	783,203	(44,834)	(638,004)	(4,356)	(96,405)	(38,497)	3,289,805	8,661,550	439,423	9,100,973
Changes in equity for 2025:											
Total comprehensive income	-	-	-	138,111	-	5,106	-	315,681	458,898	1,322	460,220
Purchase of own shares	-	-	-	-	(20,878)	-	-	-	(20,878)	-	(20,878)
Cancellation of repurchased shares (note 31(c))	(20,878)	-	-	-	20,878	-	-	-	-	-	-
Appropriation to statutory reserve (note 31(d))	-	187,785	-	-	-	-	-	(187,785)	-	-	-
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(49,230)	(49,230)
Dividends declared in respect of the previous year (note 31(b))	-	-	-	-	-	-	-	(34,667)	(34,667)	-	(34,667)
Others	-	-	-	-	-	-	-	-	-	18	18
Balance at 31 December 2025	5,389,760	970,988	(44,834)	(499,893)	(4,356)	(91,299)	(38,497)	3,383,034	9,064,903	391,533	9,456,436

The notes on pages 82 to 171 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Share capital	Statutory reserve	Employee share trusts	Exchange reserve	Treasury shares	Fair value reserve (non-recycling)	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 31(c))	(note 31(d))		(note 31(d))	(note 31(d))		(note 31(d))				
Balance at 1 January 2024	5,420,519	652,388	(44,834)	(461,518)	(8,036)	(41,556)	(37,206)	3,014,316	8,494,073	321,885	8,815,958
Changes in equity for 2024:											
Total comprehensive income	-	-	-	(176,486)	-	(54,849)	-	921,528	690,193	37,515	727,708
Purchase of own shares	-	-	-	-	(6,201)	-	-	-	(6,201)	-	(6,201)
Cancellation of repurchased shares (note 31(c))	(9,881)	-	-	-	9,881	-	-	-	-	-	-
Appropriation to statutory reserve (note 31(d))	-	130,815	-	-	-	-	-	(130,815)	-	-	-
Contribution from non-controlling shareholders	-	-	-	-	-	-	(1,291)	-	(1,291)	110,588	109,297
Dividends distribution to non-controlling interests	-	-	-	-	-	-	-	-	-	(30,565)	(30,565)
Dividends approved in respect of the current year (note 31(b))	-	-	-	-	-	-	-	(195,715)	(195,715)	-	(195,715)
Dividends declared in respect of the previous year (note 31(b))	-	-	-	-	-	-	-	(319,509)	(319,509)	-	(319,509)
Balance at 31 December 2024	5,410,638	783,203	(44,834)	(638,004)	(4,356)	(96,405)	(38,497)	3,289,805	8,661,550	439,423	9,100,973

The notes on pages 82 to 171 form part of these financial statements.



Consolidated Statement of Cash Flows

for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Cash generated from operations	24(b)	435,626	994,370
Income tax paid	30(a)	(130,732)	(353,970)
Net cash generated from operating activities		304,894	640,400
Investing activities			
Payment for purchase of property, plant and equipment, construction in progress, and intangible assets		(793,000)	(1,025,821)
Decrease/(increase) in restricted bank deposits		9,899	(11,690)
Proceeds from sale of property, plant and equipment		26,058	196,363
Net cash inflows from purchase or disposal of derivative financial instruments		63,800	283,809
Net cash inflows from purchase or disposal of structured deposits products		112,180	298,485
Capital contributions to an associate		–	(8,775)
Capital contributions to a joint venture		–	(27,971)
Capital contributions to equity securities		–	(10,569)
Proceeds from sale of equity securities		546	–
Dividends received from associates, joint ventures and other investments		107,162	195,365
Loan to a joint venture	20	(60,710)	(155,316)
Repayment of loan from a joint venture	20	46,682	18,162
Acquisition of assets and liabilities through acquisition of subsidiaries, net of cash acquired	32	(2,257)	(710,255)
Interest received		53,030	49,208
Net cash used in investing activities		(436,610)	(909,005)

Consolidated Statement of Cash Flows

for the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Financing activities			
Proceeds from bank loans		21,213,408	24,772,587
Repayment of bank loans		(20,487,076)	(24,543,368)
Capital element of finance leases rentals paid		(144,689)	(285,911)
Interest element of finance leases rentals paid		(19,776)	(28,434)
Purchase of own shares		(20,878)	(6,201)
Capital injection from non-controlling shareholders		–	109,297
Dividends paid to equity shareholders of the Company		(230,709)	(525,458)
Dividends paid to non-controlling shareholders		(49,230)	(36,180)
Interest paid		(80,534)	(108,099)
Net cash generated/(used in) from financing activities		180,516	(651,767)
Net increase/(decrease) in cash and cash equivalents		48,800	(920,372)
Cash and cash equivalents at 1 January	24(a)	1,996,015	2,955,453
Effect of foreign exchange rate changes		25,227	(39,066)
Cash and cash equivalents at 31 December	24(a)	2,070,042	1,996,015

The notes on pages 82 to 171 form part of these financial statements.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 CORPORATE INFORMATION

E-Commodities Holdings Limited (the “**Company**”) was incorporated in the British Virgin Islands (“**BVI**”) on 17 September 2007 with limited liability under the Business Companies Act of the British Virgin Islands (2004). The Company and its subsidiaries (together referred to as the “**Group**”) are principally engaged in the trading of coal and other products and the rendering of integrated supply chain services.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards (“**IFRSs**”) as issued by the International Accounting Standards Board (“**IASB**”). These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new or amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Investments in equity securities (see note 2(f)); and
- derivative financial instruments (see note 2(g)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the financial statements (continued)

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group:

- Amendments to IAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability.

The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“**NCI**”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(p) depending on the nature of the liability.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture (after applying the ECL model to such other long-term interests where applicable (see note 2(l))).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in associates or joint ventures are stated at cost less impairment losses (see note 2(l)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(f) Other investments in securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below:

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 33(e). These investments are subsequently accounted for as follows, depending on their classification.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in securities (continued)

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(t)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(t)(ii)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

(h) Investment property

Investment property is the building which is owned or held under a leasehold interest (see note 2(k)) to earn rental income.

Investment property is stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the investment property less its estimated residual value using the straight line method over its estimated useful life as follow:

Buildings	20 years
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Both the useful life of an asset and its residual value, if any, are reviewed annually.

Rental income from investment property is accounted for as described in note 2(t)(ii)(d).

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see note 2(l)).

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is initially recognised in the statement of financial position at cost less impairment losses (see note 2(l)). The construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(v)).



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings	10 to 40 years
Plant and machinery	3 to 20 years
Railway special assets	8 to 50 years
Motor vehicles	4 to 10 years
Office and other equipment	2 to 10 years

Freehold land is not depreciated.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(l)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Intangible assets (other than goodwill) (continued)

The estimated useful lives for the current and comparative periods are as follows:

Customer relationship	6 years
Software	10 years
Exclusive services agreement	20 years
Permits	10 to 20 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(i) and 2(l)(ii)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value (see note 2(h)); and
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value (see note 2(i)); and
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value (see note 2(m)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 2(f)(i), 2(t)(ii)(d) and 2(l)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Leased assets (continued)

(i) As a lessee (continued)

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(t)(ii)(d).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(k)(i), then the Group classifies the sub-lease as an operating lease.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses (ECLs) on the following item:

- financial assets measured at amortised cost (including trade and other receivables, which are held for the collection of contractual cash flows which represent solely payments of principal and interest);

Other financial assets measured at fair value, including equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognizes a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Basis of calculation of interest income

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- investment property;
- right-of-use assets;
- construction in progress;
- intangible assets;
- associates and joint ventures; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets (continued)

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(I)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

A right to recover returned goods is recognised for the right to recover products from customers sold with a right of return. It is measured in accordance with the policy set out in note 2(t).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost, using the effective interest method less an allowance for credit losses (see note 2(l)(i)).

Insurance reimbursement is recognised and measured in accordance with note 2(t).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(t)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(n)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

Refund liabilities arising from rights of returns and volume rebates are recognised in accordance with the policy set out in note 2(t).

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitor that are held for meeting short-term cash commitments, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 2(l)(i).

(r) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (continued)

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payments granted to employees is measured using the binomial lattice model. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Income tax (continued)

- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of goods that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Sales of the Group's goods are recognised as follows:

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the goods which was taken to be the point in time when the customer obtain control of the goods.

(b) Rendering of services

Revenue from rendering of services are recognised when the services are rendered.

Where a contract has two or more performance obligations, the Group allocates the transaction price to each service in proportion to those stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue and other income (continued)

(ii) Revenue from other sources and other income

(a) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(b) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

(c) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(d) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured. Exchange gains and losses are recognised in profit or loss.

The results of foreign operations are translated into HK\$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired, are translated into HK\$ at the closing foreign exchange rates at the end of the reporting period.

The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Assets acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When a group of assets acquired and liabilities assumed do not constitute a business, the overall acquisition cost is allocated to the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. An exception is when the sum of the individual fair values of the identifiable assets and liabilities differs from the overall acquisition cost. In such case, any identifiable assets and liabilities that are initially measured at an amount other than cost in accordance with the Group's policies are measured accordingly, and the residual acquisition cost is allocated to the remaining identifiable assets and liabilities based on their relative fair values at the date of acquisition.

(x) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies: (continued)
- (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type of class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant sources of estimation uncertainty and critical accounting judgement made by the management are as follows:

(i) Allowance for diminution in value of inventories

If the costs of inventories fall below their net realizable values, an allowance for diminution in value of inventories is recognised. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Management bases the estimates on all available information, including the current market prices of the products, and historical operating costs. If the actual selling prices were to be lower or the costs of completion were to be higher than estimated, the actual allowance for diminution in value of inventories could be higher than estimated.

(ii) ECL for trade receivables

As explained in note 2(l), The Group estimates ECL for trade receivables measured at amortised cost. In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions. If the financial condition of the customers and debtors were to deteriorate, actual write-offs would be higher than estimated.

(iii) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in trading of coal and other products and rendering of integrated supply chain services. Revenue represents the sales value of goods sold, net of value added tax and other sales taxes and is after any trade discounts, and revenue from rendering of integrated supply chain services.

(a) Disaggregation of revenue

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

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Coal	19,461,514	33,848,161
– Rendering of integrated supply chain services	3,406,574	3,951,002
– Oil and petrochemical products	2,092,131	1,135,268
– Coke	154,897	–
– Iron ore	98,116	179,538
– Others	28,092	52,222
	25,241,324	39,166,191

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 4(b)(i) and 4(b)(iii) respectively.

The Group's customer base is diversified and includes one customer with whom transaction has exceeded 10% of the Group's revenues. In 2025 revenues from this customer amounted to approximately HK\$2,626,577,000 (2024: HK\$4,618,683,000). Details of concentrations of credit risk arising from these customers is set out in note 33(a).

(b) Segment reporting

The Group manages its businesses by divisions, which are organized by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

- Trading of coal and other products: this segment generates income from trading of coal and other products to external customers.
- Rendering of integrated supply chain services: this segment constructs, manages and operates mining equipment, processing factories and logistics parks and generates income from rendering of mining, consigned processing and logistics services to customers.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets, intangible assets and current assets with the exception of deferred tax assets. Segment liabilities include all the liabilities with the exception of income tax payables and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit includes the Group's share of profit or loss arising from the activities of the Group's associates and joint ventures. However, other than reporting intersegment sales of coal and other products and logistics services, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning inter-segment sales, the Group's share of associates and joint ventures, interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment/reversal of impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

	Trading of coal and other products		Rendering of integrated supply chain services		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Disaggregated by timing of revenue recognition						
Point in time	21,834,750	35,215,189	1,827,387	3,044,926	23,662,137	38,260,115
Over time	-	-	1,579,187	906,076	1,579,187	906,076
Revenue from external customers	21,834,750	35,215,189	3,406,574	3,951,002	25,241,324	39,166,191
Intersegment revenue	-	-	498,724	969,155	498,724	969,155
Reportable segment revenue	21,834,750	35,215,189	3,905,298	4,920,157	25,740,048	40,135,346
Reportable segment profit (adjusted EBITDA)	196,963	358,142	744,957	1,265,376	941,920	1,623,518
Interest income	33,542	33,462	32,025	30,898	65,567	64,360
Interest expense	(58,790)	(89,963)	(39,444)	(46,695)	(98,234)	(136,658)
Depreciation and amortisation	(55,720)	(56,183)	(487,568)	(418,227)	(543,288)	(474,410)
Reversal of provision for impairment losses on trade and other receivables	43,732	31,899	208	4,228	43,940	36,127
Reportable segment assets (including interest in associates and joint ventures)	11,944,354	11,333,992	7,389,965	7,296,415	19,334,319	18,630,407
Additions to non-current segment assets during the year	128,943	359,647	404,417	2,028,767	533,360	2,388,414
Reportable segment liabilities	8,226,795	6,446,609	1,697,121	2,996,745	9,923,916	9,443,354

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2025 HK\$'000	2024 HK\$'000
Revenue		
Reportable segment revenue	25,740,048	40,135,346
Elimination of intersegment revenue	(498,724)	(969,155)
Consolidated revenue	25,241,324	39,166,191
	2025 HK\$'000	2024 HK\$'000
Profit		
Reportable segment profit	941,920	1,623,518
Depreciation and amortisation	(543,288)	(474,410)
Reversal of provision for impairment losses on trade and other receivables	43,940	36,127
Net finance costs	(121,594)	(104,045)
Consolidated profit before taxation	320,978	1,081,190



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(ii) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Assets		
Reportable segment assets	19,334,319	18,630,407
Deferred tax assets	222,788	134,491
Elimination of intersegment receivables	(1,403,403)	(1,330,160)
Consolidated total assets	18,153,704	17,434,738
Liabilities		
Reportable segment liabilities	9,923,916	9,443,354
Income tax payable	121,554	146,899
Deferred tax liabilities	55,201	73,672
Elimination of inter-segment payables	(1,403,403)	(1,330,160)
Consolidated total liabilities	8,697,268	8,333,765

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (continued)

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than other investment in equity securities and deferred tax assets ("**specified non-current assets**"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based (i) on the physical location of the asset in the case of investment property and property, plant and equipment, (ii) the location of the operation to which they are allocated in the case of intangible assets, or (iii) the location of operations in the case of interests in associates and joint ventures.

	Revenues from external customers		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
The PRC (including Hong Kong, Macau and Taiwan)	17,943,221	31,035,530	4,548,539	4,532,359
Indonesia	1,853,381	2,633,338	–	–
Mongolia	1,395,097	1,089,654	2,110,044	2,211,267
Malaysia	922,557	1,580,972	–	–
South Korea	919,231	1,045,207	–	–
Vietnam	628,224	384,048	–	–
India	592,705	776,320	–	–
Canada	372,211	–	112,172	–
Japan	361,006	502,576	43,090	41,728
Others	253,691	118,546	86,090	61,475
	25,241,324	39,166,191	6,899,935	6,846,829



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

5 OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Net realised and unrealised gain on derivative financial instruments and structured deposits products (note)	50,728	171,051
Gain on disposal of property, plant and equipment, construction in progress and intangible assets	4,247	12,490
Government grants	12,125	45,274
Others	(6,385)	6,156
	60,715	234,971

Note: Net realised and unrealised gain on derivative financial instruments mainly represented the net gain or loss from commodity futures contracts entered into by the Group during the year ended 31 December 2025 and 2024.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

(a) Net finance costs

	2025 HK\$'000	2024 HK\$'000
Interest income on financial assets measured at amortised cost	(65,567)	(64,360)
Finance income	(65,567)	(64,360)
Interest on secured bank loans and other borrowings	51,778	52,345
Interest on discounted bank acceptance bills	26,884	53,965
Interest on lease liabilities	19,572	30,348
Total interest expense	98,234	136,658
Foreign exchange loss, net	74,295	8,674
Bank and other charges	14,632	23,073
Finance costs	187,161	168,405
Net finance costs	121,594	104,045

(b) Staff costs

	2025 HK\$'000	2024 HK\$'000
Salaries, wages, bonus and other benefits	794,411	809,031
Contributions to defined contribution retirement plan	51,796	41,519
	846,207	850,550



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

6 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	2025 HK\$'000	2024 HK\$'000
Amortisation and depreciation (note)		
– property, plant and equipment and investment property	452,407	349,878
– right-of-use assets	66,342	100,437
– intangible assets	24,539	24,095
(Reversal of provision)/provision for impairment losses on trade and other receivables (note 33(a))	(43,940)	(36,127)
– trade receivables	(26,271)	(39,252)
– other receivables	(17,669)	3,125
Auditors' remuneration		
– audit and review services	7,041	7,075
– tax and other services	39	123
Cost of inventories (note)	21,237,378	34,354,448

Note: Cost of inventories includes HK\$9,203,000 (2024: HK\$11,418,000) and HK\$11,731,000 (2024: HK\$13,645,000) for the year ended 31 December 2025 relating to staff costs, depreciation and amortisation which amount is also included in the respective total amount disclosed separately above or in note 6(b) for each type of these expenses.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong		
Provision for the year	9,887	12,302
Current tax – Overseas		
Provision for the year	104,303	160,633
Under-provision in respect of prior years	(1,584)	7,910
Deferred Tax		
Origination and reversal of temporary differences (note 30(b))	(106,768)	(83,606)
	5,838	97,239

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI.

The provision for Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year.

The provision for PRC current income tax is based on a statutory rate of 25% (2024: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC.

According to Cai Shui [2020] No.31 Notice on Preferential Corporate Income Tax Policies for the Hainan Free Trade Port and Cai Shui [2025] No.3 Notice on Continuation of Preferential Corporate Income Tax Policies for the Hainan Free Trade Port, certain subsidiaries of the Group are entitled to a preferential tax rate of 15% from 1 January 2021 to 31 December 2027.

Pursuant to Cai Shui [2011] No. 58 Notice on Issues Concerning Relevant Tax Policies to In-depth Implementation of the Western Development Strategy, Announcement [2012] No. 12 Public Announcement on Corporate Income Tax Issues Relating to In-depth Implementation of the Western Development Strategy and Announcement [2020] No. 23 Public Announcement on Continuation of Corporate Income Tax Policy Relating to the Western Development Strategy, certain subsidiaries of the Group, being enterprises engaged in state encouraged industries established in the specified western regions, are taxed at a preferential income tax rate of 15% till 31 December 2030.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statements of profit or loss represents: (continued)

The PRC Corporate Income Tax Law allows enterprises to apply for certificate of “High and New Technology Enterprise” (“HNTTE”), which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfilment of the recognition criteria. One subsidiary is qualified as a HNTTE. Accordingly, the subsidiary is entitled to the preferential tax rate of 15% for the years ended 31 December 2024 and 2025. The Company obtained its certificate of HNTTE on 29 October 2024 and is subject to income tax at 15% from 1 January 2024 to 31 December 2026.

Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries. As disclosed in note 7(c), the Group is also liable to Pillar Two income taxes.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	320,978	1,081,190
Notional tax on profit before taxation, calculated at the rates applicable to profit in the jurisdictions concerned	26,364	113,216
Tax effect of non-taxable income	(27,921)	(34,197)
Tax effect of non-deductible expenses	8,731	3,438
Tax effect of utilization of previously unrecognised tax losses	–	(5,393)
Tax effect of unused tax losses and other temporary differences not recognised	9,546	12,265
Under-provision in respect of prior years	(1,584)	7,910
Effect on deferred tax balances at 1 January resulting from a change in tax rate	(9,298)	–
Actual tax expense	5,838	97,239

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(c) Pillar Two income taxes

The Company is part of a multinational enterprise Group which is subject to the Global Anti-Base Erosion Model Rules (“**Pillar Two model rules**”) published by the Organisation for Economic Co-operation and Development.

From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland. The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax, and the top-up tax relates to the Group’s operations in Singapore, there is no significant impact on current tax for the year ended 31 December 2025.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance, and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2025			Total HK\$'000
	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement Scheme Contributions HK\$'000	
<i>Executive directors</i>				
Cao Xinyi	1,559	25,722	18	27,299
Wang Yaxu	779	14,153	69	15,001
Zhao Wei	779	6,137	69	6,985
Chen Xiuzhu	1,559	1,754	56	3,369
<i>Non-executive directors</i>				
Feng Tong	–	–	–	–
<i>Independent non-executive directors</i>				
Gao Zhikai	1,559	–	–	1,559
Ng Yuk Keung	1,559	–	–	1,559
Wang Wenfu	1,559	–	–	1,559
	9,353	47,766	212	57,331

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

8 DIRECTORS' EMOLUMENTS (CONTINUED)

	2024			Total HK\$'000
	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Retirement Scheme Contributions HK\$'000	
<i>Executive directors</i>				
Cao Xinyi	897	45,917	26	46,840
Wang Yaxu	507	6,657	66	7,230
Zhao Wei	897	9,566	66	10,529
Chen Xiuzhu	897	3,796	18	4,711
<i>Non-executive directors</i>				
Jin Zhiqiang (resigned on 19 December 2024)	–	–	–	–
Feng Tong (appointed on 19 December 2024)	–	–	–	–
<i>Independent non-executive directors</i>				
Gao Zhikai	1,560	–	–	1,560
Ng Yuk Keung	1,560	–	–	1,560
Wang Wenfu	1,560	–	–	1,560
	7,878	65,936	176	73,990



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2024: two) is directors whose emoluments are disclosed in note 8. During the year ended 31 December 2025, the emoluments in respect of the other three individuals (2024: three) were as follow:

	2025	2024
	HK\$'000	HK\$'000
Salaries and other emoluments	9,321	9,353
Discretionary bonuses	52,123	99,172
Retirement scheme contributions	382	262
	61,826	108,787

During the year ended 31 December 2025, the emoluments of the three individuals (2024: three) with the highest emoluments were within the following bands:

	2025	2024
	Number of individuals	Number of individuals
HK\$10,000,000 to HK\$10,500,000	1	–
HK\$13,500,000 to HK\$14,000,000	1	–
HK\$16,500,000 to HK\$17,000,000	–	1
HK\$21,500,000 to HK\$22,000,000	–	1
HK\$30,500,000 to HK\$40,000,000	1	–
HK\$70,000,000 to HK\$70,500,000	–	1

10 OTHER COMPREHENSIVE INCOME

Other comprehensive income does not have any tax effect for the year ended 31 December 2025 (2024: HK\$ nil).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on profit attributable to equity shareholders of the Company of HK\$315,681,000 (2024: HK\$921,528,000) and the weighted average number of ordinary shares of 2,641,394,000 ordinary shares (2024: 2,663,314,000 shares) in issue during the year ended 31 December 2025, calculated as follows:

Weighted average number of ordinary shares (basic):

	2025 '000	2024 '000
Issued ordinary shares at 1 January	2,696,547	2,705,997
Effect of purchase of own shares	(21,424)	(8,954)
Effect of purchase of shares held by the employee share trusts (note)	(33,729)	(33,729)
Weighted average number of ordinary shares (basic) as at 31 December	2,641,394	2,663,314

Note: The shares held by the employee share trusts are regarded as treasury shares.

(b) Diluted earnings per share

For the year ended 31 December 2025 and 2024, basic and diluted earnings per share was the same as there were no potentially dilutive ordinary shares in issue during the period.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

(a) Reconciliation of carrying amount

	Land and buildings	Plant and machinery	Railway special assets	Motor vehicles	Office and other equipment	Sub-total	Investment property	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost:								
At 1 January 2024	1,797,744	695,448	365,133	1,133,106	551,013	4,542,444	228,300	4,770,744
Additions	296,660	235,119	32	47,876	92,297	671,984	-	671,984
Acquisition of a subsidiary	17,453	662,157	-	6,610	5,335	691,555	-	691,555
Transferred from construction in progress (note 13)	242,723	88,498	74,661	8,572	6,940	421,394	-	421,394
Reclassification	-	-	-	-	79,958	79,958	-	79,958
Disposals	(19,576)	(163,758)	-	(9,320)	(5,965)	(198,619)	-	(198,619)
Exchange adjustments	(36,928)	(22,236)	(9,497)	(13,646)	(20,814)	(103,121)	(4,040)	(107,161)
At 31 December 2024 and 1 January 2025	2,298,076	1,495,228	430,329	1,173,198	708,764	6,105,595	224,260	6,329,855
Additions	51,874	222,654	619	36,687	80,206	392,040	-	392,040
Acquisition of subsidiaries	43,292	-	-	1,486	4,063	48,841	-	48,841
Transferred from construction in progress (note 13)	117,509	19,244	(919)	17,617	13,640	167,091	-	167,091
Reclassification	-	-	-	-	133,478	133,478	-	133,478
Disposals	(1,794)	(10,159)	(1,264)	(25,255)	(5,656)	(44,128)	-	(44,128)
Exchange adjustments	58,609	16,710	7,456	(29,156)	22,327	75,946	5,649	81,595
At 31 December 2025	2,567,566	1,743,677	436,221	1,174,577	956,822	6,878,863	229,909	7,108,772
Accumulated depreciation and impairment losses:								
At 1 January 2024	762,081	363,505	271,448	426,151	348,867	2,172,052	3,738	2,175,790
Charge for the year	72,473	87,345	11,647	107,234	66,098	344,797	5,081	349,878
Reclassification	-	-	-	-	33,490	33,490	-	33,490
Written back on disposal	(1,089)	(31,760)	-	(6,274)	(2,638)	(41,761)	-	(41,761)
Exchange adjustments	(18,221)	(7,153)	(6,339)	(5,743)	(8,308)	(45,764)	(159)	(45,923)
At 31 December 2024 and 1 January 2025	815,244	411,937	276,756	521,368	437,509	2,462,814	8,660	2,471,474
Charge for the year	84,124	158,795	7,659	92,460	102,842	445,880	6,527	452,407
Reclassification	-	-	-	-	58,254	58,254	-	58,254
Written back on disposal	(644)	(5,723)	(48)	(13,006)	(4,816)	(24,237)	-	(24,237)
Exchange adjustments	48,019	6,574	14,947	(6,036)	9,331	72,835	311	73,146
At 31 December 2025	946,743	571,583	299,314	594,786	603,120	3,015,546	15,498	3,031,044
Net book value:								
At 31 December 2025	1,620,823	1,172,094	136,907	579,791	353,702	3,863,317	214,411	4,077,728
At 31 December 2024	1,482,832	1,083,291	153,573	651,830	271,255	3,642,781	215,600	3,858,381

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CONTINUED)

(a) Reconciliation of carrying amount (continued)

Note: At 31 December 2025, property, plant and equipment of the Group of HK\$873,301,000 (2024: HK\$823,626,000) have been pledged as collateral for the Group's borrowings (see note 25), bills payable (see note 27) and lease liabilities (see note 29).

(b) The analysis of net book value of property held for own use

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
The PRC (including Hong Kong, Macau and Taiwan)	1,411,459	1,335,252
Other countries	209,364	147,580
Aggregate net book value	1,620,823	1,482,832

As at 31 December 2025, the Group was in the process of applying for the ownership certificate for certain buildings with an aggregate net book value amounting to HK\$96,388,000 (2024: HK\$237,276,000). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use of the above mentioned buildings.

(c) Investment property

The Group leases out investment property through operating leases. The leases typically run for an initial period of 1 year. None of the leases includes variable lease payments.

Undiscounted lease payments under non-cancellable operating lease in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	4,527	1,971



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

13 CONSTRUCTION IN PROGRESS

	2025 HK\$'000	2024 HK\$'000
At 1 January	213,172	242,996
Additions	105,901	409,324
Acquisition of a subsidiary	–	50,305
Transferred to property, plant and equipment (note 12)	(167,091)	(421,394)
Transferred to right-of-use asset	(5,023)	(22,971)
Disposals	(2,320)	(39,906)
Exchange adjustments	3,435	(5,182)
At 31 December	148,074	213,172

14 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Lease prepayments, carried at depreciated cost (note i)	760,156	741,997
Offices leased for own use, carried at depreciated cost (note ii)	14,024	27,796
Motor vehicles, machinery and other equipment, carried at depreciated cost (note ii)	204,614	318,580
	978,794	1,088,373

Notes:

- (i) Lease prepayments mainly represent the payments for land use rights paid to the PRC authorities. The Group's land use rights were mainly amortised on a straight-line basis over the lease periods of 50 years.

At 31 December 2025, land use rights of the Group of HK\$605,245,000 (2024: HK\$161,219,000) have been pledged as collateral for the Group's borrowings (see note 25), bills payable (see note 27) and lease liabilities (see note 29).

- (ii) Certain leases include an option to renew the lease when all terms are renegotiated, while some include an option to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

14 RIGHT-OF-USE ASSETS (CONTINUED)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets by class of underlying asset (note 6(c)):		
Ownership interests in leasehold land and buildings	24,802	23,475
Other properties leased for own use	10,825	21,694
Plant, machinery and equipment	30,715	55,268
	66,342	100,437
Interest on lease liabilities (note 6(a))	19,572	30,348
Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December	5,218	9,552
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	153	375

During the year ended 31 December 2025, additions to right-of-use assets were HK\$32,000,000 (2024: HK\$376,926,000). This amount mainly represents additions of office-related assets during the year, including motor vehicles, machinery and other equipment amounting to HK\$1,337,000 (2024: HK\$259,846,000), and lease prepayments with the amount of HK\$30,663,000 (2024: HK\$117,080,000).

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases that are not yet commenced are set out in notes 24(c), 29 and 33 respectively.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

15 INTANGIBLE ASSETS

	Permits (note (i))	Exclusive service agreement (note (ii))	Customer relationship (note (iii))	Software	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost:					
At 1 January 2024	137,933	105,302	–	56,871	300,106
Additions	–	–	–	1,429	1,429
Acquisition of a subsidiary	–	–	36,696	14	36,710
Disposals	–	–	–	(13,979)	(13,979)
Exchange adjustments	–	(576)	–	(1,263)	(1,839)
At 31 December 2024	137,933	104,726	36,696	43,072	322,427
Additions	–	–	–	49	49
Disposals	–	–	–	(7)	(7)
Exchange adjustments	–	236	–	1,225	1,461
At 31 December 2025	137,933	104,962	36,696	44,339	323,930
Accumulated amortisation:					
At 1 January 2024	–	45,712	–	14,168	59,880
Charge for the year	9,722	4,580	2,548	7,245	24,095
Disposals	–	–	–	(3,814)	(3,814)
Exchange adjustments	–	(226)	–	(562)	(788)
At 31 December 2024	9,722	50,066	2,548	17,037	79,373
Charge for the year	9,722	4,574	6,116	4,127	24,539
Exchange adjustments	–	87	–	743	830
At 31 December 2025	19,444	54,727	8,664	21,907	104,742
Net book value:					
At 31 December 2025	118,489	50,235	28,032	22,432	219,188
At 31 December 2024	128,211	54,660	34,148	26,035	243,054

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

15 INTANGIBLE ASSETS (CONTINUED)

Notes:

- (i) Permits represent the operating permit for coal washing business and special railway linkage permit acquired during the acquisition of Hebei Chun'ao Industrial Co., Ltd. ("**Hebei Chun'ao**").
- (ii) The exclusive service agreement ("**ESA**") represents an agreement entered by the Company and Minghua Energy Group Co., Ltd. ("**Minghua Group**") on 18 January 2017, under which Minghua Group shall provide to the Company and its subsidiaries logistics services on an exclusive basis, including but not limited to, dispatching of coal products, weighing, loading and unloading of transport vehicles, setting the stack and loading containers.

The term of the ESA is 20 years which commenced from 1 January 2017. Amortisation of the exclusive right is calculated using the straight-line method to allocate the cost over 20 years during the term of the ESA.

- (iii) Customer relationship represent an intangible assets recognized during the acquisition of TTJV.

16 INTERESTS IN SUBSIDIARIES

The following list contains only the particulars of major subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Date and place of incorporation/ establishment and place of operations	Issued and fully paid-up capital	Effective percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
E-Commodities (HK) Holdings Limited (" E-Commodities (HK) ")	23 October 2009 Hong Kong	US\$31,312,613	100%	–	Supply chain trading of commodities
E-Commodities Holdings Private Limited (" E-Commodities Singapore ")	31 December 2009 The Republic of Singapore (" Singapore ")	Singapore dollars (" SGD ") 1,000,000 US\$34,295,000	100%	–	Supply chain trading of commodities
Hainan More Richway Supply Chain Management Co., Ltd. (" Hainan More Richway ") **	13 November 2020 PRC	RMB250,000,000	–	100%	Supply chain trading of commodities
E-Commodities(GuangDong)Supply Chain Management Co., Ltd. (" E-Commodities(GuangDong) ")**	15 January 2021 PRC	RMB400,000,000	–	100%	Supply chain trading of commodities
E-Commodities (Beijing) Supply Chain Management Co., Ltd. (" E-Commodities Beijing ")*	6 November 1995 PRC	US\$276,500,000	–	100%	Investment holding and supply chain trading of coal



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

16 INTERESTS IN SUBSIDIARIES (CONTINUED)

Name of company	Date and place of incorporation/ establishment and place of operations	Issued and fully paid-up capital	Effective percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Inner Mongolia Haotong Energy Joint Stock Co., Ltd. ("Inner Mongolia Haotong")**	18 November 2005 PRC	RMB740,000,000	–	100%	Supply chain trading of coal
Urad Middle Banner Teng Sheng Da Energy Co., Ltd. ("Tengshengda") **	17 June 2014 PRC	RMB50,000,000	–	100%	Supply chain trading of coal
Beijing E-Link Technology Co., Ltd. ("Beijing E-Link") **	26 March 2014 PRC	RMB29,380,000	–	80%	Supply chain technology service
TTJVCO LLC ("TTJV")	March 2012 Mongolia	MNT283,637,000	–	100%	Mining service
Urad Zhongqi Yiteng Mining Co., Ltd. ("Yiteng")**	7 September 2005 PRC	RMB320,000,000	–	80%	Logistics service
Erliahot Haotong Energy Co., Ltd. ("Erliahot Haotong")***	18 January 2007 PRC	RMB95,370,000	–	94.86%	Logistics service
Eco Global Logistics LLC. ("Eco Global")**	14 June 2019 MN	RMB10,606,500 US\$20,712,478	–	100%	Logistics service
Ejina Qi Ruyi Winsway Energy Co., Ltd. ("Ejina Qi Winsway")**	30 June 2010 PRC	RMB50,000,000	–	64.32%	Logistics service
Inner Mongolia Hutie Winsway Logistics Co., Ltd. ("Inner Mongolia Hutie Winsway Logistics")**	22 July 2010 PRC	RMB113,500,000	–	69.64%	Logistics service
Hainan Jiaxin Intelligent Logistics Co., Ltd. ("Hainan Jiaxin") **	13 November 2020 PRC	RMB50,000,000	–	80%	Logistics service
Yida Yunji Smart Logistics (Damao Banner) Co., Ltd. ("Yida Yunji") **	27 August 2019 PRC	RMB99,710,000	–	80%	Logistics service
Ejina Haotong Energy Co., Ltd. ("Ejinaqi Haotong")**	19 May 2008 PRC	RMB260,000,000	–	80%	Processing of coal and trading of commodities

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

16 INTERESTS IN SUBSIDIARIES (CONTINUED)

Name of company	Date and place of incorporation/ establishment and place of operations	Issued and fully paid-up capital	Effective percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Inner Mongolia Minghua Clean Energy Co., Ltd ("Minghua")**	8 May 2015 PRC	RMB101,200,500	–	80%	Processing of coal and trading of commodities
Ulanqab Haotong Energy Co., Ltd. ("Ulanqab Haotong")**	2 March 2010 PRC	RMB240,000,000	–	80%	Processing of coal and trading of commodities
Hebei Chunao Industrial Co., Ltd. (Hebei Chunao)**	25 June 2010 PRC	RMB150,000,000	–	100%	Processing of coal and trading of commodities
Baotou-city E-35 Logistics Co., Ltd. (Baotou-city E-35)**	20 January 2021 PRC	RMB61,000,000	–	80%	Processing of coal and trading of commodities
Hainan E-Daotong Supply Chain Management Co., Ltd. ("Hainan E-Daotong") **	25 July 2019 PRC	RMB1,500,000,000	–	100%	Investment holding
Inner Mongolia E-35 Technology Co., Ltd. ("Inner Mongolia E-35") ***	4 June 2019 PRC	RMB948,594,200	–	80%	Investment holding
Inner Mongolia Haotong Environmental Technology Co., Ltd. ("Haotong Environmental Technology") **	24 October 2019 PRC	RMB759,925,100	–	80%	Investment holding

* Wholly foreign owned enterprises established under the PRC law.

** Limited liability companies established under the PRC law.

*** Sino-foreign equity joint ventures established under the PRC law.



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17 INTEREST IN ASSOCIATES

The following list contains only the particulars of material associates, all of which are unlisted corporate entities whose quoted market price is not available:

Company Name	Form of business structure	Place of incorporation and business	Particulars of paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Xianghui Energy (Xiamen) Co., Ltd. ("Xianghui Energy")	Incorporated	PRC	RMB1,200,000,000	49%	-	49%	Coal trading in the PRC

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of Xianghui Energy reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Xianghui Energy	
	2025 HK\$'000	2024 HK\$'000
Gross amounts of the associate		
Current assets	3,670,361	4,001,832
Non-current assets	62,863	47,782
Current liabilities	2,065,564	2,449,707
Non-current liabilities	145	377
Equity	1,667,515	1,599,530
Revenue	7,614,675	16,164,754
Profit for the year	180,478	135,064
Other comprehensive income	40,163	(32,532)
Total comprehensive income	220,641	102,532
Dividend received from the associate	74,801	150,042
Reconciled to the Group's interest in the associate		
Gross amounts of net assets of the associate	1,667,515	1,599,530
Group's effective interest	49%	49%
Group's share of net assets of the associate	817,082	783,770
Carrying amount in the consolidated financial statements	817,082	783,770

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

17 INTEREST IN ASSOCIATES (CONTINUED)

Aggregate information of associate that is not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial associate in the consolidated financial statements	36,198	32,115
Aggregate amounts of the Group's share of the associate's		
Gain from continuing operations	4,936	2,386
Other comprehensive income	855	(635)
Total comprehensive income	5,791	1,751

18 INTEREST IN JOINT VENTURES

Details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of joint venture	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Inner Mongolia Nur Baohui Transportation Co., Ltd	Incorporated	PRC	RMB100,000,000	51%	-	51%	Transportation
Inner Mongolia Baogang Haotong Energy Co., Ltd	Incorporated	PRC	RMB 68,288,400	49%	-	49%	Coal trading in the PRC



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

18 INTEREST IN JOINT VENTURES (CONTINUED)

Aggregate information of the joint ventures that was not individually material:

	2025 HK\$'000	2024 HK\$'000
Aggregate carrying amount of individually immaterial joint ventures in the consolidated financial statements	189,715	203,186
Aggregate amounts of the Group's share of the joint ventures'		
Gain from continuing operations	16,402	92,740
Other comprehensive income	6,316	(4,045)
Total comprehensive income	22,718	88,695

19 OTHER INVESTMENTS IN EQUITY SECURITIES

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Equity securities designated at FVOCI (non-recycling)		
– Unlisted equity securities	61,795	57,092

Other investments in equity securities represent the Group's equity interests in third party companies engaged in coal mining, railway logistics, ports management and coal storage business. As at 31 December 2025, the Group holds equity interests in a range of 1-15% in these companies.

The Group designated its investment in those third party companies at FVOCI (non-recycling), as these investments are held for strategic purposes. Changes during the current period represented fair value adjustments on these equity securities based on adjusted net asset method.

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(Expressed in Hong Kong dollars unless otherwise indicated)

20 OTHER NON-CURRENT ASSETS

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Loan to a joint venture (note)	388,309	361,652
Advance payments for property and equipment and construction in progress	44,847	63,126
	433,156	424,778

Note:

In 2023 and 2024, the Group entered into certain loan agreements (*the Previous Loan Agreement*) with one of the Group's joint ventures (the "Joint Venture") of which the ultimate owner of the other shareholder on the Joint Venture operates logistic services in Mongolia. The maximum cap under the Previous Loan Agreement is US\$45,000,000, (equivalent to approximately HK\$350,500,000), with the maturity date of 2031 and interest rate of 7% per annum. Meanwhile the respective loan was be simultaneously provided to a fellow subsidiary of the other shareholder of the Joint Venture with identical terms to finance its purchase of logistics facilities. According to the agreements, the purchased logistics facilities would be pledged to the Joint Venture and eventually pledged to the Group as collateral of the loan. The Group entered into a further loan agreement (the "2025 Loan Agreement") with Joint Venture in 2025. The terms of 2025 Loan Agreement were identical to those of the Previous Loan Agreement, with a maximum cap of US\$9,000,000 (equivalent to approximately HK\$70,050,000).

In 2025, the Group has recovered the principal and interest under the Loan Agreements US\$7,514,000 (equivalent to approximately HK\$58,482,000) from the Joint Venture. As at 31 December 2025, the principal amount of the loan under the Loan Agreements to the Joint Venture amounted to US\$44,464,000 (equivalent to HK\$346,073,000), and the accrued interest amounted to US\$5,427,000 (equivalent to HK\$42,236,000).

21 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Coal	2,346,872	1,950,968
Others	186,984	81,938
	2,533,856	2,032,906

At 31 December 2025, inventory of the Group of HK\$538,371,000 (2024: HK\$224,968,000) have been pledged as collateral for the Group's borrowings (see note 25), bills payable (see note 27).



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

22 TRADE AND OTHER RECEIVABLES

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Trade receivables, net of loss allowance	1,676,576	1,708,867
Bank acceptance bills	657,966	1,108,107
Other debtors	65,618	166,769
Financial assets measured at amortised cost	2,400,160	2,983,743
Deposits and prepayments	1,035,542	819,419
Other tax recoverable	510,111	376,329
Derivative financial instruments (note)	74,342	87,414
Investment in structured deposit products	–	112,180
	4,020,155	4,379,085

Note: As at 31 December 2025 and 2024, derivative financial instruments mainly represented the fair value of commodity futures contracts entered into by the Group.

At 31 December 2025, trade receivables and bank acceptance bills of the Group of HK\$720,953,000 (2024: HK\$878,163,000) have been pledged as collateral for the Group's borrowings (see note 25) and bills payable (see note 27).

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 3 months	1,585,513	1,689,914
3 to 6 months	89,662	18,953
6 to 12 months	1,401	–
	1,676,576	1,708,867

The credit terms for trade debtors are generally within 90 days.

Notes to the Financial Statements

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23 RESTRICTED BANK DEPOSITS

The Group has pledged bank deposits of HK\$2,274,420,000 (2024: HK\$1,802,703,000) as at 31 December 2025, as collateral for the Group's borrowings (see note 25) and banking facilities in respect of issuing bills and letters of credit by the Group (see note 27).

24 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Cash at bank and on hand	2,070,042	1,996,015

At 31 December 2025, cash and cash equivalents of HK\$1,021,629,525(2024: HK\$971,673,000) were held by the Company's subsidiaries located in the PRC in the form of RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Profit before taxation		320,978	1,081,190
Adjustments for:			
Depreciation of investment property, property, plant and equipment and right-of-use assets	6(c)	518,749	450,315
Amortisation of intangible assets	6(c)	24,539	24,095
Amortisation of deferred income		(1,940)	(3,094)
Interest income	6(a)	(65,567)	(64,360)
Interest expenses	6(a)	98,234	136,658
Net realised and unrealised gain on derivative financial instruments and structured deposits products	5	(50,728)	(171,051)
Gain on disposal of property, plant and equipment and construction in progress	5	(4,247)	(12,490)
Share of profits of associates		(104,594)	(85,157)
Share of profits of joint ventures		(16,402)	(92,740)
Foreign exchange loss, net	6(a)	74,295	8,674
		793,317	1,272,040
(Increase)/decrease in inventories		(497,859)	1,399,731
Decrease in trade and other receivables		212,037	224,375
Increase in restricted bank deposits		(366,713)	(1,090,498)
Increase/(decrease) in trade and other payables		294,844	(811,278)
Cash generated from operations		435,626	994,370

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Secured bank loans HK\$'000 (Note 25)	Lease liabilities HK\$'000 (Note 29)	Total HK\$'000
At 1 January 2025	2,291,525	517,412	2,808,937
Changes from financing cash flows:			
Proceeds from bank loans	21,213,408	–	21,213,408
Repayment of bank loans	(20,487,076)	–	(20,487,076)
Capital element of finance leases rentals paid	–	(144,689)	(144,689)
Interest element of finance leases rentals paid	–	(19,776)	(19,776)
Total changes from financing cash flows	726,332	(164,465)	561,867
Exchange adjustments	23,551	12,192	35,743
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	9,569	9,569
Offset by rental deposits	–	(63,420)	(63,420)
Interest expenses (note 6(a))	–	19,572	19,572
Total other changes	–	(34,279)	(34,279)
At 31 December 2025	3,041,408	330,860	3,372,268



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities: (continued)

	Secured bank loans HK\$'000 (Note 25)	Lease liabilities HK\$'000 (Note 29)	Total HK\$'000
At 1 January 2024	2,047,159	620,422	2,667,581
Changes from financing cash flows:			
Proceeds from bank loans	24,772,587	–	24,772,587
Repayment of bank loans	(24,543,368)	–	(24,543,368)
Capital element of finance leases rentals paid	–	(285,911)	(285,911)
Interest element of finance leases rentals paid	–	(28,434)	(28,434)
Total changes from financing cash flows	229,219	(314,345)	(85,126)
Exchange adjustments	15,147	(41,366)	(26,219)
Other changes:			
Increase in lease liabilities from entering into new leases during the year	–	264,805	264,805
Offset by rental deposits	–	(42,452)	(42,452)
Interest expenses (note 6(a))	–	30,348	30,348
Total other changes	–	252,701	252,701
At 31 December 2024	2,291,525	517,412	2,808,937

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	5,371	9,927
Within financing cash flows	164,465	314,345
	169,836	324,272

These amounts relate to the following:

	2025 HK\$'000	2024 HK\$'000
Lease rentals paid	169,836	324,272

25 SECURED BANK LOANS

(a) The secured bank loans comprise:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Bank loans	3,041,408	2,291,525

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Short-term loans and current portion of long-term loans	2,997,400	2,100,180
Long-term loans	44,008	191,345



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

25 SECURED BANK LOANS (CONTINUED)

(b) The secured bank loans are repayable as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 1 year	2,997,400	2,100,180
After 1 year but within 2 years	39,359	156,935
After 2 years	4,649	34,410
	3,041,408	2,291,525

(c) The secured bank loans are analysed as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Secured by bank acceptance bills and restricted bank deposits	399,327	643,655
Secured by restricted bank deposits, property, plant and equipment, land use rights and inventories	1,452,397	711,745
Credit guarantee and restricted bank deposits	1,189,684	936,125
	3,041,408	2,291,525

26 DEFERRED INCOME

Deferred income represents the unrecognised government grants relating to compensating the Group for the cost of assets.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

27 TRADE AND OTHER PAYABLES

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Trade and bills payables	4,203,400	3,570,629
Payables in connection with construction projects	29,092	119,912
Payables for purchase of equipment and motor vehicles	156,865	357,604
Payables for staff related costs (note)	211,839	301,917
Payables for other taxes	110,923	58,151
Dividends payable	22,630	217,781
Others	257,215	329,842
Financial liabilities measured at amortised cost	4,991,964	4,955,836

Note: Included bonus payable to senior management amounting to approximately HK\$95,194,000 (2024: HK\$160,075,000).

The Group's bills payable are analysed as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Secured by restricted bank deposits, bank acceptance bills and structured deposits	2,133,718	1,970,417
Secured by restricted bank deposits, property, plant and equipment, land use rights and inventories	627,780	218,185
Credit guarantee and restricted bank deposits	278,908	37,942
	3,040,406	2,226,544



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

27 TRADE AND OTHER PAYABLES (CONTINUED)

As of the end of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 3 months	3,145,007	2,802,014
More than 3 months but less than 6 months	1,002,213	648,452
More than 7 months but less than 1 year	49,330	94,623
More than 1 year	6,850	25,540
	4,203,400	3,570,629

28 CONTRACT LIABILITIES

Movements in contract liabilities

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Balance at 1 January	323,071	534,019
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year	(323,071)	(534,019)
Increase by cash received	132,871	323,071
Balance at 31 December	132,871	323,071

The Group received a deposit before processing and trading of coal and other products and the rendering of integrated supply chain services. These will give rise to contract liabilities at the start of contracts, until the revenue recognised on the project exceeds the amount of the deposit.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

29 LEASE LIABILITIES

At 31 December 2025, the lease liabilities were repayable as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Within 1 year	105,052	202,936
After 1 year but within 2 years	61,023	106,953
After 2 years but within 5 years	48,829	100,116
More than 5 years	115,956	107,407
	225,808	314,476
Present value of lease liabilities	330,860	517,412

The Group's lease liabilities are analysed as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Secured by Group's property, plant and equipment and land use rights	32,583	73,416
Unsecured and unguaranteed	298,277	443,996
	330,860	517,412



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the statement of financial position represents:

	2025 HK\$'000	2024 HK\$'000
Current		
At 1 January	146,899	309,276
Provision for the year (note 7(a))	114,190	172,935
Under-provision in respect of prior years (note 7(a))	(1,584)	7,910
Income tax paid	(130,732)	(353,970)
Exchange adjustments	(7,219)	10,748
At 31 December	121,554	146,899

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Unrealised profits arising from	Credit loss allowance	Loss/(gain) from changes in fair value	Written-down of inventory	Share of profits of associates and joint ventures	Fixed assets	Right-of-use Assets	Lease liabilities	Unutilized tax losses	Others	Total
	intra-group transactions										
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	16,956	32,504	(5,825)	22,090	(48,920)	(42,797)	(21,167)	17,604	-	2,574	(26,981)
Acquisition of subsidiaries	-	-	-	-	-	4,264	-	-	-	(70)	4,194
(Charged)/credited to profit or loss	(19,478)	(3,006)	3,927	(3,473)	19,912	17,647	2,409	1,266	62,604	1,798	83,606
At 31 December 2024 and 1 January 2025	(2,522)	29,498	(1,898)	18,617	(29,008)	(20,886)	(18,758)	18,870	62,604	4,302	60,819
Credited/(charged) to profit or loss	7,651	(8,494)	3,268	(11,874)	8,424	13,249	1,777	(1,100)	91,883	1,984	106,768
At 31 December 2025	5,129	21,004	1,370	6,743	(20,584)	(7,637)	(16,981)	17,770	154,487	6,286	167,587

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised: (continued)

Reconciliation to the consolidated statement of financial position

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Net deferred tax assets recognised in the consolidated statement of financial position	222,788	134,491
Net deferred tax liability recognised in the consolidated statement of financial position	(55,201)	(73,672)
	167,587	60,819

(c) Deferred tax assets not recognised:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Deductible temporary differences	112,101	111,797
Unrecognised tax losses	480,740	541,681

In accordance with the accounting policy set out in Note 2(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$480,740,000 as of 31 December 2025 (31 December 2024: HK\$541,681,000), as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

30 INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

(c) Deferred tax assets not recognised: (continued)

Pursuant to the relevant laws and regulations in the PRC, the unrecognised tax losses at the end of the reporting period will expire in the following years:

	2025 HK\$'000	2024 HK\$'000
2025	–	46,870
2026	11,415	20,009
2027	87,848	81,425
2028	23,108	23,407
2029	287,576	369,970
2030	67,175	–
	477,122	541,681

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Share capital HK\$'000	Employee share trusts HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Treasury shares HK\$'000	Accumulated loss HK\$'000	Total HK\$'000
Balance at 1 January 2025	5,410,638	(44,834)	(7,005)	2,555	(4,356)	(4,570,766)	786,232
Changes in equity for 2025:							
Purchase of own shares (note 31(c))	-	-	-	-	(20,878)	-	(20,878)
Dividends approved in respect of the previous year (note 31(b)(i))	-	-	-	-	-	-	-
Cancellation of repurchased shares (note 31(c))	(20,878)	-	-	-	20,878	-	-
Total comprehensive income for the year	-	-	-	11,502	-	(40,935)	(29,433)
Dividends declared in respect of the current year (note 31(b)(i))	-	-	-	-	-	-	-
Dividends declared in respect of the previous year (note 31(b)(i))	-	-	-	-	-	(34,667)	(34,667)
Balance at 31 December 2025	5,389,760	(44,834)	(7,005)	14,057	(4,356)	(4,646,368)	701,254



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(a) Movements in components of equity (continued)

The Company (continued)

	Share capital HK\$'000	Employee share trusts HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Treasury shares HK\$'000	Accumulated loss HK\$'000	Total HK\$'000
Balance at 1 January 2024	5,420,519	(44,834)	(7,005)	10,590	(8,036)	(4,472,316)	898,918
Changes in equity for 2024:							
Purchase of own shares (note 31(c))	-	-	-	-	(6,201)	-	(6,201)
Cancellation of repurchased shares (note 31(c))	(9,881)	-	-	-	9,881	-	-
Total comprehensive income for the year	-	-	-	(8,035)	-	416,774	408,739
Dividends declared in respect of the current year (note 31(b)(i))	-	-	-	-	-	(195,715)	(195,715)
Dividends declared in respect of the previous year (note 31(b)(i))	-	-	-	-	-	(319,509)	(319,509)
Balance at 31 December 2024	5,410,638	(44,834)	(7,005)	2,555	(4,356)	(4,570,766)	786,232

(b) Dividends

(i) Dividends payable to equity shareholders attributable to the year

	2025 HK\$'000	2024 HK\$'000
Interim dividend declared of HK\$ nil per ordinary share (2024: HK\$0.073)	-	195,715
Final dividend proposed after the end of the reporting period of HK\$0.030 per ordinary share (2024: HK\$0.013)	78,920	34,667

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

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(Expressed in Hong Kong dollars unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(c) Share capital

	2025 No. of shares '000	2024 No of shares '000
Authorised:		
Ordinary shares with no par value	6,000,000	6,000,000

	2025		2024	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Ordinary shares, issued and fully paid:				
Existing shares at 1 January	2,696,547	5,410,638	2,705,997	5,420,519
Cancellation of repurchased shares (note)	(23,458)	(20,878)	(9,450)	(9,881)
At 31 December	2,673,089	5,389,760	2,696,547	5,410,638

Note:

Cancellation of repurchased shares

During the year ended 31 December 2025, the Company cancelled in aggregate of 23,458,000 (2024: 9,450,000) of its own shares which were purchased from the open market.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) Nature and purpose of reserves

(i) Other reserve

The other reserve comprises the following:

- the aggregate amount of paid-in capital or share capital of the companies now comprising the Group after elimination of the investments in subsidiaries and the changes in equity arisen from the acquisition of non-controlling interests;
- the net loss on purchase of non-controlling interest in a subsidiary; and
- the fair value of unexercised share options granted to employees of the Company at the grant date that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(r)(ii).

(ii) Statutory reserve

Pursuant to the Articles of Association of the companies comprising the Group in the PRC, appropriations to the statutory reserve were made at a certain percentage of profit after taxation determined in accordance with the accounting rules and regulations of the PRC. The percentage for this appropriation was decided by the directors of the respective companies comprising the Group. During the year ended 31 December 2025, amounts in retained earnings of HK\$187,785,000 (2024: HK\$130,815,000) were transferred from retained earnings to the statutory reserve.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations which are dealt with in accordance with the accounting policies as set out in note 2(u).

(iv) Treasury shares

During the year ended 31 December 2025, the Company has repurchased on-market own shares in aggregate of 23,458,000 shares (2024: 4,936,000 shares) at a cash consideration of HK\$20,878,000 (2024: HK\$6,201,000).

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see note 2(f)).

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes secured bank loans, other interest-bearing borrowings, lease liabilities) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(e) Capital management (continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2025 and 2024 was as follows:

	Note	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Current liabilities:			
– Secured bank loans	25	2,997,400	2,100,180
– Lease liabilities	29	105,052	202,936
		3,102,452	2,303,116
Non-current liabilities:			
– Secured bank loans	25	44,008	191,345
– Lease liabilities	29	225,808	314,476
Add: Unaccrued proposed dividends	31(b)	–	34,667
Total debt		3,372,268	2,843,604
Less: Cash and cash equivalents	24	(2,070,042)	(1,996,015)
Adjusted net debt		1,302,226	847,589
Total equity		9,456,436	9,100,973
Less: Unaccrued proposed dividends	31(b)	–	(34,667)
Adjusted capital		9,456,436	9,066,306
Adjusted net debt-to-capital ratio		13.8%	9.3%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

32 ACQUISITION OF SUBSIDIARIES

On 17 September 2025, the Group entered into a sale purchase agreement with a third party and acquired 100% equity interests of Tsetsii Sky Land Management LLC (“**TSLM**”) at a total consideration of US\$140,000 (equivalent to approximately HK\$1,091,440). TSLM is principally engaged in logistics support services in Mongolia. The Group also acquired another company from third parties during the current year at a total cash consideration of HK\$1,200,000.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group’s business.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents and derivative financial assets is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk. Management has had a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Trade receivables and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 26% (2024: 26%) and 63% (2024: 66%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the trading of coal and other products business segment.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Notes to the Financial Statements

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33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables and other receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, prepayments and others as at 31 December 2025 and 2024.

	Expected loss rate	2025 Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current (not past due)	0.16%	1,674,107	(2,679)
1 – 180 days past due	24.75%	6,841	(1,693)
More than 180 days past due	100.00%	6,242	(6,242)
		1,687,190	(10,614)
Individually evaluated customers			
– Trade receivables		66,481	(66,481)
– Prepayments and others		40,910	(40,910)
		1,794,581	(118,005)
	Expected loss rate	2024 Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current (not past due)	0.49%	1,631,774	(7,960)
1 – 180 days past due	3.65%	88,271	(3,218)
More than 180 days past due	100.00%	29,304	(29,304)
		1,749,349	(40,482)
Individually evaluated customers			
– Trade receivables		64,848	(64,848)
– Prepayments and others		56,807	(56,807)
		1,871,004	(162,137)



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Trade receivables and other receivables (continued)

Expected loss rates are based on actual loss experience over the past 1 year. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and other receivables during the year is as follows:

	2025		2024	
	Trade receivables HK\$'000	Other receivables HK\$'000	Trade receivables HK\$'000	Other receivables HK\$'000
Adjusted balance at 1 January	105,330	56,807	146,032	54,972
(Reversal)/provision of impairment losses	(26,271)	(17,669)	(39,252)	3,125
Written off impairment loss	(3,597)	–	–	(268)
Exchange adjustments	1,633	1,772	(1,450)	(1,022)
Balance at 31 December	77,095	40,910	105,330	56,807

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(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2025 Contractual undiscounted cash outflow					2024 Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Carrying amount at 31 December	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Carrying amount at 31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured bank loans	3,020,821	40,715	1,302	4,175	3,067,013	2,127,770	163,006	31,822	4,611	2,327,209
Trade and other payables	4,985,114	2,966	3,884	-	4,991,964	4,930,296	25,540	-	-	4,955,836
Lease liabilities	117,517	69,270	63,878	153,850	404,515	222,060	119,245	117,833	147,352	606,490
	8,123,452	112,951	69,064	158,025	8,463,492	7,280,126	307,791	149,655	151,963	7,889,535
					8,364,232					7,764,773



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings.

Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

	2025		2024	
	Interest rate	HK\$'000	Interest rate	HK\$'000
Fixed rate borrowings:				
Lease liabilities	1.70%-4.75%	330,860	3.60%-5.55%	517,412
Bank loans	1.05%-5.49%	3,041,408	0.72%-6.56%	2,291,525
		3,372,268		2,808,937

(d) Currency risk

The Group is exposed to currency risk primarily through sales, purchases and borrowings which give rise to receivables, payables, cash balances and bank loans that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars and Renminbi. The Group manages this risk as follows:

(i) Recognised assets and liabilities

In respect of trade receivables and payables denominated in foreign currencies, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Most of the Group's borrowings are denominated in the functional currency of the entity taking out the loan. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currency (expressed in HK\$)					
	2025					
	US\$ HK\$'000	RMB HK\$'000	HKD HK\$'000	SGD HK\$'000	CAD HK\$'000	MOP HK\$'000
Cash and cash equivalents	52,982	240,447	28,886	3,785	12	702
Trade and other receivables	25,544	37,656	-	-	-	-
Trade and other payables	(18,918)	(11,089)	-	-	-	-
Bank loans	(60,287)	(186,211)	(4,544)	-	-	-
Net exposure arising from recognised assets and liabilities	(679)	80,803	24,342	3,785	12	702

	Exposure to foreign currency (expressed in HK\$)						
	2024						
	US\$ HK\$'000	RMB HK\$'000	HKD HK\$'000	KRW HK\$'000	CAD HK\$'000	MOP HK\$'000	SGD HK\$'000
Cash and cash equivalents	39,708	125,473	61,736	3,373	11	875	2,065
Trade and other receivables	-	97,482	-	-	-	-	-
Trade and other payables	(31,692)	(58,000)	-	-	-	-	-
Bank loans	(58,805)	(230,143)	(51,176)	-	-	-	-
Net exposure arising from recognised assets and liabilities	(50,789)	(65,188)	10,560	3,373	11	875	2,065



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rate to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

	2025		2024	
	Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profits HK\$'000	Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profits HK\$'000
RMB	5% (5)%	3,917 (3,917)	5% (5)%	79,100 (79,100)
US\$	5% (5)%	110 (110)	5% (5)%	(2,257) 2,257
HKD	5% (5)%	1,195 (1,195)	5% (5)%	1,113 (1,113)
SGD	5% (5)%	171 (171)	5% (5)%	92 (92)
KRW	5% (5)%	– –	5% (5)%	153 (153)
MOP	5% (5)%	31 (31)	5% (5)%	39 (39)

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Currency risk (continued)

(iii) Sensitivity analysis (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to remeasure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2025.

(e) Fair values measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair values measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

2025

	Fair value at 31 December 2025 HK\$'000	Fair value measurements as at 31 December 2025 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurement				
Assets:				
Derivative financial instruments:				
– Commodity futures contracts	74,342	74,342	–	–
Unlisted equity securities				
– Other investment in equity securities	61,795	–	–	61,795

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair values measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

2024

	Fair value at	Fair value measurements as at		
	31 December 2024 HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurement				
Assets:				
Derivative financial instruments:				
– Commodity futures contracts	87,414	87,414	–	–
Unlisted equity securities				
– Other investment in equity securities	57,092	–	–	57,092



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

During the years ended 31 December 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

	Valuation techniques 2025 HK\$'000	Unobservable input 2025 HK\$'000	Range 2025 HK\$'000
Unlisted equity securities	Adjusted net assets method	Marketability discount	10%
	Valuation techniques 2024 HK\$'000	Unobservable input 2024 HK\$'000	Range 2024 HK\$'000
Unlisted equity securities	Adjusted net assets method	Marketability discount	10%

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2025 HK\$'000	2024 HK\$'000
Unlisted equity securities: At 1 January	57,092	102,646
Payment for purchases	–	10,569
Disposal of equity securities	(546)	–
Net unrealised gains or (losses) recognised in other comprehensive income during the period	5,106	(54,849)
Exchange adjustments	143	(1,274)
At 31 December	61,795	57,092

Any gain or loss arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

34 MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following material related party transactions during the year.

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Group's directors.

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 8, and certain of the highest paid employees as disclosed in note 9, is as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	142,891	207,167
Post-employment benefits	857	679

The remuneration is included in "staff costs" (see note 6(b)).

(b) Material related party transactions

During the year, the Group entered into the following material related party transactions:

	2025 HK\$'000	2024 HK\$'000
Sales of products to an associate and a joint venture	3,032,711	3,511,910
Rendering of integrated supply chain services and other services to an associate and joint ventures	1,224,597	2,937,718
Purchase of products from an associate	1,227,206	949,632
Disposal of property, plant and equipment to a joint venture	491	115,965
Interest on loan to a joint venture	23,648	22,249
Purchase of property, plant and equipment from a joint venture	-	39,453

The directors of the Group is of the opinion that the above related party transactions were conducted on normal commercial terms and in accordance with the agreements governing such transactions.

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

34 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related party balances

The outstanding balances arising from above transactions at consolidated statement of financial position are as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Receivables due from associates and joint ventures (note 22)	399,429	496,882
Loan to a joint venture (note 20)	388,309	361,652
Payables due to an associate and joint ventures (note 27)	136,380	169,639
Contract liabilities due to an associate (note 28)	32	316

35 COMMITMENTS

Capital commitments outstanding at 31 December 2025 not provided for in the financial statements are as follows:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Authorised but not contracted for	255,862	645,924
Contracted for	213,821	468,538
	469,683	1,114,462



Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

36 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	Note	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current assets			
Property, plant and equipment, net		66	148
Intangible assets		50,235	54,660
Interests in subsidiaries		1,830,602	1,641,183
Other non-current assets		10,526	10,503
Total non-current assets		1,891,429	1,706,494
Current assets			
Trade and other receivables		15,185	12,173
Cash and cash equivalents		22,916	59,236
Total current assets		38,101	71,409
Current liabilities			
Trade and other payables		1,228,276	991,671
Total current liabilities		1,228,276	991,671
Net current liabilities		(1,190,175)	(920,262)
NET ASSETS		701,254	786,232
CAPITAL AND RESERVES			
Share capital	31(c)	5,389,760	5,410,638
Reserves		(4,688,506)	(4,624,406)
TOTAL EQUITY		701,254	786,232

Notes to the Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

37 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 31(b).

38 IMMEDIATE AND ULTIMATE CONTROLLING SHAREHOLDERS

At 31 December 2025, the directors of the Company consider the immediate parent and ultimate controlling party of the Group to be Famous Speech Limited and Ms. Wang respectively. Famous Speech Limited is incorporated in the British Virgin Islands and does not produce financial statements available for public use.

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRSs Accounting Standards – Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

40 COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year's presentation.



Definitions

In this annual report, unless the context requires otherwise, the following expressions have the following meanings:

“2022 RSU Scheme”	the 2022 restricted share unit scheme adopted by the Company, as amended from time to time
“Ace Beacon”	Ace Beacon Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which is wholly-owned by Ms. Wang, and a controlling shareholder of the Company
“Articles of Association” or “Articles”	the articles of association of our Company as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	our board of Directors
“Bridge Mining”	Bridge Mining Pte. Ltd., a company incorporated in Singapore and an independent third party of the Company and its connected persons
“BVI”	the British Virgin Islands
“CG Code”	the Corporate Governance Code as set out in Appendix C1 the Listing Rules
“China” or “PRC”	the People’s Republic of China, but for the purpose of this annual report and for geographical reference only and except where the context requires, references in this annual report to “China” and the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong
“Coal Sales Agreement(s)”	certain coal sales agreements entered, or will be entered, into between Xianghui Singapore and Tsagaan Uvuljuu from time to time in relation to the sale and purchase of coal products produced from Terra Mine based on the strategic alliance under the Cooperation Agreement
“Coal Transportation Agreement(s)”	the coal transportation agreement entered, or will be entered, into between Tsagaan Uvuljuu and Eco Global from time to time in relation to, among other things, the transportation of coal products from Terra Mine to Ceke Port based on the strategic alliance under the Cooperation Agreement
“Code Provision(s)”	the code provisions under the CG Code

Definitions

“Company”, “our Company”, “we” or “us”	E-Commodities Holdings Limited (易大宗控股有限公司), formerly known as “Winsway Enterprises Holdings Limited (永暉實業控股股份有限公司)”, a company incorporated under the laws of the BVI with limited liability on 17 September 2007 and, except where the context indicates otherwise, including our subsidiaries
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 5 November 2025 entered into between the Company and Bridge Mining in relation to the establishment of strategic alliance over the collaboration on integrated coal mining, logistics and off-take services
“Director(s)”	the director(s) of our Company
“E-Commodities Products”	the products mainly comprising coal, petrochemical products, iron ores and other bulk commodities to be supplied by the Group to Xiamen Xiangyu under the Mutual Supply Framework Agreement
“E-Commodities Services”	the services mainly comprising the integrated supply chain services and other services to be supplied by the Group to Xiamen Xiangyu under the Mutual Supply Framework Agreement
“Eco Global”	Eco Global Logistics LLC, a company incorporated under the laws of Mongolia and a subsidiary of the Company
“Five Hills”	Five Hills Terra LLC, a company incorporated under the laws of Mongolia and a subsidiary of the Company
“ESG”	Environmental, Social, and Governance
“Group” or “our Group”	our Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended from time to time)
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited



Definitions

“IFRSs”	International Financial Reporting Standards, which comprise standards and interpretations approved by International Accounting Standards Board (the “IASB”) and the International Accounting Standards (“IAS”) and Standing interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect
“Inner Mongolia Haotong”	Inner Mongolia Haotong Energy Joint Stock Co., Ltd.* (內蒙古浩通能源股份有限公司), a company established under the laws of the PRC and a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Magnificent Gardenia”	Magnificent Gardenia Limited, a company incorporated under the BVI laws with limited liability
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
“Master Tenancy Framework Agreement”	the master tenancy framework agreement dated 31 March 2023 entered into between the Company and Ms. Wang in respect of the leases of certain residential and commercial premises and/or certain car parking spaces by Ms.Wang and/or any of her associates as the landlord to the Company or any of its subsidiaries as the tenant for a term commencing 1 April 2023 and ending on 31 December 2025; for further details, please refer to the announcement of the Company dated 31 March 2023
“Memorandum of Association” or “Memorandum”	the memorandum of association of our Company as amended from time to time
“Mining Service Contract”	the mining service contract entered, or will be entered, into between Five Hills and Tsagaan Uvuljuu from time to time in relation to the provision of certain mining services by Five Hills based on the strategic alliance under the Cooperation Agreement
“Minmetals Cooperation Agreement”	the cooperation agreement dated 8 March 2023 entered into between the Company and Minmetals South-East Asia for a term from 8 March 2023 to 7 March 2029

Definitions

“Minmetals South-East Asia”	Minmetals South-East Asia Corporation Pte. Ltd., a company incorporated in Singapore with limited liability and a connected person of the Company upon the completion of the Distribution in Specie
“Model Code”	Model Code for Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Listing Rules
“MPF Scheme”	the Mandatory Provident Fund, a company saving scheme for the retirement of residents in Hong Kong
“Ms. Wang”	Ms. Wang Yihan (王奕涵女士), our ultimate controlling shareholder
“Mutual Supply Framework Agreement”	the products and services mutual supply framework agreement entered into between the Company and Xiangyu Joint Stock in respect of the mutual supply of E-Commodities Products and Xiangyu Products, and the provision of E-Commodities Services and Xiangyu Services for a term of 3 years commencing from 1 January 2025
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	means a unit equivalent in value to a Share credited by means of a bookkeeping entry in the participant’s accounts, which gives a participant under the 2022 RSU Scheme (as the case may be) a conditional right when RSU Award vests to obtain either a Share or an equivalent value in cash with reference to the value of a Share on or about the date of vesting, as determined by the Board in its absolute discretion
“RSU Award(s)”	a restricted share unit granted to a participant under the 2022 RSU Scheme (as the case may be)
“SFO”	the Securities and futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“SG\$”, “SGD” or “Singapore dollars”	Singapore dollars, the lawful currency of Singapore
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary share(s) with no par value of the Company
“Shareholders”	holders of the Shares



Definitions

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Trust”	the trust or trusts declared by this Trust Deed
“Trust Deed”	a trust deed entered into between the Company as the settlor and the Trustee as the trustee in respect of the appointment of the Trustee for the administration of the 2022 RSU Scheme (as restated, supplemented and amended from time to time)
“Trustee”	Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong, or other trustee or trustees for the time being of the Trust appointed pursuant to the provisions of this Trust Deed
“Tsagaan Uvuljuu”	Tsagaan Uvuljuu LLC, is a company incorporated under the laws of Mongolia and a wholly-owned subsidiary of Bridge Mining
“TTJV”	TTJV Co., Ltd., a company incorporated in Mongolia and owned as to 100% by the Company through its subsidiary
“United States”, “US” or “USA”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”, “USD” or “US dollars”	United States dollars, the lawful currency of the United States
“Xiamen Xiangyu”	Xiangyu Joint Stock and its subsidiaries
“Xianghui Energy”	Xianghui Energy (Xiamen) Co., Ltd.* (象暉能源(廈門)有限公司), a company incorporated under the laws of the PRC on 6 August 2019, which is indirectly owned as to 49% and 51% by the Company and Xiamen Xiangyu, respectively. Xianghui Energy mainly engages in trading of Mongolian coal in the PRC
“Xianghui Singapore”	Xianghui Energy (Singapore) Pte. Ltd., a company incorporated under the laws of Singapore and a wholly-owned subsidiary of Xianghui Energy
“Xiangyu Joint Stock”	Xiamen Xiangyu Joint Stock Company Limited* (廈門象嶼股份有限公司), a state-owned enterprise incorporated under the laws of the PRC on 23 May 1997, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600057.SH)

Definitions

“Xiangyu Logistics”	Xiamen Xiangyu Logistics Group Co., Ltd.* (廈門象嶼物流集團有限責任公司), a company established under the laws of the PRC and a subsidiary of Xiangyu Joint Stock
“Xiangyu Products”	coal, petrochemical products, iron ores and other products to be supplied by Xiangyu Joint Stock and/or its subsidiaries to the Company and/or its subsidiaries under the Mutual Supply Framework Agreement
“Xiangyu Services”	the integrated supply chain services and other services to be supplied by Xiangyu Joint Stock and/or its subsidiaries to the Company and/or its subsidiaries under the Mutual Supply Framework Agreement
“Yunji Intelligent Logistics”	Yunji Intelligent Logistics (Zhuhai) Co., Ltd.* (雲集智慧物流(珠海)有限公司), a company established under the laws of the PRC and a subsidiary of the Company

* For identification purpose only



Five-Year Financial Summary

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Continuing operations					
Revenue	25,241,324	39,166,191	40,586,665	34,414,254	41,183,601
Profit/(loss) before taxation	320,978	1,081,190	2,662,513	2,038,844	4,069,623
Income tax	(5,838)	(97,239)	(468,157)	(333,952)	(574,830)
Profit/(loss) for the year	315,140	983,951	2,194,356	1,704,892	3,494,793
Attributable to:					
Equity shareholders of the Company	315,681	921,528	2,122,640	1,665,748	3,462,244
Non-controlling interests	(541)	62,423	71,716	39,144	32,549
Profit/(loss) for the year	315,140	983,951	2,194,356	1,704,892	3,494,793
Total assets	18,153,704	17,434,738	17,814,465	13,294,192	15,447,993
Total liabilities	8,697,268	8,333,765	8,998,507	6,095,322	7,971,715
Non-controlling interests	391,533	439,423	321,885	280,156	249,057
Total equity attributable to equity shareholders of the Company	9,064,903	8,661,550	8,494,073	6,918,714	7,227,221

Company Information

BOARD MEMBERS

Executive Directors

Cao Xinyi (Chairman)
Wang Yaxu
Zhao Wei
Chen Xiuzhu

Non-executive Director

Feng Tong

Independent Non-executive Directors

Ng Yuk Keung
Wang Wenfu
Gao Zhikai

AUDIT COMMITTEE

Chairman

Ng Yuk Keung

Member

Wang Wenfu
Gao Zhikai

REMUNERATION COMMITTEE

Chairman

Wang Wenfu

Member

Cao Xinyi
Ng Yuk Keung

NOMINATION COMMITTEE

Chairman

Gao Zhikai

Member

Ng Yuk Keung
Chen Xiuzhu

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Chairman

Chen Xiuzhu

Member

Wang Wenfu
Gao Zhikai



Company Information

COMPANY SECRETARY

Ren Yu

CHIEF FINANCIAL OFFICER

Ren Haiyan

LEGAL COUNSEL

Baker & McKenzie

AUDITORS

KPMG

Public Interest Entity Auditor

registered in accordance with the Financial Reporting Council Ordinance

REGISTERED OFFICE IN THE BVI

Praxis Trust (BVI) Limited
3rd Floor
Akara Building
Road Town, Tortola
BVI

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

19th Floor, Sinoport Plaza
258 Haojiang Road
Guangdong-Macao In-Depth Cooperation
Zone in Hengqin
519031 P.R.China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1902, Floor 19
Far East Finance Centre
16 Harcourt Road
Hong Kong

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKS

ING Bank N.V.
Rabo Bank
DBS Bank
Mizuho Bank
HSBC Bank
CITIC Bank

WEBSITE

www.e-comm.com

HKEX STOCK CODE

1733