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)

PROFIT WARNING

This announcement is made by E-Commodities Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that after a preliminary assessment of the Group's unaudited consolidated management accounts for the financial year ended 31 December 2022, the Group is expected to record a decrease in net profit to a range of approximately HK$1,600 million to HK$1,800 million for the year ended 31 December 2022. Such a decrease was primarily due to the complex and ever-changing international situation, the impact of the domestic pandemic resurgences and real estate policies, and the transformation of coking coal from strong supply and weak demand to a phase of dual weak supply and demand, as well as the downstream coke companies and steel mills maintained low levels of raw material inventory, resulting in a coking coal price fluctuate widely in the supply and demand game, then shifting downwards. Under such a severe external environment and volatile market, the Group has risen to the challenge and achieved an aggregate sales volume of approximately 11.35 million tonnes of coal, and has accomplished a sales volume of approximately 4.18 million tonnes of Mongolian coal through its joint venture, Xianghui Energy Co., Ltd.* (象暉能源有限公司). Compared with 2022, by contrast, in 2021, under the influence of various factors including, among others, domestic and foreign political and economic situation changes, pandemic and extreme weather conditions, the supply and demand of coking coal was extremely unbalanced, and the coking coal prices and profit per ton both experienced unusual volatility. As compared to the great year of coking coal industry profits in 2021, the coking coal prices and profit per ton returned to a reasonable range in the year 2022. Nevertheless, the net profit of the Company for the financial year ended 31 December 2022 is still expected to be higher than the Company's average annual net profit from 2017 to 2021.

Compared to the business segment of supply chain trading contributing majority of the profits of the Company for the past years, it is worth noting the Company's long-term investment in the logistic infrastructure at the China-Mongolia border (including cross-border transportation between China and Mongolia, port warehousing, coal washing and processing and domestic railway and road transportation) was paid off in 2022, and is expected to result in a significant growth and profit contribution in the integrated supply chain business segment. Such an increase is primarily due to (1) the active promotion and effective implementation of pandemic precautionary measures by the governments of China and Mongolia, which led to an increase in port clearance and supply chain logistics business; (2) the irreplicable capabilities of the Company in terms of the cross-border clearance between China and Mongolia (including major land ports at Gants Mod, Ceke and Erlianhot), as well as matching port park warehousing and railway and road transportation capabilities; and (3) our integrated logistic networks with strong coordination capabilities and competent sales team of coking coal enabling us to steadily and extensively served our downstream coke and steel mill customers. Further details in this regard will be disclosed in the annual results for the financial year ended 31 December 2022.

The Company is still in the process of finalising the annual results of the Group for the financial year ended 31 December 2022. The information contained in this announcement is based on a preliminary assessment by the Board solely on the basis of the unaudited consolidated management accounts of the Group and the current information available, which have not yet been reviewed nor audited by the independent external auditors of the Company. Further details of the Group's performance will be disclosed in the annual results for the financial year ended 31 December 2022 to be published by the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
E-Commodities Holdings Limited
Cao Xinyi
Chairman

Hong Kong, 15 March 2023

As at the date of this announcement, the executive directors of the Company are Ms. Cao Xinyi, Mr. Wang Yaxu, Ms. Di Jingmin and Mr. Zhao Wei; the non-executive director of the Company is Mr. Guo Lisheng; and the independent non-executive directors of the Company are Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. Gao Zhikai.