Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 2024, the Group is expected to record a decrease in net profit to a range of approximately HK$900 million to HK$1,000 million for the year ended 31 December 2024 compared to 2023. Such a decrease was primarily due to a sluggish market causing a continuous decline in coking coal prices, which in turn has led to a decrease in gross profit margins. The key operating environment analysis and the Group's corresponding measures are as follows:

In 2024, the global order experienced an accelerated restructuring, with increased trade barriers and deepening geopolitical influences, posing significant challenges to the stability of production and supply chains as well as trade order. Meanwhile, the growth of China's economy has slowed, demand remains weak, and the steel industry is facing mounting pressures. To alleviate and control production costs, coke and steel companies adopted a more cautious approach to coking coal procurement policies. On the supply side, the global coal supply was relatively abundant, particularly in the second half of the year, when the demand outside China declined, leading to an influx of imported coking coal into China. This has effectively bolstered the supply of coking coal and further widening the gap between market supply and demand. Coking coal prices exhibited a trend of high volatility at the beginning of the year followed by a decline, with the domestic comprehensive coking coal index dropped from RMB2,135 per ton at the beginning of the year to RMB1,282 per ton by year-end, representing a decline by nearly 40% over the course of the year.

Facing a challenging market environment, the Group strived to provide customers with comprehensive, high-quality services and maintained its position steadily as the market leader in market share, where we achieved a total coal sales volume of nearly 23 million tons in 2024, representing an increase by approximately 20% as compared to 2023. Comparing the first and second halves of 2024, demand from steel mills was notably stronger in the first half of 2024 than in the second half. In the first half, steel mills maintained high molten iron output, and coking coal prices showed strong resilience amid high daily consumption driven by elevated molten iron production. However, in the second half of the year, especially in the third quarter, molten iron output saw a direct reduction, exacerbating the supply-demand imbalance for coking coal. During the market downturn, the Group implemented "volume-driven" strategy in the second half of the year. By enhancing customer service and expanding value-added services, the Group solidified its market position against an industry-wide loss-making environment. Our employees, with the spirit of "breakthrough in adversity", worked tirelessly to deliver tailored trade supply chain solutions to customers, demonstrating the resilience of the Company.

As profit margins shrink across all segments of the coking coal market's upstream and downstream supply chain, the Group, as a supply chain service provider, has seen its service-related gross profits impacted to some extent. Nevertheless, we have collaborated closely with upstream and downstream partners to proactively cope with these challenges, cutting costs and enhance competitiveness. Notably, the development of Sino-Mongolia cross-border corridor has delivered remarkable results: in 2024, Mongolia's coal import volume reached a record high of nearly 83 million tons, representing an increase of approximately 18% as compared with last year. Leveraging the forward-looking full-chain strategic deployment in ports, we have both witnessed and contributed to the volume breakthrough at various border ports. In 2024, the Group achieved a total of approximately 17 million tons of storage volume at the ports, representing an increase of approximately 7% as compared with last year, among which, the storage volume of coal at Gants Mod Port accounting for approximately 11 million tons, maintaining its market share. The volume of domestic transportation amounted to approximately 13 million tons, representing an increase by approximately 11% as compared to last year. As transportation bottlenecks gradually ease, Mongolian coal is entering the Chinese market more efficiently and seamlessly. This not only reflects a rebalancing of profits across the supply chain, but also signals that Mongolian resources is expected to gain even stronger price competitiveness in the market, and looking ahead, the variety of imported resources is expected to diversify further.

The Company is still in the process of finalising the annual results of the Group for the financial year ended 31 December 2024. 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 2024 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, 11 March 2025

As at the date of this announcement, the executive Directors are Ms. Cao Xinyi, Mr. Wang Yaxu, Mr. Zhao Wei and Ms. Chen Xiuzhu; the non-executive Director is Ms. Feng Tong; and the independent non-executive Directors are Mr. Ng Yuk Keung, Mr. Wang Wenfu and Mr. Gao Zhikai.

* *For identification purposes only*