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 RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors ("**Directors**") of E-Commodities Holdings Limited (the "**Company**") is pleased to present the audited consolidated financial results of the Company and its subsidiaries (the "**Group**", "**E-Commodities**", "**we**" or "**us**") for the year ended 31 December 2024 together with comparative figures in 2023.

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 was HK$39,166 million.
- Gross profit for the year ended 31 December 2024 was HK$1,518 million.
- Profit for the year ended 31 December 2024 was HK$984 million.
- Profit attributable to equity shareholders of the Company for the year ended 31 December 2024 was HK$922 million.
- Both basic and diluted earnings per share of the Company (the "**Share**") for the year ended 31 December 2024 were HK$0.346.
- An annual dividend in cash of HK$0.013 per Share or approximately HK$35 million has been declared for the year ended 31 December 2024.
- Total equity for the year ended 31 December 2024 was HK$9,101 million.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	Note	**2024**	2023
		HK$'000	*HK$'000*
Revenue	*3*	**39,166,191**	40,586,665
Cost of sales		**(37,648,582)**	(36,958,853)
Gross profit		**1,517,609**	3,627,812
Other income	*4*	**234,971**	56,331
Administrative expenses		**(745,242)**	(1,112,763)
Impairment of non-current assets	*5(c)*	**–**	(44,297)
Profit from operations		**1,007,338**	2,527,083
Finance income		**64,360**	55,376
Finance costs		**(168,405)**	(117,774)
Net finance costs	*5(a)*	**(104,045)**	(62,398)
Share of profits of associates		**85,157**	199,500
Share of profits/(losses) of joint ventures		**92,740**	(1,672)
Profit before taxation		**1,081,190**	2,662,513
Income tax	*6*	**(97,239)**	(468,157)
Profit for the year		**983,951**	2,194,356
Attributable to:			
Equity shareholders of the Company		**921,528**	2,122,640
Non-controlling interests		**62,423**	71,716
Profit for the year		**983,951**	2,194,356
Basic and diluted earnings per share (HK$)	*7*	**0.346**	0.793

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024 *HK$'000*	2023 *HK$'000*
Profit for the year	**983,951**	2,194,356
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)	**(54,849)**	(976)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation:	**(201,394)**	(42,321)
Other comprehensive income for the year	**(256,243)**	(43,297)
Total comprehensive income for the year	**727,708**	2,151,059
Attributable to:		
Equity shareholders of the Company	**690,193**	2,070,731
Non-controlling interests	**37,515**	80,328
Total comprehensive income for the year	**727,708**	2,151,059

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2024

(Expressed in Hong Kong dollars)

	Note	**At 31 December 2024** *HK$'000*	At 31 December 2023 *HK$'000*
Non-current assets			
Property, plant and equipment	*8*	**3,523,506**	2,220,030
Investment property	*8*	**215,600**	224,562
Right-of-use assets		**1,207,648**	1,112,707
Construction in progress		**213,172**	242,996
Intangible assets		**243,054**	240,226
Interest in associates		**815,885**	1,093,674
Interest in joint ventures		**203,186**	101,208
Other investments in equity securities		**57,092**	102,646
Deferred tax assets		**134,491**	78,934
Other non-current assets	*9*	**424,778**	251,627
Total non-current assets		**7,038,412**	5,668,610
Current assets			
Inventories	*10*	**2,032,906**	3,424,955
Trade and other receivables	*11*	**4,379,085**	4,879,315
Restricted bank deposits		**1,988,320**	886,132
Cash and cash equivalents		**1,996,015**	2,955,453
Total current assets		**10,396,326**	12,145,855

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2024

(Expressed in Hong Kong dollars)

	Note	At 31 December 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Current liabilities			
Secured bank loans		**2,100,180**	1,907,519
Trade and other payables	*12*	**4,955,836**	5,353,272
Contract liabilities		**323,071**	534,019
Lease liabilities		**202,936**	254,377
Income tax payable		**146,899**	309,276
Total current liabilities		**7,728,922**	8,358,463
Net current assets		**2,667,404**	3,787,392
Total assets less current liabilities		**9,705,816**	9,456,002
Non-current liabilities			
Secured bank loans		**191,345**	139,640
Lease liabilities		**314,476**	366,045
Deferred income		**25,350**	28,444
Deferred tax liabilities		**73,672**	105,915
Total non-current liabilities		**604,843**	640,044
NET ASSETS		**9,100,973**	8,815,958
CAPITAL AND RESERVES			
Share capital	*13(b)*	**5,410,638**	5,420,519
Reserves		**3,250,912**	3,073,554
Total equity attributable to equity shareholders of the Company		**8,661,550**	8,494,073
Non-controlling interests		**439,423**	321,885
TOTAL EQUITY		**9,100,973**	8,815,958

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Hong Kong dollars unless otherwise indicated)
during the year ended 31 December 2024.

1 CORPORATE INFORMATION

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 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

The financial information has been prepared in accordance with all IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). The financial information also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. The financial information also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The IASB has issued certain amendments to 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 and prior accounting periods reflected in the financial information.

(b) Basis of preparation of the financial statements

The consolidated financial information for the year ended 31 December 2024 comprises the Group and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial information 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; and

– derivative financial instruments.

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.

(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 1, Presentation of financial statements – *Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to IAS 1, Presentation of financial statements – *Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

Amendments to IAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the "IAS 1 amendments")

The IAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the IAS 1 amendments, the Group has reassessed the classification of its liabilities as current or non-current, and did not identify any reclassification to be made.

Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements.

Amendments to IAS 7, *Statement of cash flows and IFRS 7, Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on these financial statements.

3 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:

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
– Coal	**33,848,161**	31,805,175
– Rendering of integrated supply chain services	**3,951,002**	6,326,916
– Oil and petrochemical products	**1,135,268**	2,026,735
– Iron ore	**179,538**	319,433
– Coke	**–**	33,530
– Others	**52,222**	74,876
	39,166,191	40,586,665

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 3(b)(i) and 3(b)(iii) respectively.

The Group's customer base is diversified and includes two customers with whom transactions have exceeded 10% of the Group's revenues (2023:one). In 2024 revenues from these customers amounted to approximately HK$4,911,601,000 and HK$4,618,683,000, respectively (2023: HK$7,232,768,000).

(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.

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 inter-segment sales of coal and other products and rendering of integrated supply chain 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 2024 and 2023 is set out below.

	Trading of coal and other products		**Rendering of integrated supply chain services**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Disaggregated by timing of revenue recognition						
Point in time	**35,215,189**	34,259,749	**3,044,926**	5,527,910	**38,260,115**	39,787,659
Over time	**–**	–	**906,076**	799,006	**906,076**	799,006
Revenue from external customers	**35,215,189**	34,259,749	**3,951,002**	6,326,916	**39,166,191**	40,586,665
Inter-segment revenue	**–**	–	**969,155**	940,043	**969,155**	940,043
Reportable segment revenue	**35,215,189**	34,259,749	**4,920,157**	7,266,959	**40,135,346**	41,526,708
Reportable segment profit (adjusted EBITDA)	**358,142**	1,509,546	**1,265,376**	1,649,558	**1,623,518**	3,159,104
Interest income	**33,462**	41,133	**30,898**	14,243	**64,360**	55,376
Interest expense	**(89,963)**	(63,746)	**(46,695)**	(38,055)	**(136,658)**	(101,801)
Depreciation and amortisation	**(56,183)**	(69,677)	**(418,227)**	(300,354)	**(474,410)**	(370,031)
Impairment of non-current assets	**–**	(30,139)	**–**	(14,158)	**–**	(44,297)
Reversal of impairment/(impairment) of trade and other receivables	**31,899**	(24,883)	**4,228**	5,018	**36,127**	(19,865)
Reportable segment assets (including interest in associates and joint ventures)	**11,333,992**	13,849,637	**7,296,415**	5,330,331	**18,630,407**	19,179,968
Additions to non-current segment assets during the year	**359,647**	898,272	**2,028,767**	1,212,058	**2,388,414**	2,110,330
Reportable segment liabilities	**6,446,609**	8,298,288	**2,996,745**	1,729,465	**9,443,354**	10,027,753

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

	2024	2023
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**40,135,346**	41,526,708
Elimination of inter-segment revenue	**(969,155)**	(940,043)
Consolidated revenue	**39,166,191**	40,586,665

	2024	2023
	HK$'000	*HK$'000*
Profit		
Reportable segment profit	**1,623,518**	3,159,104
Depreciation and amortisation	**(474,410)**	(370,031)
Impairment of non-current assets	**–**	(44,297)
Reversal of impairment/(impairment) of trade and other receivables	**36,127**	(19,865)
Net finance costs	**(104,045)**	(62,398)
Consolidated profit before taxation	**1,081,190**	2,662,513

	At 31 December 2024	At 31 December 2023
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**18,630,407**	19,179,968
Deferred tax assets	**134,491**	78,934
Elimination of inter-segment receivables	**(1,330,160)**	(1,444,437)
Consolidated total assets	**17,434,738**	17,814,465
Liabilities		
Reportable segment liabilities	**9,443,354**	10,027,753
Income tax payable	**146,899**	309,276
Deferred tax liabilities	**73,672**	105,915
Elimination of inter-segment payables	**(1,330,160)**	(1,444,437)
Consolidated total liabilities	**8,333,765**	8,998,507

(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**	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The PRC (including Hong Kong, Macau and Taiwan)	**31,035,530**	31,907,960	**4,532,359**	4,282,386
Indonesia	**2,633,338**	1,954,110	**–**	–
Malaysia	**1,580,972**	1,397,086	**–**	–
Mongolia	**1,089,654**	792,536	**2,211,267**	1,112,232
South Korea	**1,045,207**	2,005,749	**–**	–
India	**776,320**	940,260	**–**	–
Japan	**502,576**	237,241	**41,728**	43,833
Vietnam	**384,048**	966,172	**–**	–
Netherlands	**–**	337,856	**–**	–
others	**118,546**	47,695	**61,475**	48,579
	39,166,191	40,586,665	**6,846,829**	5,487,030

4 OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Net realised and unrealised gain on derivative financial instruments and structured deposits products *(note)*	**171,051**	7,248
Gain/(loss) on disposal of property, plant and equipment, construction in progress and intangible assets	**12,490**	(17,737)
Government grants	**45,274**	61,405
Others	**6,156**	5,415
	234,971	56,331

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 2024 and 2023 respectively.

5 PROFIT BEFORE TAXATION

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

(a) Net finance costs

	2024	2023
	HK$'000	*HK$'000*
Interest income on financial assets measured at amortised cost	**(64,360)**	(55,376)
Finance income	**(64,360)**	(55,376)
Interest on secured bank loans	**52,345**	22,271
Interest on discounted bank acceptance bills	**53,965**	43,589
Interest on lease liabilities	**30,348**	35,941
Total interest expense	**136,658**	101,801
Bank and other charges	**23,073**	28,007
Foreign exchange loss/(gain), net	**8,674**	(12,034)
Finance costs	**168,405**	117,774
Net finance costs	**104,045**	62,398

(b) Staff costs

	2024	2023
	HK$'000	*HK$'000*
Salaries, wages, bonus and other benefits	**809,031**	1,064,857
Contributions to defined contribution retirement plan	**41,519**	38,419
	850,550	1,103,276

(c) Other items

	2024	2023
	HK$'000	*HK$'000*
Amortisation and depreciation		
– property, plant and equipment and investment property	**280,930**	205,860
– right-of-use assets	**169,385**	152,793
– intangible assets	**24,095**	11,378
Reversal of impairment/(impairment) of receivables	**(36,127)**	19,865
– trade receivables	**(39,252)**	40,949
– other receivables	**3,125**	(21,084)
Impairment of non-current assets		
– right-of-use assets	**–**	44,297
Reversal of provisions	**–**	(42,818)
Cost of inventories *(note)*	**34,354,448**	32,133,588

Note: Cost of inventories includes HK$11,418,000 (2023: HK$6,196,000) and HK$13,645,000 (2023: HK$1,053,000) for the year ended 31 December 2024 relating to staff costs, depreciation and amortisation which amount is also included in the respective total amount disclosed separately above or in note 5(b) for each type of these expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2024	2023
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**12,302**	5,053
Current tax – Outside of Hong Kong		
Provision for the year	**160,633**	415,948
Under-provision in respect of prior years	**7,910**	7,668
Deferred Tax		
Origination and reversal of temporary differences	**(83,606)**	39,488
	97,239	468,157

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% (2023: 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% (2023: 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, certain subsidiaries of the Group are entitled to a preferential tax rate of 15% from 1 January 2021 to 31 December 2027.

Pursuant to Caishui [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.

The PRC Corporate Income Tax Law allows enterprises to apply for certificate of "High and New Technology Enterprise" ("**HNTE**"), 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 HNTE. Accordingly, the subsidiary is entitled to the preferential tax rate of 15% for the years ended 31 December 2023 and 2024. The Company obtained its certificate of HNTE 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.

The Organisation for Economic Co-operation and Development ("**OECD**") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax-laws ("**Pillar Two legislation**") to implement the Pillar Two model rules on a worldwide agreed common approach. The Group mainly operates in the Mainland China, Hong Kong and Singapore. In Mainland China, the Company may be subject to the risk of Pillar Two income taxes although the legislation is not in substance enacted or enacted. The Company will be subject to the Pillar Two legislation in Hong Kong and Singapore, after the respective jurisdiction has completed its new tax law legislative process. As the new tax laws are not yet effective in 2024, the Group does not recognise any current tax relating to the Pillar Two model rules in the same year.

The Group has applied for the temporary mandatory exception to recognising and disclosing information in respect of deferred tax assets and liabilities related to Pillar Two income taxes and account for the tax as current tax when incurred. Due to the uncertainties in enactment and interpretation of Pillar Two legislation, and complexities in applying the legislation and calculating taxable income, the quantitative impact of Pillar Two is not yet reasonably estimable. The Group will continue to monitor the law legislative progress of Pillar Two legislation in relevant jurisdictions to assess the impact on the financial statements of the Group.

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

	2024	2023
	HK$'000	*HK$'000*
Profit before taxation	**1,081,190**	2,662,513
Notional tax on profit before taxation, calculated at the rates applicable to profit in the jurisdictions concerned	**113,216**	501,758
Tax effect of non-taxable income	**(34,197)**	(42,586)
Tax effect of non-deductible expenses	**3,438**	3,428
Tax effect of utilization of previously unrecognised tax losses	**(5,393)**	(19,665)
Tax effect of unused tax losses and other temporary differences not recognised	**12,265**	17,554
Under-provision in respect of prior years	**7,910**	7,668
Actual tax expense	**97,239**	468,157

7 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$921,528,000 (2023: HK$2,122,640,000) and the weighted average number of ordinary shares of 2,663,314,000 ordinary shares (2023: 2,676,221,000 shares) in issue during the year ended 31 December 2024, calculated as follows:

Weighted average number of ordinary shares (basic):

	2024	2023
	'000	*'000*
Issued ordinary shares at 1 January	**2,705,997**	2,867,923
Effect of purchase of own shares	**(8,954)**	(157,973)
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	**2,663,314**	2,676,221

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 2024 and 2023, basic and diluted earnings per share was the same as there were no potentially dilutive ordinary shares in issue during the period.

8 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

(a) Reconciliation of carrying amount

	Land and buildings HK$'000	Plant and machinery HK$'000	Railway special assets HK$'000	Motor vehicles HK$'000	Office and other equipment HK$'000	Sub-total HK$'000	Investment property HK$'000	Total HK$'000
Cost:								
At 1 January 2023	1,271,575	534,857	291,373	713,093	216,565	3,027,463	–	3,027,463
Additions	197,784	42,540	1,438	197,369	49,317	488,448	229,852	718,300
Acquisition of a subsidiary	98,958	2,966	9,140	1,038	134	112,236	–	112,236
Transferred from construction in progress	256,230	116,688	67,966	137,699	20,868	599,451	–	599,451
Disposals	(2,227)	(9,107)	–	(17,731)	(2,408)	(31,473)	–	(31,473)
Exchange adjustments	(24,576)	(7,349)	(4,784)	6,896	(8,853)	(38,666)	(1,552)	(40,218)
At 31 December 2023 and 1 January 2024	1,797,744	680,595	365,133	1,038,364	275,623	4,157,459	228,300	4,385,759
Additions	296,660	235,119	32	47,876	92,297	671,984	–	671,984
Acquisition of subsidiaries	17,453	662,157	–	6,610	5,335	691,555	–	691,555
Transferred from construction in progress	242,723	88,498	74,661	8,572	6,940	421,394	–	421,394
Disposals	(19,576)	(163,758)	–	(9,320)	(5,965)	(198,619)	–	(198,619)
Exchange adjustments	(36,928)	(22,030)	(9,497)	(12,369)	(8,877)	(89,701)	(4,040)	(93,741)
At 31 December 2024	2,298,076	1,480,581	430,329	1,079,733	365,353	5,654,072	224,260	5,878,332
Accumulated depreciation and impairment losses:								
At 1 January 2023	725,042	325,682	273,391	315,938	132,474	1,772,527	–	1,772,527
Charge for the year	48,004	38,610	2,210	84,741	28,531	202,096	3,764	205,860
Written back on disposal	(71)	(686)	–	(8,757)	(2,404)	(11,918)	–	(11,918)
Exchange adjustments	(10,894)	(3,758)	(4,153)	968	(7,439)	(25,276)	(26)	(25,302)
At 31 December 2023 and 1 January 2024	762,081	359,848	271,448	392,890	151,162	1,937,429	3,738	1,941,167
Charge for the year	72,473	81,466	11,647	91,236	19,027	275,849	5,081	280,930
Written back on disposal	(1,089)	(31,760)	–	(6,274)	(2,638)	(41,761)	–	(41,761)
Exchange adjustments	(18,221)	(6,698)	(6,339)	(4,921)	(4,772)	(40,951)	(159)	(41,110)
At 31 December 2024	815,244	402,856	276,756	472,931	162,779	2,130,566	8,660	2,139,226
Net book value:								
At 31 December 2024	1,482,832	1,077,725	153,573	606,802	202,574	3,523,506	215,600	3,739,106
At 31 December 2023	1,035,663	320,747	93,685	645,474	124,461	2,220,030	224,562	2,444,592

Note: At 31 December 2024, property, plant and equipment of the Group of HK$823,626,000 (2023: HK$730,220,000) have been pledged as collateral for the Group's borrowings, bills payable (see note 12) and lease liabilities.

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

	At 31 December 2024	At 31 December 2023
	HK$'000	*HK$'000*
The PRC (including Hong Kong and Macau)	**1,335,252**	947,520
Other countries	**147,580**	88,143
Aggregate net book value	**1,482,832**	1,035,663

As at 31 December 2024, the Group was in the process of applying for the ownership certificate for certain buildings with an aggregate net book value amounting to HK$237,276,000 (2023: HK$227,273,000). 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:

	At 31 December 2024	At 31 December 2023
	HK$'000	*HK$'000*
Within 1 year	**1,971**	1,133

The Group mainly leased out investment property through operating leases from 2023. As at 31 December 2024 and 2023, the fair value of investment property was determined by management with reference to the market price of comparable properties.

9 OTHER NON-CURRENT ASSETS

	At 31 December 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Loan to a joint venture *(note)*	**361,652**	205,921
Advance payments for property and equipment and construction in progress	**63,126**	45,706
	424,778	251,627

Note:

The Group entered into loan agreements ("**the 2023 and 2024 Loan Agreement, collectively the Loan Agreements**") with one of the Group's joint venture (the "**Joint Venture**") of which the ultimate owner of the other shareholder on the Joint Venture operates logistic services in Mongolia in 2024 and 2023. Pursuant to the Loan Agreement, the maximum cap under 2023 and 2024 Loan Agreement is US$25,000,000 (equivalent to approximately HK$195,184,000) and US$20,000,000 (equivalent to approximately HK$155,316,000) respectively, 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.

In 2024, the Group has recovered the principal under the Loan Agreements and interest of US$2,653,000 (equivalent to approximately HK$20,604,000) from the Joint Venture. As at 31 December 2024, the principal amount of the loan under the Loan Agreements to the Joint Venture amounted to US$42,661,000 (equivalent to HK$331,299,000), and the accrued interest amounted to US$3,909,000 (equivalent to HK$30,353,000).

10 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 31 December 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Coal	**1,950,968**	3,383,414
Others	**81,938**	41,541
	2,032,906	3,424,955

At 31 December 2024, inventory of the Group of HK$224,968,000 (2023: HK$1,023,315,000) have been pledged as collateral for the Group's borrowings, bills payable (see note 12).

11 TRADE AND OTHER RECEIVABLES

	At 31 December 2024	At 31 December 2023
	HK$'000	*HK$'000*
Trade receivables, net of loss allowance	**1,708,867**	1,448,198
Bank acceptance bills	**1,108,107**	1,005,692
Other debtors	**166,769**	56,660
Financial assets measured at amortised cost	**2,983,743**	2,510,550
Deposits and prepayments	**819,419**	1,300,343
Other tax recoverable	**376,329**	457,586
Derivative financial instruments *(note i)*	**87,414**	200,171
Investment in structured deposit products *(note ii)*	**112,180**	410,665
	4,379,085	4,879,315

Notes:

(i) As at 31 December 2024 and 2023, derivative financial instruments represented the fair value of commodity futures contracts entered into by the Group.

(ii) As at 31 December 2024 and 2023, the structured deposit products were issued by two commercial banks with variable interest rates.

At 31 December 2024, trade receivables and bank acceptance bills of the Group of HK$878,163,000 (2023: HK$1,192,678,000) have been pledged as collateral for the Group's borrowings and bills payable (see note 12).

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 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Within 3 months	**1,689,914**	1,341,226
3 to 6 months	**18,953**	106,972
	1,708,867	1,448,198

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

12 TRADE AND OTHER PAYABLES

	At 31 December 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Trade and bills payables	**3,570,629**	4,004,491
Payables in connection with construction projects	**119,912**	112,071
Payables for purchase of equipment and motor vehicles	**357,604**	145,301
Payables for staff related costs *(note)*	**301,917**	569,896
Payables for other taxes	**58,151**	84,496
Dividends payable	**217,781**	234,599
Payables for an acquisition of a subsidiary	**–**	145,317
Others	**329,842**	57,101
Financial liabilities measured at amortised cost	**4,955,836**	5,353,272

Note: Included bonus payable to senior management amounting to approximately HK$160,075,000 (2023: HK$344,712,000).

The Group's bills payable are analysed as follows:

	At 31 December 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Secured by restricted bank deposits, bank acceptance bills and structured deposits	**1,970,417**	1,239,241
Secured by restricted bank deposits, property, plant and equipment, land use rights and inventories	**218,185**	722,398
Credit guarantee and restricted bank deposits	**37,942**	–
	2,226,544	1,961,639

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 2024 *HK$'000*	At 31 December 2023 *HK$'000*
Within 3 months	**2,802,014**	3,284,326
More than 3 months but less than 6 months	**648,452**	436,306
More than 6 months but less than 1 year	**94,623**	266,680
More than 1 year	**25,540**	17,179
	3,570,629	4,004,491

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

Dividends payable to equity shareholders attributable to the year:

	2024 *HK$'000*	2023 *HK$'000*
Interim dividend declared of HK$0.073 per ordinary share (2023: HK$0.078)	**195,715**	211,151
Final dividend proposed after the end of the reporting period of HK$0.013 per ordinary share (2023: HK$0.118)	**34,667**	319,509

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.

(b) Share capital

	2024 No. of shares *'000*	2023 No of shares *'000*
Authorised:		
Ordinary shares with no par value	**6,000,000**	6,000,000

	2024		2023	
	No. of shares		No. of shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Ordinary shares, issued and fully paid:				
Existing shares at 1 January	**2,705,997**	**5,420,519**	2,867,923	5,661,398
Cancellation of repurchased shares *(note)*	**(9,450)**	**(9,881)**	(161,926)	(240,879)
At 31 December	**2,696,547**	**5,410,638**	2,705,997	5,420,519

Note:

Cancellation of repurchased shares

During the year ended 31 December 2024, the Company cancelled in aggregate of 9,450,000 (2023: 161,926,000) of its own shares which were purchased from the open market.

CHAIRMAN'S STATEMENT

Dear Shareholders and colleagues,

As we conclude the year 2024, I am filled with strong sentiments, gratitude, and appreciation as I extend my sincerest greetings and best wishes to you all. Looking back over this past year, we experienced macroeconomic headwinds and industry-wide challenges together, and witnessed the resilience and determination of each member of the "E-Commodities Family" in the face of adversity. Thanks to such a collaborative and endeavoring team, as well as the unwavering support from our shareholders, we have been able to navigate through these storms. I am truly fortunate and deeply appreciative.

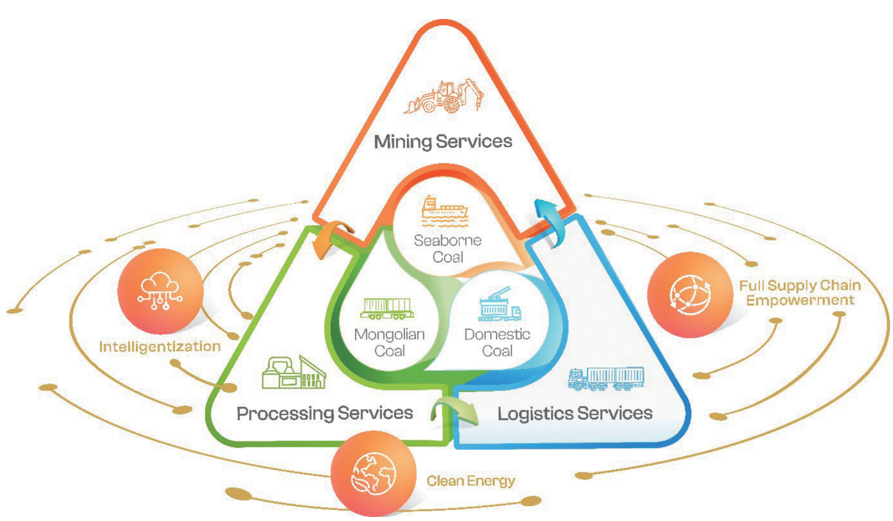
Looking back on 2024, the global dynamics have been undergoing significant changes at an accelerated pace, characterised by a proliferation of trade barriers and an intensified impact of geopolitical dynamics, and the stability of production and supply chains and trade order faced great challenges. At the same time, China's economic growth slowed down, with subdued demand placing significant pressure on the steel industry. To alleviate financial stress and control production costs, coke and steel enterprises shifted to more cautious procurement policies for coking coal. On the supply side, global coal supply was relatively abundant, especially in the second half of the year as demand in markets outside China also declined. This led to an influx of imported coking coal into China, significantly expanding the supply of coking coal, and further widening the gap between supply and demand in the market, which resulted in a downward trend of coking coal prices after a high and fluctuating start at the beginning of the year. The domestic composite coking coal price index dropped to RMB1,282 per ton at the end of the year from RMB2,135 per ton at the beginning of the year, marking a full-year decline of nearly 40.00%. In such a severe market environment, we realised an annual operating income of HK$39,166 million and a net profit of HK$984 million. This accomplishment is hard-earned and reflects the dedication and efforts of every member of the "E-Commodities Family". We understand that the trust and support of shareholders is the driving force for our progress, and we will continue to give back to shareholders this year and maintain a stable dividend policy. We will declare a final dividend of approximately HK$35 million for 2024, and the total dividend for the whole year of 2024 was HK$230 million, representing a dividend yield of approximately 8.69%.

– In 2024, China's coking coal imports hit a record high, reaching 122.25 million tons in total, representing an increase by 19.26% as compared to 2023, among which the total import volume of coking coal from Mongolia reached 56.79 million tons, accounting for 46.46% of China's total coking coal imports. Facing intense competition, we maintained our leading position in the market by leveraging years of industry experience and visionary strategic expansion and with the aim to provide comprehensive and high quality services to our customers. In 2024, the Company realised a total coal sales volume of approximately 22.74 million tons, representing an increase by approximately 20.01% as compared to 2023. In addition, through our joint venture, Xianghui Energy, we completed the sales volume of approximately 11.65 million tons of Mongolian coal, representing an increase by 2.10% as compared to 2023. In the first half of 2024, steel production remained stable at high levels, and under the backdrop of high daily consumption of molten iron, the price of coking coal still exhibited strong resilience. However, the demand from steel mills in the second half of 2024 was significantly less than in the first half of 2024, especially in the third quarter, there was a direct reduction in molten iron production, leading to a continuous expansion of the supply-demand imbalance for coking coal. During the market downturn, the Group implemented "volume-driven" strategy in the second half of the year, solidifying our market share by enhancing and improving the quality of customer service and expanding value-added services, even in a generally loss-making environment within the industry. Our entire workforce, with the spirit of "breakthrough in the face of adversity", worked diligently to deliver customized trade supply chain solutions to customers, exemplifying the Company's steadfast resilience.

– Under the circumstance that the profits across various upstream and downstream segments in the coking coal market declined, as a supply chain service provider, the Group together with upstream and downstream enterprises actively responded to the situation to reduce costs and enhance competitiveness. It is worth noting that the construction of the Sino-Mongolia cross-border corridor has delivered remarkable results, and the cargo volume of major import ports between China and Mongolia reached new highs in 2024, among which the annual cargo volume of Gants Mod port reached 40.06 million tons, representing an increase by 10.06% as compared to 2023, hitting a record high; the annual cargo volume of Ceke port exceeded 24.00 million tons, representing an increase by 25.46% as compared to 2023; the annual cargo volume of Erenhot port reached 21.06 million tons for the first time, representing an increase by 9.40% as compared to 2023; Mandula port stepped into the threshold of a "ten-million-ton trade port" for the first time with its annual cargo volume of 10.16 million tons, representing an increase by 92.26% as compared to 2023; and the cargo volume of Zuun Khatavch port set a new record since its opening, reaching 4.04 million tons for the first time, representing an increase by 49.46% as compared to 2023. With more than 20 years of experience in supply chain services between China and Mongolia, E-Commodities has always adhered to the spirit of not fearing difficulties and being brave in innovation, and has constantly identified pain points in daily operations and overcome difficulties with efficient execution. We have not only witnessed the growth of various ports between China and Mongolia, but also had the honour to participate in their quantitative breakthroughs. In 2024, the Group was involved in realising a total port storage volume of approximately 17.37 million tons, representing an increase by approximately 7.02% as compared to 2023, among which the storage volume of Gants Mod port was approximately 11.07 million tons, maintaining its market share. Mandula port was put into operation in June 2024 and realised a storage volume of approximately 1.57 million tons. The cross-border transportation volume reached 7.90 million tons. The domestic transportation volume reached approximately 13.03 million tons. The coal washing and processing volume was approximately 8.48 million tons. As transportation capacity constraints gradually ease, Mongolian coal will enter the Chinese market in a more convenient and efficient way. This shift will not only be reflected in the rebalancing of profits along the supply chain, but also indicate that the price competitiveness of Mongolian resources in the market will be further enhanced, and the categories of imported resources will be further diversified in the future. While such changes in the industry landscape pose certain challenges, they also present opportunities. Every member of our management team, including myself, constantly reminds ourselves of how to strategically position, innovate and transform to maintain our market share and adapt to industry changes.

– The Company completed the full acquisition of upstream mining company TTJV Co. LLC. in August 2024. This not only marked a significant step for E-Commodities in the mining services sector, but also extended and expanded our integrated supply chain services, further enhancing our cooperation with ETT. In the future, we will locate more strategic partners covering the entire supply chain from mining services to logistics and processing, and then to market distribution, achieving full coverage of the integrated commodities supply chain.

Our long-term strategy is summarised as “three services, one core, and three capabilities": focusing on coking coal as the core product sourced from three key production areas of seaborne coal, Mongolian coal and domestic coal, providing mining services, processing services and logistics services, and building core competitiveness across various aspects of the business, including the entire supply chain, integrated solutions, cross-selling strategies and customer services. We are committed to providing stable, all-round and diversified services to customers across China and around the world. At the same time, we actively respond to the national strategy of “carbon peak and carbon neutrality” by providing clean and green service solutions, such as new energy-based entry, and real-time display screens at intelligent ports.



Looking ahead to 2025, despite the uncertainties ahead, we will uphold the spirit of being proactive and forging ahead bravely to move forward and overcome numerous difficulties. We will continue to deepen the strategic expansion across multiple ports between China and Mongolia to expand our market outreach, and firmly promote the transformation towards intelligence, automation, and sustainability. Driven by innovation and led by technology, we will continuously enhance our core competitiveness, injecting strong impetus into the sustainable development of the Company. Facing the unique cyclical fluctuations in the commodities industry, relying on long-term accumulation of high-quality assets and the integrated supply chain service system, and with the largest market share and high customer stickiness of the Company in the industry, we have full confidence and ability to build a moat that can withstand risks and balance market cycles. Leveraging the adaptability and innovative genes formed through more than two decades of deep involvement in the industry, coupled with prudent financial management and flexible market strategies, we firmly believe that we will surely be able to seize the initiative in the industry restructuring.

"E-Commodities Family” is an inseparable whole. We withstand the cyclical fluctuations together, support each other, and pursue long-term aspirations. We would like to express our gratitude for this great era, to every outstanding partner, and to our shareholders for their long-standing support and trust. In the days to come, we will continue to forge ahead with determination to repay your profound love and support with the full strength of all “E-Commodities Family” members.

Sincere thanks to all of you!

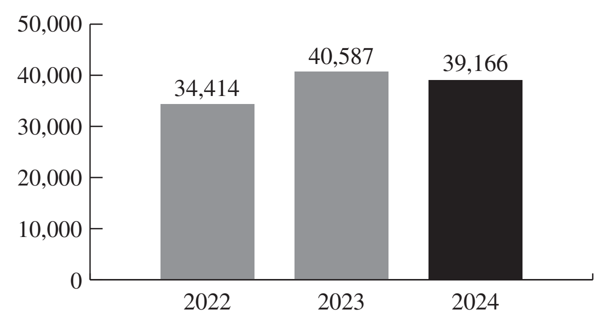
Cao Xinyi
Chairman
E-Commodities Holdings Limited

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND OPERATING RESULTS

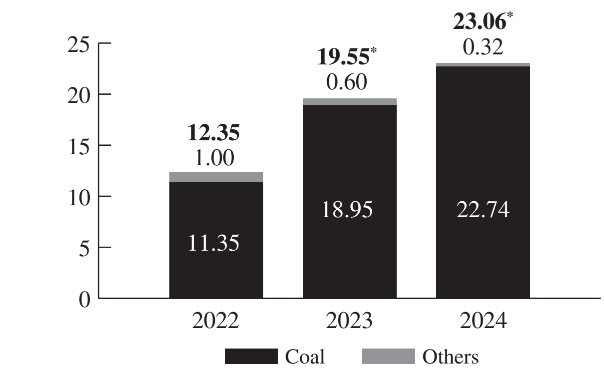
The following discussion and analysis should be read together with the Group's financial information and the notes thereto. The Group's financial statements have been prepared in accordance with all IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**").

I. Overview

Revenue *(in HK$ million)*

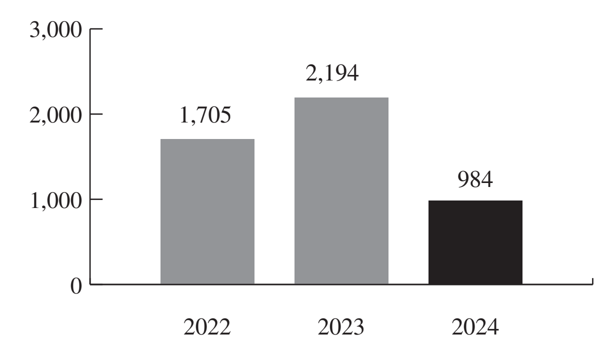


Supply Chain Trading Volume *(million tonnes)*

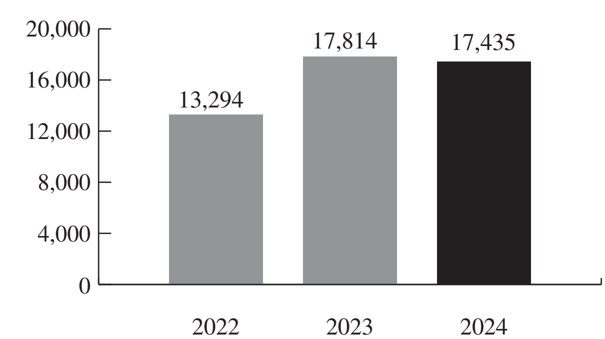


* *Excluding sales volume of approximately 11.65 million tonnes of Mongolian coal executed through our associate Xianghui Energy.*

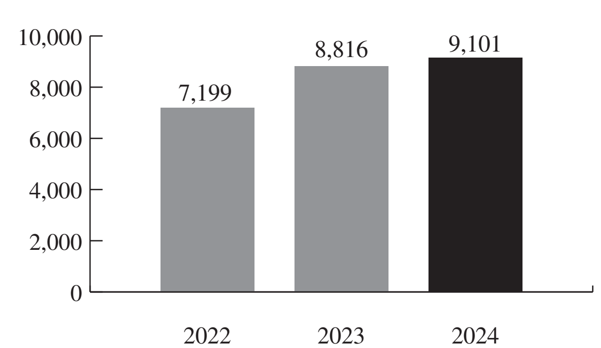
Net Profit *(in HK$ million)*



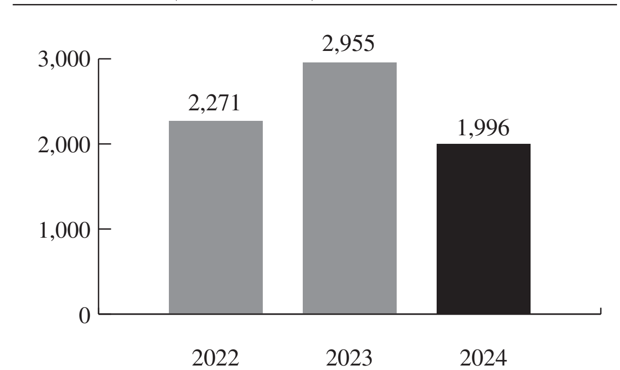
Total Assets *(in HK$ million)*



Total Equity *(in HK$ million)*



Cash Balance *(in HK$ million)*



II. Financial Review

1. Revenue Overview

Looking back on 2024, the global dynamics have been undergoing significant changes at an accelerated pace, trade barriers increased, geopolitical influences deepened, and the stability of production and supply chains and trade order faced great challenges. At the same time, China's economic growth slowed down, and demand remained sluggish, putting significant pressure on the steel industry. To alleviate financial stress and control production costs, coke and steel enterprises adopted more cautious procurement policies for coking coal. On the supply side, global coal supply was relatively abundant, especially in the second half of the year, as demand in markets outside China also declined. This led to an influx of imported coking coal into China, significantly expanding the supply of coking coal, and further widening the gap between supply and demand in the market, which resulted in a downward trend of coking coal prices after a high and fluctuating start at the beginning of the year, marking a full-year decline of nearly 40.00%. In such a severe market environment, the Company recorded consolidated revenue of HK$39,166 million, representing a decrease of 3.50% compared to HK$40,587 million in 2023. The change was mainly due to:

(i) Supply chain trading revenue increased by 2.86% as compared to 2023, with coal trading revenue increased by 6.42%, primarily due to a 20.01% increase in coal trading volume as compared to 2023.

(ii) Integrated supply chain services revenue decreased by 37.55% as compared to 2023, primarily due to the downward trend in the coal market and the implementation of the trade bidding model, which caused transportation prices related to Mongolia to drop to historical lows, Consequently, our cross-border transportation volume at Sino-Mongolia ports also declined.

	2024	2023
	HK$'000	*HK$'000*
Disaggregated by major products or service lines		
– Coal	**33,848,161**	31,805,175
– Rendering of integrated supply chain services	**3,951,002**	6,326,916
– Oil and petrochemical products	**1,135,268**	2,026,735
– Iron ore	**179,538**	319,433
– Coke	**–**	33,530
– Others	**52,222**	74,876
	39,166,191	40,586,665

In 2024, sales revenue generated from outside of the PRC (including Hong Kong, Macau and Taiwan) was HK$8,131 million, and the percentage to the total revenue maintained 20.76% in 2024, showing the great effort of the Group in global market expansion and market diversification. In 2024, the Group's oversea business geographic coverage includes Indonesia, Malaysia, Mongolia, South Korea, India, Japan, Vietnam and others.

	Revenues from external customers	
	2024	2023
	HK$'000	*HK$'000*
The PRC (including Hong Kong, Macau and Taiwan)	**31,035,530**	31,907,960
Indonesia	**2,633,338**	1,954,110
Malaysia	**1,580,972**	1,397,086
Mongolia	**1,089,654**	792,536
South Korea	**1,045,207**	2,005,749
India	**776,320**	940,260
Japan	**502,576**	237,241
Vietnam	**384,048**	966,172
Others	**118,546**	385,551
	39,166,191	40,586,665

In 2024, the sales from our top five customers accounted for 44.92% of our total sales, whereas the same ratio was 44.82% in 2023. These customers are mainly large-scale, state-owned steel groups in China, all being leading companies in the industry.

Supply Chain Trading

In 2024, our supply chain trading business segment recorded a revenue of HK$35,163 million, representing approximately 89.78% 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 and iron ore.

In 2024, China's coking coal imports hit a record high, reaching 122.25 million tons in total, representing an increase by 19.26% as compared in 2023, among which the total import volume of coking coal from Mongolia reached 56.79 million tons, accounting for 46.46% of China's total coking coal imports. Facing intense competition, we maintained our leading position in the market by leveraging years of industry experience and visionary strategic expansion and with the aim to provide comprehensive and high quality services to our customers. In 2024, the Company achieved a total coal sales volume of approximately 22.74 million tons, representing an increase by approximately 20.01% as compared in 2023, and recorded revenue of HK$33,848 million, representing an increase by approximately 6.42% as compared to 2023.

Integrated Supply Chain Services

The Company completed the full acquisition of upstream mining company TTJV Co. LLC. in August 2024. This not only marked a significant step for us in the mining services sector, but also extended and expanded our integrated supply chain services, further enhancing our cooperation with ETT. TTJV Co. LLC. achieved HK$878 million in revenue and HK$88 million in gross profit in 2024. Since August, TTJV Co. LLC. has been consolidated in the Group's financial statements, contributing HK$393 million in revenue and HK$35 million in gross profit in 2024. In the future, we will locate more strategic partners, covering the entire supply chain from mining services to logistics and processing, and to market distribution, achieving full coverage of the integrated commodities supply chain.

In 2024, we have both witnessed and contributed to the volume breakthrough at various Sino-Mongolia border ports. In 2024, the Group achieved a total of approximately 17.37 million tons of storage volume at the ports, representing an increase by approximately 7.02% as compared in 2023, among which the storage volume at the Gants Mod port was approximately 11.07 million tons, maintaining our market share at that port. The Mandula port began operations in June 2024, with a storage volume of approximately 1.57 million tons. The cross-border transportation volume was approximately 7.90 million tons, domestic transportation volume amounted to approximately 13.03 million tons and washing and processing volume was approximately 8.48 million tons.

Business Prospects

Our long-term strategy is summarised as “three services, one core, and three capabilities": focusing on coking coal as the core product sourced from three key production areas of seaborne coal, Mongolian coal and domestic coal, providing mining services, processing services and logistics services, and building core competitiveness, across various aspects of the business, including the entire supply chain, integrated solutions, cross-selling strategies and customer services. We are committed to providing stable, all-round and diversified services to customers across China and around the world. At the same time, we actively respond to the national strategy of “carbon peak and carbon neutrality” by providing clean and green service solutions, such as new energy-based entry, and real-time display screens at intelligent ports. Looking ahead to 2025, despite the uncertainties, we will uphold the spirit of being proactive and forging ahead bravely to move forward and overcome numerous difficulties. We will continue to deepen the strategic expansion across multiple ports between China and Mongolia to expand our market outreach and firmly promote the transformation towards intelligence, automation, and sustainability. Driven by innovation and led by technology, we will enhance our core competitiveness to continuously drive the sustainable development of the Company.

2. Cost of Sales and Procurement

Cost of sales in 2024 was approximately HK$37,649 million in 2024, representing an increase of 1.87% compared to HK$36,959 million in 2023, which was mainly due to increased costs attributable to volume of coal trading. Procurement costs are the main costs incurred from supply chain trading. In 2024, the procurement volume was approximately 20.89 million tonnes compared to approximately 19.88 million tonnes in 2023, representing an increase of 5.08%.

	2024		2023	
Procurement	**Procurement volume** ***'000 tonnes***	**Procurement amounts** ***HK$'000***	Procurement volume *'000 tonnes*	Procurement amounts *HK$'000*
Coal	**20,565**	**29,127,349**	19,273	29,412,288
Oil and petrochemical products	**126**	**1,163,736**	236	2,085,065
Iron ore	**203**	**175,841**	361	319,294
Coke	**–**	**–**	11	24,283
	20,894	**30,466,926**	19,881	31,840,930

In 2024, the total procurement amount was HK$30,467 million, of which the top five suppliers accounted for 28.77%. 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$1,518 million in 2024, representing a decrease of 58.16% compared to a gross profit of HK$3,628 million recorded in 2023, among which, the gross profit of supply chain trading segment accounted for 42.69%, and the gross profit of integrated supply chain services segment accounted for 57.31%:

(i) In 2024, China's economic growth experienced a slowdown, resulting in weak demand and considerable pressure on the steel industry. Coke and steel companies shifted a more cautious approach to coking coal procurement policies in an effort to ease financial pressures and control production costs. Meanwhile, the supply side remained relatively abundant, with an increase of imported coking coal into China, effectively bolstering the supply of coking coal. In the third quarter of 2024, there was a direct reduction in molten iron production, and demand from steel mills in the latter half of the year was significantly weaker than in the first half, leading to a persistent widening of the supply-demand imbalance for coking coal. Consequently, coking coal prices exhibited a trend of fluctuation and decline from the elevated levels observed at the beginning of the year.

(ii) During the market downturn, profits across all segments of the supply chain industry declined, leading to an overall decrease in the Company's gross profit. The Group implemented a "volume-driven" strategy. By enhancing customer service and expanding value-added services, as well as fully utilizing our comprehensive supply chain service capabilities and closely aligning with market dynamics to stabilize supply, the Company maintained a steady market share in our supply chain trading and service segments.

4. *Administrative Expenses*

The Group recorded administrative expenses of HK$745 million in 2024, representing a decrease of 33.06% compared to HK$1,113 million of administrative expenses incurred in 2023. This was mainly due the decline in staff costs. Excluding the impact of staff cost and non-cash expenses, day-to-day cash administration administrative expenses remained stable compared to 2023.

	2024	2023
	HK$'000	*HK$'000*
Staff costs	**476,327**	760,485
Impairment losses on trade and other receivables	**(36,127)**	19,865
Others	**305,042**	332,413
	745,242	1,112,763

5. *Other Income*

	2024	2023
	HK$'000	*HK$'000*
Net realised and unrealised gain on derivative financial instruments and structured deposits products *(note)*	**171,051**	7,248
Gain/(loss) on disposal of property, plant and equipment, construction in progress and intangible assets	**12,490**	(17,737)
Government grants	**45,274**	61,405
Others	**6,156**	5,415
	234,971	56,331

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 2024 and 2023 respectively.

6. Net Finance Costs

The Group recorded net finance costs of HK$104 million in 2024, compared to net finance costs of HK$62 million in 2023, representing an increase of 67.74% compared with the amount for 2023, mainly because of the increase of finance costs. Finance costs increased by 42.99% compared with the amount for 2023. Such an increase was primarily due to the increased trading volume which resulted in the increased use of credit facility, and the increase in bill settlement leads to the bill discount.

	2024	2023
	HK$'000	*HK$'000*
Interest income on financial assets measured at amortised cost	**(64,360)**	(55,376)
Finance income	**(64,360)**	(55,376)
Interest on secured bank loans	**52,345**	22,271
Interest on discounted bills receivable	**53,965**	43,589
Interest on lease liabilities	**30,348**	35,941
Total interest expense	**136,658**	101,801
Bank and other charges	**23,073**	28,007
Foreign exchange loss, net	**8,674**	(12,034)
Finance costs	**168,405**	117,774
Net finance costs	**104,045**	62,398

7. Profit attributable to Equity shareholders of the Company and Earnings per Share

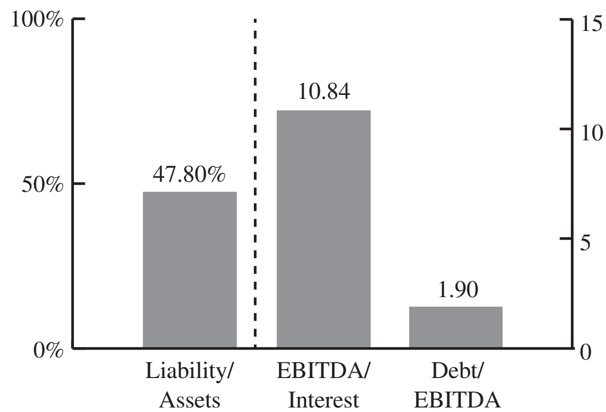
The profit attributable to equity shareholders of the Company was HK$922 million in 2024, representing a decrease of 56.57% compared with the profit attributable to equity shareholders of the Company of HK$2,123 million in 2023. For details of reasons for such decrease, please refer to the subsection headed "Revenue Overview and Gross Profit" above.

Both basic and diluted earnings per share were HK$0.346 for 2024, in comparison, basic and diluted earnings per share for 2023 were HK$0.793.

8. Indebtedness and Liquidity

The total amount of bank loans owed by the Group at the end of 2024 was HK$2,292 million. Interest rates on these loans range from 0.72% to 6.56% per annum, whereas the range in 2023 was from 1.65% to 8.90%. The Group's gearing ratio at the end of 2024 was 47.80%, which was a decrease compared to 50.51% at the end of 2023. The Group calculates the gearing ratio on the basis of total liabilities divided by total assets.

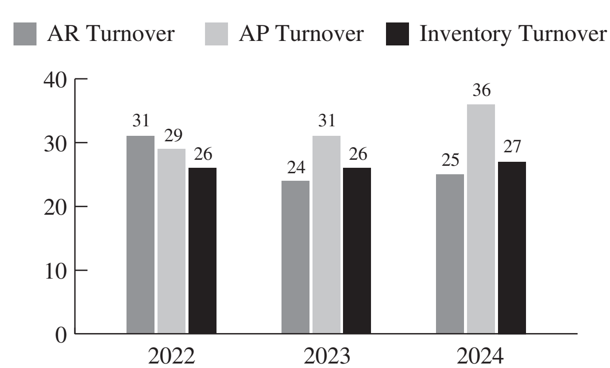
Indebtedness and Liquidity



9. Working Capital

Our accounts receivable turnover days, accounts payable turnover days, and inventory turnover days were 25 days, 36 days, and 27 days, respectively, in 2024. As a result, the overall cash conversion cycle was approximately 16 days in 2024, which was 3 days shorter than the Group's cash conversion cycle in 2023.

Working Capital



10. *Pledge of Assets*

At 31 December 2024, bank loans amounting to HK$936 million (31 December 2023: HK$428 million) together with bills payable amounting to HK$38 million (31 December 2023: HK$nil) had been secured by credit guarantee with a guarantee amount of HK$959 million (31 December 2023: HK$409 million) provided by subsidiaries of the Group and restricted bank deposits with an aggregate carrying value of HK$15 million (31 December 2023: HK$19 million).

At 31 December 2024, bank loans amounting to HK$712 million (31 December 2023: HK$677 million) together with bills payable amounting to HK$218 million (31 December 2023: HK$722 million) had been secured by restricted bank deposits with an aggregate carrying value of HK$70 million (31 December 2023: HK$66 million), property, plant and equipment with an aggregate carrying value of HK$782 million (31 December 2023: HK$629 million), land use rights with an aggregate carrying value of HK$121 million (31 December 2023: HK$54 million), and inventories with an aggregate carrying value of HK$225 million (31 December 2023: HK$1,023 million).

At 31 December 2024, bank loans amounting to HK$644 million (31 December 2023: HK$942 million), together with bills payable amounting to HK$1,970 million (31 December 2023: HK$1,239 million), had been secured by trade and bills receivable HK$878 million (31 December 2023: HK$1,193 million), restricted bank deposits HK$1718 million (31 December 2023: HK$656 million), and structured deposits HK$112 million (31 December 2023: HK$406 million).

At 31 December 2024, lease liabilities amounting to HK$73 million (31 December 2023: HK$134 million) have been secured by property, plant and equipment with an aggregate carrying value of HK$41 million (31 December 2023: HK$102 million), land use rights with an aggregate carrying value of HK$40 million (31 December 2023: HK$30 million).

11. Cash Flow

In 2024, the Group had a net cash inflow from operating activities of HK$640 million compared to HK$2,025 million cash inflow during 2023. The net cash inflow in 2024 was mainly attributable to profit in cash from operating activities.

In 2024, the Group had a net cash outflow from investing activities of HK$910 million compared to HK$1,834 million cash outflow during 2023. The cash outflow from investing activities in 2024 was approximately HK$1,930 million which was mainly attributable to a cash outflow from investment in domestic and overseas logistics infrastructure and logistics equipments, coal washing plant construction and equipment, and other property investments of approximately HK$948 million, and acquisition of subsidiaries of HK$788 million. The cash inflow from investing activities in 2024 was approximately HK$1,021 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$582 million, (ii) receipt from sale of assets of approximately HK$196 million, and (iii) receipt of dividends from associates, joint ventures and other investments of approximately HK$195 million.

In 2024, the Group had a net cash inflow from financing activities of HK$652 million compared to HK$533 million cash outflow during 2023. The net cash outflow from financing activities in 2024 was mainly attributable to (i) the payment of dividends of approximately HK$525 million, (ii) lease repayments of approximately HK$314 million and (iii) the capital contribution in Inner Mongolia E-35 Technology Co., Ltd.* (內蒙古易至科技股份有限公司) and Inner Mongolia Haotong Environmental Technology Co., Ltd.* (內蒙古浩通環保科技有限公司) from Xiamen Xiangyu Joint Stock Company Limited* (廈門象嶼股份有限公司) of approximately HK$109 million.

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, accounts receivable factoring, and bond financing to ensure business operations, repayment of loans, and capital expenditures. In 2024, 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 Company's business and operation were United States dollars ("**USD**") and Renminbi ("**RMB**"). For the business for which purchases were made in USD and sales were made in RMB, the Company paid close attention to the exchange rate of USD to RMB. In the fluctuation of foreign exchange rate of USD to RMB, the Company 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.

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.

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. 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.

4. Currency risk

Over 52.72% of the Group's revenue in 2024 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.

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.

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 2024, the Company 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.

As at 31 December 2024, there were 2,290 full-time employees in the Group (excluding 1,026 dispatch staff from domestic subsidiaries). The breakdown of employee categories is as follows:

	2024		2023	
Functions	**No. of Employees**	**Percentage**	No. of Employees	Percentage
Management, Administration & Finance	**199**	**8%**	194	10%
Front-line Production & Production Support & Maintenance	**921**	**40%**	55	3%
Sales & Marketing	**135**	**6%**	149	7%
Others (incl. Projects and Transportation)	**355**	**16%**	346	17%
Cargo Truck Drivers (Mongolia)	**680**	**30%**	1,247	63%
	2,290	**100%**	1,991	100%

2. Employee Education Overview

Qualifications	2024 No. of Employees	2024 Percentage	2023 No. of Employees	2023 Percentage
Master & above	**141**	**6%**	95	5%
Bachelor	**690**	**30%**	392	20%
Diploma	**289**	**13%**	125	6%
High-School, Technical School & below	**1,170**	**51%**	1,379	69%
	2,290	**100%**	1,991	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 2024, the Company held various training programs totaling 998 hours, and over 12,790 attendances were recorded for these programs.

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.

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	2024 No. of hours	2024 No. of participants	2023 No. of hours	2023 No. of participants
Safety	**345**	**5,378**	126	1,876
Management & Leadership	**142**	**2,735**	106	1,381
Operation Excellence	**511**	**4,677**	121	3,318
	998	**12,790**	353	6,575

VI. Health, Safety and Environment

The Company 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. No casualties, environmental accidents or occupational health and safety accidents occurred in 2024.

In accordance with the Conclusions to its Consultation on the Review of the ESG Reporting Guide and Related Listing Rules published by HKEx on 18 December 2019, the Company has engaged an independent professional third party to work in consultation for its 2024 report on environmental, social and governance ("**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 2024 ESG report of the Company.

VII. Final Dividends

A final dividend in cash of HK$0.013 per share, totalling approximately HK$35 million, has been declared for the year ended 31 December 2024. 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 9 September 2025. The dates for closure of register of members of the Company for ascertaining shareholders' entitlement to the final dividend will be further announced.

VIII. Compliance With the CG Code

Throughout the year ended 31 December 2024, the Company complied with the code provisions (the "**Code Provisions**") under the Corporate Governance Code contained in Appendix C1 to the Listing Rules (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 2024.

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 ("**Model Code**") as its own code of conduct for dealing in securities of the Company by the directors of the Company (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 2024.

X. Purchase, Sale or Redemption of the Company's Listed Securities

As at 31 December 2024, the Company had a total of 2,696,546,962 shares in issue. The Company repurchased a total of 4,936,000 shares on the Stock Exchange during the year ended 31 December 2024, among which 1,630,000 repurchased shares were cancelled in 2024 and the remaining 3,306,000 shares were repurchased and held as treasury shares.

XI. Other Information and Subsequent to the Reporting Date

Distribution in specie of the shares in the Company by controlling shareholder

On 19 January 2024, the Company was notified by Famous Speech Limited ("**Famous Speech**"), the controlling shareholder of the Company (as defined under the Listing Rules), that Famous Speech approved a distribution in specie of 1,500,080,608 Shares held by it to its members, namely Ms. Wang Yihan ("**Ms. Wang**") and Magnificent Gardenia Limited ("**Magnificent Gardenia**") in proportion to their respective equity interest in Famous Speech (the "**Distribution in Specie**"). As at the date of the announcement on the Distribution in Specie, 1,500,080,608 Shares, representing approximately 55.44% of the total number of Shares in issue were held by Famous Speech (the "**Distribution Shares**"), which in turn is owned as to 73.3% and 26.7% by Ms. Wang and Magnificent Gardenia, respectively.

Under the Distribution in Specie, Famous Speech shall distribute 1,100,059,113 Distribution Shares to Ms. Wang to be held directly by Ace Beacon Holdings Limited ("**Ace Beacon**"), a company incorporated in the British Virgin Islands and wholly owned by Ms. Wang, and 400,021,495 Distribution Shares to Magnificent Gardenia. Upon completion of the Distribution in Specie, Famous Speech no longer holds any Shares, and each of Ace Beacon and Magnificent Gardenia becomes a direct shareholder of the Company, holding 1,100,059,113 Shares and 400,021,495 Shares, respectively. Please refer to the announcement of the Company dated 19 January 2024 for further details.

Provision of Counter-Guarantees

Counter-Guarantee in February 2024 and the supplemental agreement thereto

Reference is made to the announcement of the Company dated 7 November 2022 in respect of the irrevocable counter-guarantee (the "**November 2022 Counter-Guarantee Contract**") in the aggregate amount up to RMB269.5 million provided by the Company in favour of Xiamen Xiangyu Joint Stock Company Limited* ("**Xiangyu Joint Stock**") in connection with the banking facilities in an aggregate principal amount of up to RMB500 million granted to Xianghui Energy (Xiamen) Co., Ltd.* ("**Xianghui Energy**"). On 19 February 2024, the Company and Xiangyu Joint Stock mutually agreed to terminate the November 2022 Counter-Guarantee Contract with immediate effect.

On the same date, the Company and Xiangyu Joint Stock entered into a counter-guarantee contract, pursuant to which the Company agreed to provide the counter-guarantee in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, pursuant to which the counter-guarantee (the "**Counter-Guarantee in February 2024**") is for an aggregate amount of RMB215.6 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 contracts provided by Xiangyu Joint Stock in favour of the designated banks in relation to the banking facilities extended to Xianghui Energy.

Subsequently, given part of the banking facilities granted to Xianghui Energy by one of the designed banks in the principal amount of RMB300 million was due on 14 January 2025, the principal amount of such banking facilities was reduced to up to RMB100 million. In light of above, on 17 January 2025, the Company and Xiangyu Joint Stock entered into the supplemental agreement Counter-Guarantee in February 2024, pursuant to which the guaranteed amount was revised from a principal amount of up RMB215.6 million to a principal amount of up to RMB53.9 million. Save for the amendment mentioned above, all other terms of February 2024 Counter-Guarantee Contract remain unchanged and shall continue to be in full force and effect in all respects.

For further details, please refer to the announcements of the Company dated 19 February 2024 and 17 January 2025.

Counter-Guarantee in October 2024

On 23 October 2024, Xianghui Energy (Bayan Nur), 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 (Bayan Nur) the Banking Facilities in the principal amount of up to RMB200 million. In connection with the 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 (Bayan Nur) thereof and executed a bank guarantee contract in relation thereto.

On 25 October 2024, the Company and Xiangyu Joint Stock entered into the counter-guarantee contract (the "**Counter-Guarantee in October 2024**"), pursuant to which the Company agreed to provide the Counter-Guarantee in October 2024 in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, pursuant to which the Counter-Guarantee is 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 relevant bank guarantee contract provided by Xiangyu Joint Stock in favour of the Designated Bank in connection with the Banking Facilities.

For further details of the Counter-Guarantee in October 2024, please refer to the announcement of the Company dated 25 October 2024.

Counter-Guarantees in January 2025

In connection with certain banking facilities extended by the relevant designated banks to (i) Xianghui Energy (Singapore) Pte. Ltd. ("**Xianghui Singapore**"), a wholly-owned subsidiary of Xianghui Energy, in the principal amount of US$7 million; and (ii) Xianghui Energy in the principal amount of RMB300 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 Singapore and Xianghui Energy, respectively, and therefore, executed the bank guarantee contracts in relation thereto.

On 17 January 2025, the Company and Xiangyu Joint Stock entered into (i) the counter-guarantee contract (the "**Counter-Guarantee (USD) in January 2025**"), pursuant to which the Company agreed to provide the Counter-Guarantee (USD) in January 2025 in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, pursuant to which the Counter-Guarantee (USD) in January 2025 is for an aggregate amount of up to approximately US$3.773 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 under the bank guarantee provided by Xiangyu Joint Stock; and (ii) the counter-guarantee contract (the "**Counter-Guarantee (RMB) in January 2025**"), pursuant to which the Company agreed to provide the Counter-Guarantee (RMB) in January 2025 in favour of Xiangyu Joint Stock in proportion to its 49% equity interest in Xianghui Energy, pursuant to which the

Counter-Guarantee (RMB) in January 2025 is for an aggregate amount of RMB161.7 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 bank guarantee provided by Xiangyu Joint Stock.

For further details of the Counter-Guarantee (USD) in January 2025 and Counter-Guarantee (RMB) in January 2025, please refer to the announcement of the Company dated 17 January 2025.

Xiangyu Joint Stock is a substantial shareholder of Inner Mongolia E-35 Technology Co., Ltd.* (內蒙古易至科技股份有限公司) and Inner Mongolia Haotong Environmental Technology Co., Ltd.* (內蒙古浩通環保科技有限公司), 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. As a result, the provision of the Counter-Guarantee in February 2024 constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Entering into the Equity Transfer Agreements

The Company has a long successful and friendly cooperation relationship with Xiamen Xiangyu. Since the cooperation agreement entered into in August 2019, the Group has achieved expansion of its Mongolian coal trading business through the establishment of a joint venture company, Xianghui Energy, in order to deepen the trading business in respect of Mongolian coal. Subsequently, to further enhance the cooperation, the parties further entered into a capital increase agreements in August 2021 in accordance with the arrangement under the Cooperation Agreement, following which Xiamen Xiangyu became the substantial shareholder of Inner Mongolia E-35 and Haotong Environmental Technology, which facilitated the integration of the Group's ancillary infrastructures laid out along the Gants Mod border crossing including, among other things, the Yiteng Logistics Park, the Haotong and Salaqi Coal Wash Plants, as well as certain ancillary assets such as railway platforms, special railway lines and containers, transport vehicles.

In order to further facilitate and promote the cooperation objects under the Cooperation Agreement and Capital Increase Agreement, where to carry out a further consolidation and integration of the Group's logistics and coal washing and processing-related assets. Accordingly, on 7 June 2024, each of the Vendors and the relevant Purchasers, all being subsidiaries of the Company, entered into the Equity Transfer Agreements, pursuant to which each of the Vendors agreed to transfer and each of the relevant Purchasers agreed to purchase the respective Sale Interests in each of the Target Subsidiaries for an aggregate cash consideration in the amount of RMB460,791,100 in accordance with the terms of the relevant Equity Transfer Agreements, which are substantially the same as each other. For further details, please refer to the announcement of the Company dated 7 June 2024.

Acquisition of majority interest in an associate

On 8 August 2024, the Company entered into the sale and purchase agreement with Seven Rocks Investment Limited (the "**Vendor**"), pursuant to which the Company agreed to acquire, and Vendor agreed to sell, the sale shares, representing 70% of the issued share capital of Five Hills Investment Limited (the "**Target Company**"), a company incorporated in the British Virgin Islands with limited liability, and is principally engaged in coal mining services through its wholly owned subsidiary for a cash consideration of US$77,900,000. Upon completion of the acquisition, the Target Company became a wholly owned subsidiary of the Company. For further details, please refer to the announcement of the Company dated 8 August 2024.

Save as disclosed in this announcement and as at the date of this announcement, there were no other significant events that might affect the Group since 31 December 2024.

XII. Review of Annual Results

The audit committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2024.

XIII. Disclosure of Information on the Stock Exchange's Website

This annual results announcement is published on the websites of the Company (www.e-comm.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2024 will be available on the above websites in due course.

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

Hong Kong, 21 March 2025

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

* *For identification purpose only*