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)

PROFIT WARNING

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

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that after a preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2025 and the latest information currently available to the Board, the Group is expected to record decreases in revenue to a range of approximately HK$11,000 million to HK$13,000 million for the six months ended 30 June 2025 compared to the six months ended 30 June 2024; and the Group expects the profit attributable to equity shareholders for the six months ended 30 June 2025 to decrease to a range of HK$120 million and HK$140 million compared to the six months ended 30 June 2024, and to remain basically the same compared to the second half of 2024. Such a decrease primarily due to the market downturn in the first half of the year 2025 causing a continuous decline in coking coal prices, which in turn led to a decline in revenue and gross profit margin. The key operating-environment analysis is as follows:

In the first half of 2025, coking coal prices sustained the downward trajectory initiated in the second half of 2024, primarily attributable to excess supply and prevailing pessimistic market sentiment. On the supply side, the output of the main domestic production areas increased; while import volumes moderated due to profit inversion and the retreat of U.S. coal from the market, the overall supply remained relatively high. On the demand side, downstream customers generally maintain a low inventory strategy and engage in purchases strictly on an as-needed basis. At the same time, the tarriffs imposed by the US government have exacerbated the uncertainty of the international trade landscape, further curbing market vitality and yielding subdued demand dynamics. Affected by various factors, the price of coking coal continues to be under pressure, once falling to the lowest level since 2021, the average price of which in the first half of 2025 was US$175 per ton, down nearly 40.0% compared to the first half of 2024. In the context of a nearly 10% year-over-year contraction in China's aggregate coking coal imports, the Group vigilantly monitored market fluctuations in its trading business, pursued optimized sales on selective basis, and maintained a relatively stable market share, where the Group's trading volume for the first half of the year diminished by no more than 10% compared to the same period in 2024. In the first half of 2025, trading turnover from non-Chinese markets accounted for about 26% of the Group's total revenue, up to approximately 23% in the same period of 2024. Due to the impact of lower unit price, the revenue from our supply chain trading segment decreased by approximately 40% year-on-year.

In the first half of 2025, Mongolia's coal exports exhibited a concurrent diminution in both volume and price, principally attributable to the sustained weakness in procurement sentiment among China's customers. According to the General Administration of Customs, the aggregate quantum of coal imported into China from Mongolia during the first half of 2025 totalled 37.22 million tons, accounting for approximately 17% of China's total coal imports, representing a decrease of approximately 5% compared with the same period in 2024. Among them, imports from the Gants Mod Port approximated 17.06 million tons, representing a year-on-year decrease of approximatley 16%. The price of Mongolian 5# raw coal at Gants Mod Port fell from RMB920 per ton at the beginning of the year to the lowest RMB700 per ton, the largest decline of approximately 24%. In the first half of 2025, the average short-haul freight rate at the Gants Mod Port was approximately RMB59 per ton, a decrease of approximately 35% compared to the same period in 2024. Despite numerous market challenges, the Group actively responded to market volatilities, assiduously diversified into emergent commodities such as furnace-grade coking coal, leveraged its end-to-end supply chain services advantages, implemented stringent cost control protocols across all operational stages, and thereby sustained its prevailing market share with the increase in transaction volume at every port. In this context, the Group's revenue attributable to its integrated supply chain segment for the first half of the year decreased by approximately 14% compared to the same period in the last year due to the decline in market prices.

The management is fully aware that, in a challenging market landscape, cash flow represents an entity's core strategic assets. During the first half of 2025, the Group imposed cash recovery by minimizing inventory levels and expediting operational turnover. By the end of the reporting period, net cash inflows from operating activities surged by nearly 300% compared to the same period in the last year, enabling the Company not only respond steadily to market changes but also explore potential opportunities; conversely, net cash outflows from financing activities rose by approximately 160% compared to the same period in the last year, primarily attributable to the Group's proactive debt repayment efforts, which results in lower financing leverage and financial costs.

In the face of the inherent cyclicality of the commodities industry, we have full confidence in and capability to withstand pressure and navigate through cycles.

The Company is still in the process of finalising the unaudited consolidated financial results of the Group for the six months ended 30 June 2025. The information contained in this announcement is based on a preliminary assessment by the Board of the unaudited consolidated management accounts of the Group and the latest information currently available to the Board, and has not been reviewed or audited by the Company's independent auditors, nor reviewed by the audit committee of the

Company. Shareholders and potential investors are therefore advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2025, which is expected to be published on or around 22 August 2025.

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

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

Hong Kong, 12 August 2025

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