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E&P Global Holdings Limited
能源及能量環球控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1142)

**ANNUAL RESULTS ANNOUNCEMENT FOR
THE YEAR ENDED 31 MARCH 2026**

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of E&P Global Holdings Limited (the “**Company**”) announces the consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2026, together with the comparative figures for the year ended 31 March 2025, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue	4	699,656	489,447
Cost of sales		<u>(682,385)</u>	<u>(483,260)</u>
Gross profit		17,271	6,187
Other income	6	9,705	6,431
Other gains and losses, net	7	64,089	(305,504)
Selling and distribution costs		(3,126)	(3,659)
Administrative expenses		(21,957)	(13,399)
Finance costs	8	<u>(100,541)</u>	<u>(19,070)</u>
Loss before income tax		(34,559)	(329,014)
Income tax credit/(expenses)	9	<u>9,570</u>	<u>(328)</u>
Loss for the year	10	<u>(24,989)</u>	<u>(329,342)</u>
Loss for the year attributable to:			
Owners of the Company		(16,569)	(329,045)
Non-controlling interests		<u>(8,420)</u>	<u>(297)</u>
Loss for the year		<u>(24,989)</u>	<u>(329,342)</u>

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Other comprehensive income (expense) for the year:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>44,290</u>	<u>101,986</u>
Total comprehensive income (expense) for the year		<u>19,301</u>	<u>(227,356)</u>
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		<u>28,059</u>	<u>(226,358)</u>
Non-controlling interests		<u>(8,758)</u>	<u>(998)</u>
		<u>19,301</u>	<u>(227,356)</u>
Loss per share			
Basic (HK\$)	<i>12</i>	<u>(0.00)</u>	<u>(2.27)</u>
Diluted (HK\$)	<i>12</i>	<u>(0.00)</u>	<u>(2.27)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	13	5,138	15,639
Right-of-use assets		6,612	41
Investment property		26,368	26,011
Intangible assets	14	—	—
Exploration and evaluation assets	15	1,413,000	1,423,165
Rental deposits		1,212	189
		<u>1,452,330</u>	<u>1,465,045</u>
<i>Current assets</i>			
Inventories		8,794	5
Trade receivables	16	15,493	1,927
Other receivables		6,416	7,095
Cash and cash equivalents		5,156	2,443
		<u>35,859</u>	<u>11,470</u>
Liabilities			
<i>Current liabilities</i>			
Trade payables	17	12,636	7,887
Other payables		11,152	8,497
Contract liabilities		9,172	516
Interest-bearing borrowings	18	—	73,099
Amounts due to shareholders	19	—	4,926
Amount due to a director	20	—	229
Purchase consideration payable for additional acquisition		—	3,338
Lease liabilities		2,078	58
Income tax payable		512	39
		<u>35,550</u>	<u>98,589</u>
Net current assets/(liabilities)		<u>309</u>	<u>(87,119)</u>
Total assets less current liabilities		<u>1,452,639</u>	<u>1,377,926</u>

		2026	2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Non-current liabilities</i>			
Amounts due to shareholders	19	169,554	146,836
Amount due to a related party	21	—	15,312
Interest-bearing borrowings	18	88,210	—
Other payables		19,776	16,838
Convertible notes payables	22	—	3,170,231
Provision for close down, restoration and environmental costs		1,503	1,434
Lease liabilities		3,085	—
Deferred tax liabilities		3,676	5,433
		<u>285,804</u>	<u>3,356,084</u>
Net assets/(liabilities)		<u>1,166,835</u>	<u>(1,978,158)</u>
Capital and reserves			
Share capital	23	126,372	1,450
Reserves		<u>1,086,302</u>	<u>(1,942,527)</u>
Equity attributable to owners of the Company		1,212,674	(1,941,077)
Non-controlling interests		<u>(45,839)</u>	<u>(37,081)</u>
Total equity/(Capital deficiencies)		<u>1,166,835</u>	<u>(1,978,158)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. CORPORATE INFORMATION

E&P Global Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability, and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of principal place of business of the Company is Units 603-605, 6th Floor, AIA Central, 1 Connaught Road, Central, Hong Kong.

The Company engages in investment holding. The principal activities of its principal subsidiaries are engaged in holding mining and exploration rights of coal mines in the Russia Federation (“**Russia**”), trading of diesel, gasoline and other products in the Republic of Korea (“**Korea**”) and trading of coal in the People’s Republic of China (“**PRC**”).

The functional currency of the Company and the subsidiaries incorporated in Hong Kong are Hong Kong dollars (“**HK\$**”) while that of the subsidiaries established in the Russia, Korea and the PRC are Russian Ruble (“**RUB**”), South Korean Won (“**KRW**”) and Renminbi (“**RMB**”) respectively. For the purpose of presenting the consolidated financial statements, the Group adopted HK\$ as its presentation currency, which is the same as the functional currency of the Company.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Going concern assumptions

For the year ended 31 March 2026, the Group recorded a loss attributable to owners of the Company of approximately HK\$16.6 million. As at that date, the Group had current liabilities of approximately HK\$35.6 million which are due for repayment within the next twelve months or repayable on demand, while its available cash and cash equivalents amounted to only approximately HK\$5.2 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

Nevertheless, in assessing the appropriateness of the going concern basis, the Directors have carefully considered the following measures and funding support available to the Group:

- (i) Extension of shareholder loans — As set out in Note 19, a shareholder has agreed in writing not to demand repayment of the amounts due to shareholders (totalling approximately HK\$169.6 million as at 31 March 2026) before 31 December 2027.
- (ii) Committed loan facilities — The Group has obtained loan facilities from independent third parties which, in the opinion of the Directors, are sufficient to support the continual normal operation of the Group for at least 12 months from the end of the reporting period. The relevant lenders have confirmed that they will not demand early repayment before 31 December 2027.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Going concern assumptions *(Continued)*

- (iii) Equity funding and debt capitalisation plans — On 27 June 2026, the Company entered into a subscription agreement in relation to the debt capitalisation (Note 25), pursuant to which the Company conditionally agreed to allot and issue an aggregate of 454.5 million shares to settle part of the high-interest bearing loans, with a further potential allotment of up to 1,160 million shares to settle the remaining indebtedness. If completed, these exercises will significantly strengthen the Group's working capital position and reduce its interest-bearing liabilities.
- (iv) Internally generated operating cash flows — The Group's trading operations in Korea and the PRC are expected to continue generating positive operating cash flows to support its day-to-day working capital requirements. The Directors are of the view that, even without taking into account any cash inflows from the Group's mining operations in the near term, the cash flows from the trading business, together with the funding support referred to in (i) to (iii) above, will provide sufficient liquidity to meet the Group's obligations as they fall due.

With the successful implementation of the measures and funding and financial support obtained as set out above, in the opinion of the directors of the Company, the Group will have sufficient funds to satisfy its future working capital and other financial commitments as and when they fall due. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business, the effect of which has not yet been reflected in the consolidated financial statements. Adjustments may have to be made to write down assets to their recoverable amounts. In addition, the Group may have to provide further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities.

3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS (“HKFRSs”)

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint venture and associates for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

Amendments to HKFRSs issued but not yet effective

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs issued but not yet effective (Continued)

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group’s financial statements. The Group has commenced an assessment of the impact of these new and amended HKFRS Accounting Standards and interpretations, but is yet in a position to state whether they would have significant impacts on its results of operations and financial position.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. HKFRS 19 was amended in 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. The amendments are not expected to have any significant impact on the Company’s subsidiaries financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs issued but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity’s financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group’s financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

3. APPLICATION OF NEW AND AMENDMENTS TO THE HKFRS ACCOUNTING STANDARDS (“HKFRSs”) (Continued)

Amendments to HKFRSs issued but not yet effective (Continued)

Amendments to HKAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation’s comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

Annual Improvements to HKFRS Accounting Standards — Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 Financial Instruments: Disclosures:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- **HKFRS 9 Financial Instruments:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- **HKFRS 10 Consolidated Financial Statements:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.
- **HKAS 7 Statement of Cash Flows:** The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

4. REVENUE

Revenue represents revenue arising from sales of diesel, gasoline and other products. An analysis of the Group's revenue for the year is as follows:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15 Disaggregated by major products		
Sales of diesel	506,581	369,329
Sales of gasoline	135,814	99,017
Sales of others	57,261	21,101
	<u>699,656</u>	<u>489,447</u>

The timing of revenue recognition of all revenue from contracts with customers is at a point in time.

During the years ended 31 March 2026 and 2025, all of the Group's revenue, based on the location of the operations, was generated in Korea and the PRC.

Transaction price allocated to the remaining performance obligations

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Directors have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

- i. Mining segment — Holding mining and exploration rights of coal mines in Russia; and
- ii. Trading segment — Sales of diesel, gasoline and other products in Korea and the PRC.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

5. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2026

	Mining HK\$'000	Trading HK\$'000	Total HK\$'000
Segment revenue	<u>—</u>	<u>699,656</u>	699,656
Segment (loss) profit	<u>(76,528)</u>	<u>12,115</u>	(64,413)
Unallocated corporate income			130,395
Unallocated finance costs			<u>(100,541)</u>
Loss before income tax			<u>(34,559)</u>

For the year ended 31 March 2025

	Mining HK\$'000	Trading HK\$'000	Total HK\$'000
Segment revenue	<u>—</u>	<u>489,447</u>	489,447
Segment (loss) profit	<u>(786,012)</u>	<u>1,560</u>	(784,452)
Unallocated corporate income			474,508
Unallocated finance costs			<u>(19,070)</u>
Loss before income tax			<u>(329,014)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss) profit of each segment without allocation of central administration costs, directors' emoluments, unallocated other income and finance costs. This is the measure reported to the directors of the Company with respect to the resource allocation and performance assessment.

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

Segment assets

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Mining	1,414,788	1,438,162
Trading	<u>61,134</u>	<u>36,759</u>
Total segment assets	1,475,922	1,474,921
Corporate and other assets	<u>12,267</u>	<u>1,594</u>
Total assets	<u><u>1,488,189</u></u>	<u><u>1,476,515</u></u>

Segment liabilities

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Mining	41,347	45,715
Trading	<u>54,073</u>	<u>40,472</u>
Total segment liabilities	95,420	86,187
Corporate and other liabilities	<u>225,934</u>	<u>3,368,486</u>
Total liabilities	<u><u>321,354</u></u>	<u><u>3,454,673</u></u>

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segment, other than unallocated other receivables, cash and cash equivalents and other corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to operating segments, other than unallocated other payables, income tax payable, interest-bearing borrowings, amounts due to shareholders, a director and a related party, convertible notes payables, promissory notes payables, deferred tax liabilities and other corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

5. SEGMENT INFORMATION (Continued)

Other segment information

The following table presents revenue, results and certain assets, liabilities and expenditure information for the Group's reportable segments for the years ended 31 March 2026 and 2025.

For the year ended 31 March 2026

	Mining HK\$'000	Trading HK\$'000	Corporate and other HK\$'000	Consolidated total HK\$'000
Amounts included in the measure of segment profit or loss or segments assets:				
Additions to non-current assets	–	251	2,929	3,180
Depreciation of property, plant and equipment	–	577	416	993
Depreciation of right-of-use assets	119	–	2,884	3,003
Impairment loss on exploration and evaluation assets	13,325	–	–	13,325
Impairment loss on trade and other receivables	–	918	114	1,032
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amount regularly provided to the CODM but not included in the measure of segment profit or loss:				
Income tax expenses (credit)	(10,862)	1,292	–	(9,570)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 31 March 2025

	Mining HK\$'000	Trading HK\$'000	Corporate total HK\$'000	Consolidated total HK\$'000
Amounts included in the measure of segment profit or loss or segments assets:				
Additions to non-current assets	834	1,756	–	2,590
Depreciation of property, plant and equipment	—	411	–	411
Depreciation of right-of-use assets	699	260	–	959
Impairment loss on exploration and evaluation assets	786,775	—	–	786,775
Impairment loss on trade and other receivables	—	20	–	20
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amount regularly provided to the CODM but not included in the measure of segment profit or loss:				
Income tax expenses (credit)	453	(125)	–	328
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5. SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations are located in Hong Kong, Russia, Korea and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations.

Information about the Group's non-current assets is presented based on the geographical location of these assets.

Revenue from external customers

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Korea	671,337	489,447
PRC	28,319	—
	<u>671,337</u>	<u>489,447</u>

Non-current assets

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Russia	1,414,306	1,437,125
Korea	27,742	27,731
PRC (including Hong Kong)	10,282	—
	<u>1,452,330</u>	<u>1,464,856</u>

Non-current assets excluded rental deposits.

Information about major customer

Details of the customer contributing over 10% of total revenue of the Group are as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Customer A ¹	123,976	2,028
	<u>123,976</u>	<u>2,028</u>

¹ Revenue from trading segment

6. OTHER INCOME

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest income	311	92
Sundry income	8,441	3,347
Net exchange gains	953	2,992
	<u>9,705</u>	<u>6,431</u>

7. OTHER GAINS AND LOSSES, NET

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Impairment loss on exploration and evaluation assets	(13,325)	(786,775)
Impairment loss on trade and other receivables	(1,032)	(20)
Fair value gain of investment property	987	389
Gain from write-off of interest-bearing borrowings	—	49,718
Loss on extinguishment of convertible notes	—	(37,272)
Gain on conversion of notes to ordinary shares	37,272	—
Waiver of interest charged on convertible notes	103,020	468,456
Loss on written-off of property, plant and equipment	(62,833)	—
	<u>64,089</u>	<u>(305,504)</u>

8. FINANCE COSTS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Interest on:		
— Loan from third parties	1,499	2,300
— Loan from shareholders	4,778	6,110
— Loan from a director	407	77
— Loan from a related party	235	636
— Lease liabilities	519	30
— Convertible notes payables	93,103	9,917
	<u>100,541</u>	<u>19,070</u>

9. INCOME TAX (CREDIT)/EXPENSES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current tax:		
Korea corporation tax	3,320	59
PRC corporation tax	15	—
Over-provision in prior years:		
Korea corporation tax	—	(224)
Russia corporation tax	(10,862)	—
Deferred tax	(2,043)	493
	<u>(9,570)</u>	<u>328</u>

10. LOSS FOR THE YEAR

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loss for the year has been arrived at after charging (crediting):		
Employee benefits expenses		
Directors' emoluments	1,949	914
Salaries and wages	3,420	2,068
Pension fund contribution	179	111
	<u>5,548</u>	<u>3,093</u>
Depreciation		
— Property, plant and equipment	993	411
— Right-of-use assets	3,003	959
Auditor's remuneration	1,270	1,950
Net foreign exchange gain	(881)	(2,992)
Cost of inventories recognised as an expense	<u>682,385</u>	<u>483,260</u>

11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

12. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following:

	2026 HK\$'000	2025 <i>HK\$'000</i>
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share	<u>(16,569)</u>	<u>(329,045)</u>
	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding for the purpose of basic and diluted loss per share	<u>8,140,421,552</u>	<u>145,017,062</u>

During the year ended 31 March 2026, there were no dilutive potential ordinary shares. Therefore, the diluted loss per share was the same as basic loss per share.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement <i>HK\$'000</i>	Construction in progress <i>HK\$'000</i>	Freehold land <i>HK\$'000</i>	Furniture and fixture <i>HK\$'000</i>	Equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost							
At 1 April 2024	—	10,831	1,093	34	192	1,198	13,348
Additions	—	834	—	—	1,756	—	2,590
Transfer	—	—	—	—	—	—	—
Exchange realignments	—	1,063	98	—	(92)	(109)	960
At 31 March 2025 and 1 April 2025	—	12,728	1,191	34	1,856	1,089	16,898
Additions	2,929	—	—	—	251	—	3,180
Disposals and written off	—	(13,515)	—	—	—	—	(13,515)
Exchange realignments	—	787	58	—	(52)	(24)	769
At 31 March 2026	2,929	—	1,249	34	2,055	1,065	7,332
Net of accumulated depreciation and impairment							
At 1 April 2024	—	—	—	34	185	718	937
Charge for the year	—	—	—	—	182	229	411
Exchange realignments	—	—	—	—	(13)	(76)	(89)
At 31 March 2025 and 1 April 2025	—	—	—	34	354	871	1,259
Charge for the year	416	—	—	—	367	210	993
Exchange realignments	—	—	—	—	(27)	(31)	(58)
At 31 March 2026	416	—	—	34	694	1,050	2,194
Net carrying values							
At 31 March 2026	2,513	—	1,249	—	1,361	15	5,138
At 31 March 2025	—	12,728	1,191	—	1,502	218	15,639

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Furniture and fixtures	20%
Equipment	10% to 20%
Motor vehicles	10% to 30%
Leasehold improvement	20%

14. INTANGIBLE ASSETS

	Mining right <i>HK\$'000</i>
Cost	
At 1 April 2024	1,063,895
Exchange realignments	95,980
	<hr/>
At 31 March 2025 and 1 April 2025	1,159,875
Exchange realignments	56,172
	<hr/>
At 31 March 2026	1,216,047
	<hr/> <hr/>
Net of accumulated amortisation	
At 1 April 2024	1,063,895
Exchange realignments	95,980
	<hr/>
At 31 March 2025 and 1 April 2025	1,159,875
Exchange realignments	56,172
	<hr/>
At 31 March 2026	1,216,047
	<hr/> <hr/>
Net carrying values	
At 31 March 2026	—
	<hr/> <hr/>
At 31 March 2025	—
	<hr/> <hr/>

14. INTANGIBLE ASSETS (Continued)

Mining rights

In prior years, the Company, Grandvest International Limited (“**Grandvest**”), a wholly-owned subsidiary of the Company, Cordia Global Limited (“**Cordia**”) and the sole beneficial owner of Cordia entered into an acquisition agreement (the “**Acquisition Agreement**”) to acquire a 90% equity interest in Langfeld Enterprises Limited (“**Langfeld**”) and its subsidiaries (the “**Langfeld Group**”) (collectively referred as the “**Acquisition**”). The mining right was acquired as part of the acquisition of the Langfeld Group completed in prior years and was initially recognised at its fair value of the consideration paid for the acquisition. At the end of each reporting period, the mining right is measured using the cost model subject to impairment.

As the intangible assets (in relation to the mining rights of Lot 1 and Lot 1 Extension of the Group’s Russian coal mines) were fully amortised under the cost model as at 31 March 2026, the Directors considered impairment loss or reversal of impairment loss was not applicable as at 31 March 2026.

Details of the Group’s mining rights are as follow:

Intangible asset	Location	Expiry Date
Mining right		
Lapichevskaya Mine	Industrial area, Kemerovo district, Kemerovo region, 650906, Russia	1 January 2029

15. EXPLORATION AND EVALUATION ASSETS

	Total <i>HK\$'000</i>
Cost	
At 1 April 2024	3,634,450
Exchange realignments	<u>1,946</u>
At 31 March 2025 and 1 April 2025	3,636,396
Exchange realignments	<u>1,139</u>
At 31 March 2026	<u><u>3,637,535</u></u>
Net of accumulated impairment loss	
At 1 April 2024	1,526,844
Impairment loss	786,775
Exchange realignments	<u>(100,388)</u>
At 31 March 2025 and 1 April 2025	2,213,231
Impairment loss	13,325
Exchange realignments	<u>(2,021)</u>
At 31 March 2026	<u><u>2,224,535</u></u>
Net carrying values	
At 31 March 2026	<u><u>1,413,000</u></u>
At 31 March 2025	<u><u>1,423,165</u></u>

Exploration and evaluation assets are considerations paid for the acquisition of the exploration and mining rights located adjacent to the Lapichevskaya Mine in Russia (*Note 14*).

The Group has adopted HKFRS 6 “Exploration for and Evaluation of Mineral Resources” which requires the Group to assess if there is any indicator for impairment at each reporting date.

Details of the Group’s exploration and evaluation asset are as follow:

Exploration and evaluation asset	Location
Lapichevskaya Mine-2	“Kemerovo district” and “Kemerovo city” municipal Formations of Kemerovo region, Russia

15. EXPLORATION AND EVALUATION ASSETS *(Continued)*

The Group's mining right was due to expire on 1 July 2025. On 15 April 2025, the Group, through LLC "Shakhta Lapichevskaya" (the "**Licensee**"), a subsidiary of the Company successfully applied for the renewal of the mining right (the "**License**") for a term expiring on 1 January 2029 from the Federal Agency for Mineral Resources* (the "**Federal Authority**") by way of an unanimous decision. The Federal Authority is subordinate to the Ministry of Natural Resources and Environment (the "**Ministry**") so far as the grant (renewal) and revocation of mining license is concerned.

On 22 April 2025, the Federal Authority revoked the License granted to the Licensee (the "**Revocation Decision**"). On 19 May 2025, the Licensee lodged an application (the "**Review Application**") to Arbitration Court of the City of Moscow (the "**Russian Court**") to review the Revocation Decision. On 25 August 2025 the Review Application was heard. On 8 September 2025, the Russian Court ruled that it did not accept the Review Application on the ground that the requisite pre-trial dispute resolution procedures had not been followed by the Licensee (the "**Ruling**"). No substantive decision was made by the Russian Court as to the merits of the Review Application.

On 3 October 2025, the Board (other than Mr. Lee Jaeseong, the former Executive Director, who has been designated and to be in charge of the Licensee) first became aware of the Revocation Decision. Upon learning of the Revocation Decision by the Board, the Board has been rigorously defending and protecting the Group's legitimate interests in relation to the License.

On 6 October 2025 (Moscow time), the Licensee filed an appeal (the "**Appeal**") against the Ruling with the Russian Court. The hearing for the Appeal was held on 17 November 2025 (Moscow time) and the Russian Court ruled that the Ruling shall be upheld (the "**Appeal Ruling**").

The Licensee has also filed a complaint (the "**Judicial Challenge**") on 10 October 2025 against the Federal Authority and the Ministry in relation to the Revocation Decision to seek amongst others, an interim relief for suspending the enforcement of the Revocation Decision until the Judicial Challenge is resolved.

The Group has been seeking legal advice and taking measures regarding the Appeal Ruling and will rigorously defend and protect its legitimate interests, including but not limited to lodging further appeal against the Appeal Ruling.

Please refer to the announcements of the Company dated 5 October, 10 October, 17 October, 27 October and 18 November 2025 for more details.

Following the receipt of the Appeal Ruling, the Board made a comprehensive assessment of the financial position of the Group, having considered (i) the Ruling; (ii) the Appeal Ruling; (iii) its discussion with the management team of the Company and the professional advisers to the Company as to the prospect of further appealing against the Appeal Ruling and the Judicial Challenge and the uncertainty thereof; (iv) legal advice to the Company in relation to the Judicial Challenge; (v) the assumptions of recognition of the exploration and evaluation assets in the accounts of the Company; and (vi) the relevant accounting principles and financial reporting framework of the Company.

While the Group's legal proceedings (including but not limited to the Judicial Challenge and other potential appeal or actions to be initiated by the Company) are still ongoing and the final outcome is uncertain, the Directors has made the prudent decision to fully impair the carrying value of the exploration and evaluation assets in the view that if the License could not be further extended (or be revoked lawfully by the competent authority), the Group will have to terminate the mining plan, as a result, the exploration and development assets would have no future economic benefits, thus an impairment loss on exploration and evaluation assets of approximately HK\$13,325,000 (31 March 2025: HK\$786,775,000) has been made.

15. EXPLORATION AND EVALUATION ASSETS *(Continued)*

The key assumptions used in the DCF analysis in current year include:

- (i) Cash flow projection is determined for a period of 10 years up to 2037 (2025: a period of 10 years up to 2035) with the first year of production taken to be from year 2028 (2025: first year of production from year 2026) based on the directors' current best estimated production plan.
- (ii) Cost of production (including royalties) on average is taken as 27.30% (2025: 30.10%) of revenue.
- (iii) The post-tax discount rate applied to the cash flow projection is 36.00% (2025: 38.00%).
- (iv) The Directors have assumed the yearly coal sales prices will increase by 4% each year from 2028 to 2037 (2025: have increase 20.21% and 18.34% in 2025 and 2026 and to increase 4% each year from 2027 to 2035), which is in line with the comparable market information.
- (v) Coal sales prices used in the DCF in the current and prior years are determined with reference to the coal price under current market information at the respective valuation dates, which show an increase of approximately 4% to 6% (depends on different type of coals) when compared to that of last year.
- (vi) The exchange rate for US\$ to RUB with reference to the approximate spot rate as of 31 March 2026 is taken to be US\$1.00 to RUB81.30 (2025: US\$1.00 to RUB84.64).
- (vii) The yearly inflation rate on operating costs is 5.6% and 4.3% for 2026 and 2027 respectively, and 4.00% from 2027 to 2042 (2025: 5.30% and 4.37% for 2025 and 2026, respectively, and 4.00% from 2026 to 2040).

Apart from the changes in parameters for the major assumptions in the DCF analysis for items (i) to (vii) mentioned above, other major assumptions used in the DCF analysis in current year, such as estimated production volumes, the structure of operation costs and relevant taxation rate, remained within more or less the same range when compared with that of last year.

The Directors are of the opinion that based on the valuation, the exploration and evaluation asset was evaluated downward. It thus would result in an impairment loss of approximately HK\$13,325,000 (2025: impairment loss of approximately HK\$786,775,000) compared with its carrying value as at 31 March 2026. The impairment loss is mainly attributable to the net effects of change of expected first year of coal production to 2026, decrease of the relevant coal prices, the change in expected future inflation rate of costs and the corresponding change in expected future growth rate of coal sales prices in the coming few years, the increase in the cost of production and the increase in post-tax discount rate during the current year as compared to previous year.

15. EXPLORATION AND EVALUATION ASSETS *(Continued)*

Details of the Group's exploration and evaluation asset is as follow:

Exploration and evaluation assets	Location	Expiry Date
Lapichevskaya Mine-2	“Kemerovo district” and “Kemerovo city” municipal Formations of Kemerovo region, Russia	31 October 2035

16. TRADE RECEIVABLES

Trade receivables at the end of each reporting period comprise amounts receivable from third parties.

The Group does not have specific credit term granted to trade customers and no interest is charged. The following is an aged analysis of trade receivables presented based on the invoice date, which approximated the respective recognition dates, at the end of the reporting period.

	2026 HK\$'000	2025 <i>HK\$'000</i>
0 to 90 days	15,478	1,915
91 to 180 days	—	7
181 to 365 days	—	5
Over 365 days	15	—
	15,493	1,927

17. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods at the end of the reporting period, is as follows:

	2026 HK\$'000	2025 <i>HK\$'000</i>
0 to 90 days	12,636	7,887

The average credit period on purchase of goods is from 30 days to 90 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

18. INTEREST-BEARING BORROWINGS

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Other loan 1 (<i>Note a</i>)	17,404	17,404
Other loan 2 (<i>Note b</i>)	3,000	3,000
Other loan 3 (<i>Note c</i>)	2,809	2,379
Other loan 4 (<i>Note d</i>)	—	3,400
Other loan 5 (<i>Note e</i>)	15,600	15,600
Other loan 6 (<i>Note f</i>)	31,297	31,316
Other loan 7 (<i>Note g</i>)	12,900	—
Other loan 8 (<i>Note h</i>)	5,200	—
	<u>88,210</u>	<u>73,099</u>

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Within one year	—	73,099
After one year but within two years	<u>88,210</u>	<u>—</u>
	<u>88,210</u>	<u>73,099</u>
Less: Amounts shown under non-current liabilities	<u>88,210</u>	<u>—</u>
Amounts shown under current liabilities	—	73,099
Less: The carrying amount of other borrowing that is repayable on demand due to loan defaults	<u>—</u>	<u>—</u>
Amounts shown under current liabilities		
For the other borrowing that is repayable within one year or on demand	<u>—</u>	<u>73,099</u>

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2026	2025
Effective interest rate:		
Fixed-rate borrowings	<u>0% — 10%</u>	<u>4.6% — 10%</u>

18. INTEREST-BEARING BORROWINGS (Continued)

The Group's borrowings are denominated in the following currencies:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
HK\$	11,489	9,259
US\$	63,821	63,840
KRW	12,900	—
	<u>88,210</u>	<u>73,099</u>

Notes:

- (a) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$17,404,000 (2025: approximately HK\$17,404,000) (“**Other Loan 1**”) was unsecured, bearing interest at 5% per annum and repayment on demand. The lender had agreed to extend the repayment date to 31 December 2027.
- (b) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$3,000,000 (2025: approximately HK\$3,000,000) (“**Other Loan 2**”) was unsecured, bearing interest at 5% per annum and repayment on demand. The lender had agreed to extend the repayment date to 31 December 2027.
- (c) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$2,809,000 (2025: approximately HK\$2,379,000) (“**Other Loan 3**”) was unsecured, bearing interest at 10% per annum and repayment on demand. The lender has agreed to extend the repayment date to 31 December 2027.
- (d) As at 31 March 2026, borrowings was nil (2025: approximately HK\$3,400,000) (“**Other Loan 4**”) was unsecured, bore interest at 10% per annum and repayment on demand.
- (e) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$15,600,000 (2025: approximately HK\$15,600,000) (“**Other Loan 5**”) was unsecured, interest free and repayment within one year. The lender has agreed to extend the repayment date to 31 December 2027.
- (f) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$31,297,000 (2025: approximately HK\$31,316,000) (“**Other Loan 6**”) was unsecured, bearing interest at 8% per annum and repayment on demand. The lender has agreed to extend the repayment date to 31 December 2027.
- (g) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$12,900,000 (2025: Nil) (“**Other Loan 7**”) was unsecured, bearing interest at 4.6% per annum and repayable on 31 December 2026. The lender has agreed to extend the repayment date to 31 December 2027.
- (h) As at 31 March 2026, borrowings with an aggregate amount of approximately HK\$5,200,000 (2025: Nil) (“**Other Loan 8**”) was unsecured, bearing interest at 10% per annum and repayable on 31 December 2026. The lender has agreed to extend the repayment date to 31 December 2027.

19. AMOUNTS DUE TO SHAREHOLDERS

- (a) As at 31 March 2026, the aggregate amount of approximately HK\$149,756,000 (2025: HK\$146,836,000) was bearing interest at 5%-6% (2025: 5%-6%) per annum and repayable after 12 months from the date of drawdown or on demand. The shareholder has agreed to extend the repayment date of all loans (including new addition loans) to 31 December 2027.
- (b) As at 31 March 2026, there was no amount due to a shareholder (2025: amounting to HK\$4,926,000 was unsecured, bore interest at the rate of 0%-8% per annum and repayable on demand).
- (c) As at 31 March 2026, the amount due to a shareholder totaling approximately HK\$14,807,000 (2025: nil), which was unsecured, bears interest at the rate of 0%-10% (2025: nil) per annum and repayable on demand. The Shareholder has agreed to extend the repayment date to 31 December 2027.
- (d) As at 31 March 2026, the amount due to a shareholder totaling approximately HK\$4,979,000 (2025: nil), which was unsecured, bears interest at the rate of 10% (2025: nil) per annum and repayable on demand. The Shareholder has agreed to extend the repayment date to 31 December 2027.
- (e) As at 31 March 2026, the amount due to a shareholder amounting to HK\$13,010.00 was unsecured (2025: nil), interest free and repayable on demand.

20. AMOUNT DUE TO A DIRECTOR

As at 31 March 2026, there was no amount due to a director (2025: amounting to HK\$229,000 was unsecured, bore interest at 5% per annum and was settled during the year).

21. AMOUNT DUE TO A RELATED PARTY

As at 31 March 2025, a principal amount of KRW2,500,000,000 (equivalent to approximately HK\$15,312,000) was obtained from a related party, which was unsecured, bore interest at 4.6% per annum was settled during the year.

22. CONVERTIBLE NOTES PAYABLES

Convertible notes

In prior years, the Third Convertible Note with a principal amount of US\$443,070,000 (equivalent to approximately HK\$3,455,946,000) was issued to Cordia in accordance with the terms of the Acquisition Agreement.

On 22 May 2015, Cordia partially converted the Third Convertible Note amounted to US\$30,800,000 (equivalent to approximately HK\$240,000,000). A total of 5,005,000 Conversion shares were issued and allotted to Cordia on 26 May 2015.

On 17 June 2015, the outstanding Third Convertible Note was transferred to a new independent third party, Daily Loyal Limited (“**Daily Loyal**”), at the request of Cordia.

In April 2016, HASS Natural Resources Limited (“**HASS**”) (now known as Newborn Global Energy Limited) and Herman Tso (also known as Tso Chi Ming) withdrew the First HASS Report and the Supplemental HASS Report (collectively the “**HASS Reports**”). The HASS Reports was previously adopted by the Company to determine the quantum of purchase consideration of the Lapi mine and hence the amount of convertible notes to be issued.

In order to re-assess and support the issuance of the Third Convertible Note, the Company then engaged another experienced and qualified New Technical Expert (the “**New Technical Expert**”) to perform another technical report (the “**New Technical Report**”) on the basis of the JORC Code prevailing at the time when the Third Convertible Note was issued on 3 April 2013.

The New Technical Expert reported a slightly different estimate of the probable coal reserves in the open pit mining area in Lot 2 of the Mine and, as a result, prior year adjustments on the Third Convertible Note were made to restate the balance in the respective years concerned, being approximately HK\$2,127,088,000 (as restated 31 March 2013), HK\$2,398,314,000 (as restated 31 March 2014) and HK\$2,702,681,000 (as restated 31 March 2015). The Company had also re-performed the yearly valuation to determine the recoverable amounts of the exploration and evaluation assets for the years ended 31 March 2013, 2014, 2015 and 2016. Based on the re-performed results, impairment tests for the years ended 31 March 2013, 2014 and 2015 were re-assessed and adjustments were made to reflect the effect/cumulative effect of the re-performed impairment amounts for each of the said years.

On 22 August 2016, in response to the New Technical Report dated 11 August 2016, Cordia, Choi Sungmin, Grandvest, Daily Loyal and the Company entered into an additional agreement (“**Additional Agreement**”) in relation to the Third Convertible Note, pursuant to which the principal amount of the whole Third Convertible Note (before any conversion or transfer thereof) would be adjusted from US\$443,070,000 (equivalent to approximately HK\$3,455,946,000) to US\$431,190,000 (equivalent to approximately HK\$3,363,282,000) and accordingly, the principal amount of US\$412,270,000 (equivalent to approximately HK\$3,215,706,000) of the Third Convertible Note held by Daily Loyal would also be reduced by US\$11,880,000 (equivalent to approximately HK\$92,664,000) to US\$400,390,000 (equivalent to approximately HK\$3,123,042,000). Daily Loyal agrees not to request for any compensation from any of the other parties for such reduction.

22. CONVERTIBLE NOTES PAYABLES (Continued)

Convertible notes (Continued)

On 13 April 2017, the Company announced that Daily Loyal and the Company entered into an amendment agreement (the “**Amendment Agreement**”), which provided, among other things, to (i) extend the maturity dates of the Outstanding Third Convertible Note for at least another two years before the Outstanding Third Convertible Note becomes a current liability of the Company; (ii) convert the Outstanding Third Convertible Note except for the principal amount of US\$60,000,000 (equivalent to approximately HK\$468,000,000) at the conversion price of HK\$48 per Share within three business days upon signing of the Amendment Agreement; and (iii) agree on no demand of the remaining outstanding principal amount of the Outstanding Third Convertible Note on the maturity dates.

However, Daily Loyal (as the plaintiff) subsequently alleged that its sole director (Mr. Chan Chun Wah) signed the Amendment Agreement in August 2016 (leaving the document undated, the “**Undated Amendment Agreement**”) based on an understanding that such document only served as a memorandum for discussion purpose and was not intended to be binding, and that the Company and Mr. Hong Sang Joon (a former Director of the Company) should not fill in the date of the document. Besides, Daily Loyal was of the view that the validity of the Undated Amendment Agreement was contrary to the Additional Agreement entered into by it with Cordia, Choi Sungmin, Grandvest and the Company on 22 August 2016.

Daily Loyal also alleged that (i) the placing and issue of new shares by the Company as announced by the Company on 24 October 2016; (ii) the placing and issue of new shares by the Company as announced by the Company on 24 January 2017; and (iii) the issue of new shares upon loan capitalisations as announced by the Company on 20 February 2017 were conducted without the prior consent or authorisation of Daily Loyal and were in breach of a convertible note agreement (the “**Convertible Note Agreement**”) dated 3 April 2013 between the Company and Cordia in relation to the Third Convertible Note. Details are disclosed in Note 44 in relation to legal action HCA 1071 of 2017.

On 19 October 2018, the Company announced that it has received transfer documents together with note certificates in respect of an aggregate US\$309,270,000 in principal amount of the Original Notes, with instructions to transfer (i) US\$226,170,000 in aggregate principal amount of the Original Notes from Daily Loyal to China Panda Limited (“**China Panda**”), and (ii) US\$83,100,000 in aggregate principal amount of the Original Notes from Daily Loyal to Gold Ocean (collectively, the “**Transferred Notes**”).

The Company has accordingly registered the transfer of the Transferred Notes in the Register of Noteholders of the Company. Subsequently, the Company also received transfer documents together with note certificates in respect of an aggregate principal amount of US\$20,000,000 with instructions to transfer such US\$20,000,000 in notes from China Panda to Gold Ocean. The Company registered the transfer of such notes in the Register of Noteholders of the Company.

22. CONVERTIBLE NOTES PAYABLES (Continued)

Convertible notes (Continued)

On 19 October 2018, the Company and holders of not less than 75% in aggregate principal amount of the Original Notes amended the Note Instrument Constituting the Secured Convertible Notes in the Principal Amount of US\$443,070,000 Due on the Date Falling Five Years After the Date of the Issue of the Convertible Notes dated 3 April 2013 (the “**Original Note Instrument**”) constituting the Original Notes, pursuant to Condition 14 of the Original Note Instrument, by entering into the Amended and Restated Note Instrument Constituting Convertible Notes in the Principal Amount of US\$400,390,000 (the “**Amended Note Instrument**”). In consequence of such amendment, the Amended Note Instrument amends, supersedes and replaced the Original Note Instrument in its entirety, and the convertible notes reconstituted under Amended Note Instrument (the “**Amended Notes**”) replace the Original Notes in their entirety.

The principal changes made by the Amended Note Instrument to the Original Note Instrument are as follows:

1. The principal amount of the notes has been updated to a reduced principal amount of US\$400,390,000 to reflect conversions of and adjustments to the Original Notes since their original issuance.
2. The maturity date of the Original Notes was five years after the date of issue of the Original Notes, or 3 April 2018. The Amended Note Instrument extended the maturity date of the Notes to the date falling one year after the date of the Amended Note Instrument without interest, or 19 October 2019.
3. The Original Note Instrument gave holders of the Original Notes the right to require conversion of the Original Notes. The Amended Note Instrument granted holders of the Amended Notes, as well as the Company, to require conversion of the Amended Notes.
4. The Original Notes were secured by certain share charges as provided in condition 6 thereunder. Pursuant to the Amended Note Instrument, the parties agreed to release and discharge such share charges immediately after execution of the Amended Note Instrument.
5. Condition 14 of the Original Note Instrument provided that the terms and conditions of the Original Note Instrument may be amended by agreement in writing between the Company and the noteholders holding in aggregate not less than 75% in outstanding principal amount of the Original Notes. The Amended Note Instrument provided that the terms and conditions of the Amended Note Instrument may be amended by agreement in writing between the Company and noteholders holding in aggregate not less than 65% in outstanding principal amount of the Amended Notes.
6. Certain provisions under the Original Note Agreement requiring the approval of the noteholders thereunder (including the appointment of a Calculation Agent as defined thereunder, and other provisions for the protection of noteholders), were amended to require the approval of noteholders holding in aggregate not less than 65% in outstanding principal amount of the Amended Notes.

22. CONVERTIBLE NOTES PAYABLES (Continued)

Convertible notes (Continued)

All other material terms of the Original Notes, including the conversion price thereunder of HK\$48 at that time (and become HK\$480 after the share consolidation of the Company being effective from 24 April 2020), remained unchanged.

Immediately following the Amended Note Instrument becoming effective, the Company exercised its right to require conversion of US\$340,390,000 in principal amount of the notes, by delivering conversion notices to all the noteholders.

The conversion of the notes thereby effected had resulted in the issuance of 55,313,376 Conversion Shares, and left US\$60,000,000 in principal amount of the Amended Notes outstanding.

On 22 October 2018, the Company announced that it had exercised its rights under the Amended Note Instrument to require conversion of US\$340,390,000 (equivalent to approximately HK\$2,655,042,000) in the principal amount of the Amended Notes at a conversion price of HK\$48 per Conversion Share, by delivering conversion notices to all noteholders.

The Company on 22 October 2018 allotted 55,313,376 Conversion Shares, of which 27,656,688 Conversion Shares were allotted to China Panda, 14,640,844 Conversion Shares were allotted to Gold Ocean and 13,015,844 Conversion Shares were allotted to Daily Loyal, and relevant share certificates were issued in name of each of them accordingly. The Conversion Shares ranked pari passu with all the existing shares at the date of allotment and issue and among themselves in all respects.

The outstanding principal amount of the Amended Notes after the conversion was US\$60,000,000 (equivalent to approximately HK\$468,000,000).

On 20 May 2019, the Company announced in relation to, amongst other things, the amendments of the terms and conditions of the convertible notes (the “**Amendments**”), the partial conversion of the convertible notes (the “**Conversion**”), the issuance of conversion shares pursuant to the Conversion (the “**Conversion Shares**”) and the cancellation agreement entered into by the Company on 16 May 2019 reversing the Amendments and the Conversion (“**Cancellation Agreement**”).

Pursuant to the Cancellation Agreement, the Amendments and all transactions carried out pursuant thereto, including the Conversion, would be reversed and cancelled ab initio. As a result, the issued share capital of the Company would with immediate effect revert to the original status before the shares conversion.

All the other terms and conditions of the Original Notes remain unchanged and the independent third-party investors can convert the convertible notes into ordinary shares of the Company at a conversion price of HK\$480 per share, being adjusted with the effect from the Company’s share consolidation effective on 24 April 2020.

22. CONVERTIBLE NOTES PAYABLES (Continued)

Convertible notes (Continued)

On 2 December 2024, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with A Mark Limited, Ocean Resources Int’l Investment Group Limited and Wayside Holdings Limited (the “**Subscribers**”), pursuant to which the Subscribers agreed to subscribe for, and the Company agreed to issue, the convertible notes (the “**Convertible Notes**”) in an aggregate principal amount of US\$400,390,000, or HK\$3,123,042,000 equivalent with the maturity on the fifth anniversary from the date of the Subscription Agreement and a conversion price of HK\$0.25 per share, in full and final settlement of the indebtedness of approximately HK\$3,591,498,000 under the Third Convertible Note. The Convertible Notes have been issued to the Subscribers on 17 March 2025.

On 30 June 2025, the resolutions in relation to conversion of Convertible Notes and application for whitewash waiver were passed by the Shareholders in the extraordinary general meeting of the Company held on 30 June 2025. The Convertible Notes (i) in the principal amount of US\$164,500,000 were converted and 5,132,400,000 Shares were issued and allotted to the Subscribers; and (ii) in the principal amount of US\$50,200,000 were converted and 1,566,240,000 Shares were issued and allotted to other holders of the Convertible Notes. Please refer to the Company’s circular and announcement dated 6 June 2025 and 30 June 2025 respectively for more details.

During the period from 1 July 2025 to 30 September 2025, the Company received the conversion notices from the Subscribers and other holders of the remaining Convertible Notes, pursuant to which, all outstanding Convertible Notes in the aggregate principal amount of US\$185,690,000 were fully converted and 5,793,528,000 Shares were issued and allotted. Please refer to the Company’s announcement dated 3 October 2025 for more details.

Movement of the convertible notes

	Liabilities component HK\$’000
As at 1 April 2024	3,591,498
Settlement during the year	(3,123,042)
Waiver of interest charged	(468,456)
Issue of the convertibles notes	3,160,314
Imputed interest charged during the year	9,917
As at 31 March 2025 and 1 April 2025	3,170,231
Conversion of CN	(3,123,042)
Gain on conversion of CN	(37,272)
Waiver of interest charged	(103,020)
Imputed interest charged during the year	93,103
As at 31 March 2026	—

23. SHARE CAPITAL

	Nominal value per share HK\$	Number of shares	Amount HK\$'000
Authorised:			
At 1 April 2023, 31 March 2024 and 1 April 2024	2.00	2,000,000,000	1,000,000
Share sub-division (<i>Note (ii)</i>)	N/A	98,000,000,000	—
		<hr/>	<hr/>
At 31 March 2025 and 1 April 2025	0.50	100,000,000,000	1,000,000
Share sub-division (<i>Note (ii)</i>)	N/A	—	—
		<hr/>	<hr/>
At 31 March 2026	0.01	100,000,000,000	1,000,000
		<hr/>	<hr/>
Issued:			
At 1 April 2023, 31 March 2024 and 1 April 2024	2.00	145,017,062	72,509
Capital reduction (<i>Note (i)</i>)	N/A	—	(71,059)
		<hr/>	<hr/>
At 31 March 2025	0.50	145,017,062	1,450
Conversion of Convertible Notes	N/A	12,492,168,000	124,922
		<hr/>	<hr/>
At 31 March 2026	0.01	12,637,185,062	126,372
		<hr/> <hr/>	<hr/> <hr/>

Notes:

Pursuant to special resolution passed in the extraordinary general meeting of the Company held on 30 December 2024, the Company proceeded with capital reorganisation (the “**Capital Reorganisation 2025**”) involving, among others, the following:

- (i) capital reduction whereby the par value of each of the issued shares be reduced from HK\$0.50 to HK\$0.01 per issued share by cancelling the paid up share capital to the extent of HK\$0.49 per issued share;
- (ii) share sub-division whereby each of the authorised but unissued shares with par value of HK\$0.50 each be subdivided into fifty (50) new shares with par value of HK\$0.01 each; and
- (iii) transfer of all the credits arising from the capital reduction to the accumulated losses account of the Company.

Further details of Capital Reorganisation 2025 are set out in the Company’s circular dated 6 December 2024.

Implementation of the Capital Reorganisation 2025 will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the shareholders, except for the payment of the related expenses.

On 17 March 2025, all the conditions precedent of the implementation of the Capital Reorganisation 2025 has been fulfilled and has become effective on 17 March 2025.

24. LITIGATIONS

(i) The Company/its Subsidiary as the Defendant

Legal Proceedings Taken By Former Shareholders of a Russian Subsidiary

A former shareholder, Tannagashev Ilya Nikolaevich (the “**First Claimant**”), of the Group’s Russian subsidiary company, LLC “Shakhta Lapichevskaya” (“**Lapi**”), submitted a claim to the Russian Court in March 2012 for his share in the final 4th stage payment amounting to US\$673,400 (equivalent to approximately HK\$5,252,000) (the “**First Claim**”) in relation to the sale and purchase of 30% equity interest in Lapi in 2009. The Russian Court in August 2012 passed a judgment in favour of the First Claimant. The Group had fully provided for the full amount of the First Claim in the financial statements for the 6 months ended 30 September 2012. By three partial payments, the Group fully settled the First Claim in November 2013, and the case was thus resolved.

In March 2013, the other two former shareholders of Lapi, namely, Demeshonok Konstantin Yur’evich (the “**Second Claimant**”) and Kochkina Ludmila Dmitrievna (the “**Third Claimant**”) submitted their claims to the Russian Court for their respective shares in the final 4th stage payment in relation to the sale and purchase of 30% equity interest in Lapi in 2009. The Second Claimant claimed US\$288,600 (equivalent to approximately HK\$2,251,000) (the “**Second Claim**”) and the Third Claimant claimed US\$338,000 (equivalent to approximately HK\$2,636,000) (the “**Third Claim**”). The Group had fully provided for the full amount of both the Second Claim and the Third Claim in the financial statements for the year ended 31 March 2013.

The Group and the Second Claimant entered into an amicable agreement dated 11 July 2013 to settle the Second Claim by three instalments. In February 2014, US\$100,000 (equivalent to approximately HK\$780,000) was paid. The Second Claimant threatened to foreclose the shareholdings in Lapi as the Group delayed in settlement of the remaining outstanding amount of the Second Claim. As of 31 March 2022, the outstanding amount of the Second Claim is US\$188,600 (equivalent to approximately HK\$1,471,000), which had been fully provided for since 31 March 2013.

The Group and the Third Claimant entered into an amicable agreement dated 13 May 2013 to settle the Third Claim by three instalments. In February 2014, US\$100,000 (equivalent to approximately HK\$780,000) was paid. The Third Claimant also threatened to foreclose the shareholdings in Lapi as the Group delayed in settlement of the remaining outstanding amount of the Third Claim. As of 31 March 2025, the outstanding amount of the Third Claim was US\$238,000 (equivalent to approximately HK\$1,856,000), which had also been fully provided for since 31 March 2013.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

HCA 672 of 2013

As announced by the Company on 30 April 2013, Cordia on 23 April 2013 issued a writ of summons in the High Court of Hong Kong (HCA 672 of 2013) against certain parties and the Company. Cordia also took out an inter partes summons to seek, inter alia, an injunction against certain parties to restrain them from disposing of their shares in the Company and/or exercising their voting rights under those shares.

On 26 April 2013 at the hearing of the inter partes summons, the High Court of Hong Kong granted an interim injunction restraining, among other things, certain shareholders of the Company from (a) disposing of or in any way dealing with, and (b) exercising voting rights of, their respective shares in the Company until further order (the “**Injunction Order**”).

As further announced by the Company on 14 May 2015, the parties therein applied to the Court to discharge the Injunction Order and it was approved by the Court on 11 May 2015. The proceedings had been dormant since May 2015.

The Company was sued as a nominal defendant only as the disputes concern the ownership of the shares in the Company. Preliminary assessment reveals that the legal action is unlikely to have any unfavourable outcome on the Company. Nevertheless, the Company is in the process of liaising with Cordia in an attempt to ask Cordia to discontinue such legal action against the Company.

HCA 584 of 2016

As announced by the Company on 14 March 2016, the Company on 8 March 2016 received a writ of summons issued by Zhi Charles (as the plaintiff) in the High Court of Hong Kong (HCA 584 of 2016) against certain parties, including the Company. The plaintiff was seeking various orders on the defendants in respect of, inter alia, the Company’s very substantial acquisition in relation to the Russian coal mines in 2008, and certain technical reports and valuation reports relating to the Russian coal mines.

As announced by the Company on 29 June 2016, Zhi Charles was subject to a Court Order in respect of the Company’s legal action against him under action number HCMP 443 of 2015 (the “**Restrictive Court Order On Zhi Charles**”). Pursuant to such Restrictive Court Order On Zhi Charles, the Court ordered that, inter alia, (i) Zhi Charles be prohibited from commencing or issuing any fresh claims or proceedings in any Court in Hong Kong against the Company without the leave of one of the Designated Judges except where the originating process is signed by counsel or solicitors practising in Hong Kong who have read the Restrictive Court Order On Zhi Charles and the reasons therefore; and (ii) a stay be granted on certain legal actions against the Company by Zhi Charles. Hence, there has been a stay of all further proceedings as against the Company in action HCA 584 of 2016.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

HCA 584 of 2016 (Continued)

As announced by the Company on 5 May 2017, the Company obtained a bankruptcy order against Zhi Charles on 26 April 2017 under bankruptcy number HCB 5395 of 2016 (the “**Bankruptcy Order Against Zhi Charles**”). The Trustee in Bankruptcy so appointed is now the trustee of the property of Zhi Charles and his property including all things in action has vested in the Trustee.

The Company is liaising with the Trustee, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 1195 of 2016

As announced by the Company on 11 May 2016, the Company on 6 May 2016 received a writ of summons issued by Zhi Charles (as the plaintiff) in the High Court of Hong Kong (HCA 1195 of 2016) against certain parties, including the Company. The plaintiff was seeking various orders on the defendants in respect of, inter alia, certain technical report and certain valuation report on the Company’s Russian coal mines.

As announced by the Company on 29 June 2016, pursuant to the Restrictive Court Order On Zhi Charles under action number HCMP 443 of 2015, there has been a stay of all further proceedings as against the Company in action HCA 1195 of 2016. Subsequent to the Bankruptcy Order Against Zhi Charles, the Trustee in Bankruptcy so appointed is now the trustee of the property of Zhi Charles and his property including all things in action has vested in the Trustee.

The Company is liaising with the Trustee, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

HCA 1618 of 2016

As announced by the Company on 29 June 2016, the Company on 22 June 2016 received a writ of summons issued by Zhi Charles (as the plaintiff) in the High Court of Hong Kong (HCA 1618 of 2016) against certain parties, including the Company. The plaintiff was seeking various orders on the defendants in respect of, inter alia, the investigation on the Company's mining assets, the Company's financial statements, certain securities issued by the Company, and the trading of the Company's shares.

Subsequent to the Bankruptcy Order Against Zhi Charles, the Trustee in Bankruptcy so appointed is now the trustee of the property of Zhi Charles and his property including all things in action has vested in the Trustee.

The Company is liaising with the Trustee, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 2380 of 2016

As announced by the Company on 21 September 2016, Zhi Charles (as the plaintiff) on 14 September 2016 issued a writ of summons in the High Court of Hong Kong under action number HCA 2380 of 2016 to certain parties, including an existing Director of the Company and Grandvest. For avoidance of doubt, the Company was not a defendant in such action. The plaintiff was seeking various orders on the defendants in respect of, inter alia, the New Technical Report conducted by the New Technical Expert engaged by the Company and certain agreements relating to the Third Convertible Note and certain proposed loan capitalisations transactions as disclosed in the Company's announcement of 1 December 2015.

Subsequent to the Bankruptcy Order Against Zhi Charles, the Trustee in Bankruptcy so appointed is now the trustee of the property of Zhi Charles and his property including all things in action has vested in the Trustee.

The solicitor, acting for the existing Director and Grandvest, is liaising with the Trustee, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 2397 of 2016

As announced by the Company on 27 September 2016, the Company received on 20 September 2016 a writ of summons issued by Zhi Charles (as the plaintiff) in the High Court of Hong Kong under action number HCA 2397 of 2016 to certain parties, including one existing Director of the Company. For avoidance of doubt, the Company was not a defendant in such action. The plaintiff was seeking various orders on the defendants in respect of, inter alia, the Company's audit reports of 2013, 2014 and 2015.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

HCA 2397 of 2016 (Continued)

Subsequent to the Bankruptcy Order Against Zhi Charles, the Trustee in Bankruptcy so appointed is now the trustee of the property of Zhi Charles and his property including all things in action has vested in the Trustee.

The solicitor, acting for the existing Director, is liaising with the Trustee, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 2633 of 2016

As announced by the Company on 18 October 2016, the Company received on 11 October 2016 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 2633 of 2016 to certain parties, including the Company. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, disclosure of interests in the shares of the Company by certain alleged investors, certain loans made available to the Company, and the Third Convertible Note issued by the Company.

As announced by the Company on 19 June 2017, the Company obtained a bankruptcy order against Kim Sungho on 7 June 2017 under bankruptcy number HCB 377 of 2017 (the “**Bankruptcy Order Against Kim Sungho**”). The Official Receiver is now the provisional trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 3148 of 2016

As announced by the Company on 14 December 2016, the Company received on 1 December 2016 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 3148 of 2016 to certain parties, including the Company. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, certain alleged transfers of funds for alleged payments of expenses in relation to the resumption of trading in the Company’s shares on The Stock Exchange of Hong Kong Limited and the Company’s proposed loan capitalisations transactions as disclosed in the Company’s announcement of 1 December 2015.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

HCA 3160 of 2016

As announced by the Company on 14 December 2016, the Company received on 2 December 2016 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 3160 of 2016 to certain parties, including the Company and a former Director of the Company (Mr. Kwok Kim Hung Eddie). The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, certain accounting information and certain valuation reports used by the Company.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 3190 of 2016

As announced by the Company on 14 December 2016, the Company received on 6 December 2016 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 3190 of 2016 to certain parties, including the Company. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, the use of certain technical and valuation reports by the Company.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 47 of 2017

As announced by the Company on 16 January 2017, the Company received on 9 January 2017 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 47 of 2017 to certain parties, including the Company. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, certain technical reports on the Company's Russian coal mines, the First Convertible Note and the Third Convertible Note.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

HCA 814 of 2017

As announced by the Company on 20 April 2017, the Company received on 5 April 2017 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 814 of 2017 to certain parties, including the Company. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, a technical report issued to the Company and certain shares issued pursuant to certain loan capitalisations of the Company.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

HCA 1050 of 2017

As announced by the Company on 16 May 2017, the Company received on 2 May 2017 a writ of summons issued by Kim Sungho (as the plaintiff) in the High Court of Hong Kong under action number HCA 1050 of 2017 to certain parties, including Grandvest. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, certain technical report issued to the Company.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

Grandvest is liaising with the Official Receiver, who has conditionally agreed to discontinue the legal action with no costs to be borne, pending final confirmation to dispose of the action.

Fourth Party Notices in Relation to HCA 51 of 2017

As announced by the Company on 7 February 2017, the Company took legal action against Newborn Global Energy Limited (formerly known as HASS) (“**Newborn Global**”) as the 1st defendant and Tso Chi Ming (also known as Herman Tso) as the 2nd defendant under action number HCA 51 of 2017. Subsequently, Kim Sungho and Zhi Charles were purportedly joined as the third parties to such legal action by Herman Tso.

As announced by the Company on 7 February 2017, by a Fourth Party Notice dated 16 January 2017, Zhi Charles purported to join 9 parties as the fourth parties and such fourth parties include Grandvest. In such Fourth Party Notice, Zhi Charles was seeking various declarations against these fourth parties in respect of, inter alia, the HASS Report on the Company’s Russian coal mines.

24. LITIGATIONS *(Continued)*

(i) **The Company/its Subsidiary as the Defendant** *(Continued)*

Fourth Party Notices in Relation to HCA 51 of 2017 (Continued)

Subsequent to the Bankruptcy Order Against Zhi Charles, the Trustee in Bankruptcy so appointed is now the trustee of the property of Zhi Charles and his property including all things in action has vested in the Trustee.

Grandvest is in the process of liaising with the Trustee. If the Trustee indicates not to proceed with the legal action, Grandvest will ask the Trustee to discontinue such legal action.

As announced by the Company on 13 February 2017, the Company on 6 February 2017 received a Fourth Party Notice dated 25 January 2017 from Kim Sungho whereby he purported to join 10 parties as the fourth parties and such parties include the Company and Grandvest in the same legal action HCA 51 of 2017. In such Fourth Party Notice, Kim Sungho was seeking various declarations against those 10 parties in respect of, inter alia, the HASS Report on the Company's Russian coal mines.

Subsequent to the Bankruptcy Order Against Kim Sungho, the Official Receiver is now the trustee of the property of Kim Sungho and his property including all things in action has vested in the Official Receiver.

The Company and Grandvest are in the process of liaising with the Official Receiver. If the Official Receiver indicates not to proceed with the legal action, the Company and Grandvest will ask the Official Receiver to discontinue such legal action.

HCA 1820 of 2025

As announced by the Company on 29 September 2025, the Company was served with a writ of summons (without a statement of claim) filed by Daily Loyal (a holder of the convertible notes issued by the Company on 3 April 2013) with the High Court of Hong Kong under action number HCA 1820 of 2025 alleging the breach of a global settlement agreement entered into on 25 October 2024 by the Company ("**Global Settlement Agreement**").

On 12 December 2025, the Daily Loyal served on the Company a notice of intention to enter default judgment against the Company for want of defense.

On 15 December 2025, the Company was provided with a copy of the statement of claim ("**SOC**"). According to the SOC, the Claimant alleges that pursuant to the Global Settlement Agreement dated 25 October 2024 entered into between Daily Loyal, the Company, Golden China Circle Holdings Company Limited, Solidarity Partnership, Grandvest, Langfield Enterprises Limited (a subsidiary of the Company), LLC Mine Lapichevska, Lucrezia Limited and Token Century Limited, the parties to the Global Settlement Agreement agreed to settle five legal proceedings in the High Court between the parties to the Global Settlement Agreement.

The Company denies it entered into the Global Settlement Agreement.

24. LITIGATIONS *(Continued)*

(ii) **The Company as the Plaintiff**

HCA 1016 of 2016

As announced by the Company on 18 April 2016, the Company (as the plaintiff) has commenced a legal action against HASS (now known as Newborn Global) as the 1st defendant and Herman Tso (also known as Tso Chi Ming) as the 2nd defendant in the High Court of Hong Kong under action number HCA 1016 of 2016 on 18 April 2016. The Company was seeking various reliefs including, inter alia, a declaration that HASS and Herman Tso are not entitled to withdraw the HASS Reports or to assert the HASS Reports being void, an order that they retract their letters dated 1 April 2016 and 11 April 2016, respectively, for withdrawing the HASS Reports, and an order for payment of the original principal amount of the Third Convertible Note of US\$443,070,000 (equivalent to approximately HK\$3,455,946,000) as damages. Herman Tso in his defence statement made counterclaims of US\$443,070,000 (equivalent to approximately HK\$3,455,946,000) as damages.

The action has been dormant since March 2017 and by now it has largely been superseded by events. The Company is in the process of discontinuing the proceedings.

HCA 51 of 2017

As announced by the Company on 7 February 2017, the Company (as the plaintiff) commenced a legal action against Newborn Global (formerly known as HASS) as the 1st defendant and Tso Chi Ming (also known as Herman Tso) (“**Herman Tso**”) as the 2nd defendant in the Court of First Instance of the High Court of Hong Kong under action number HCA 51 of 2017 on 10 January 2017. Herman Tso was one of the directors of Newborn Global at all material times.

In such action, the Company pointed out, among other things, that Herman Tso misrepresented to the Company that he was a “Competent Person” as defined in Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) when the Company entered into an agreement with HASS in 2013 to engage HASS to provide a technical report on the Company’s Russian mines (i.e. the HASS Report). The Company was therefore seeking the repayment of the sums made to HASS under such agreement and damages for misrepresentation from both HASS and Herman Tso.

The action has been dormant since June 2017. The Company is in the process of discontinuing the proceedings.

25. EVENTS AFTER THE REPORTING PERIOD

- (a) On 3 April 2026 (Moscow time), the Russian Court delivered its judgement in summary terms on the Judicial Challenge (the application by the Licensee to challenge the Revocation Decision) heard by the Russian Court on 31 March 2026. Following the receipt of the Summary Judgement, on 15 April 2026 (Moscow time), the Russian Court delivered its final full judgment on the merits of the Judicial Challenge. In the Full Judgement, the Court ruled in favour of the Licensee. The Court declared both the decision of the Federal Authority dated 18 April 2025 on the early termination of licenses No. KEM 01518 TE and No. KEM 13206 TE, and the decision to annul the approval of the Licensee’s project documentation for field development dated 18 April 2025 unlawful. The Court also declared the Ministry’s refusal of the complaint dated 23 September 2025 and its decision dated 26 September 2025 unlawful. The Federal Authority was ordered to remedy the violations of the Licensee’s rights and legitimate interests within thirty days from the date the judgement becomes legally effective (i.e. 15 April 2026). On 10 June 2026 (Moscow time), the Ministry filed an appeal with the Appeal Court seeking to overturn the Full Judgement, and the Appeal Court has scheduled a hearing for 3 August 2026 at 11:10 a.m. (Moscow time). As at the date of this announcement, the outcome of the appeal remains pending. Please refer to the headered “Legal Proceedings in relation to Russian Mining Licenses” to this announcement.
- (b) On 27 June 2026, the Company and the Subscriber entered into the Subscription Agreement in relation to the Debt Capitalisation, pursuant to which: (i) the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, an aggregate of 454,545,454 Shares of the Company, being the First Subscription Shares at the First Subscription Price of HK\$0.11 per share under the General Mandate for the purpose of settling part of the Loan bearing the highest interest rates up to an amount of HK\$50 million; and the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, up to 1,160,000,000 Shares, being the Maximum Second Subscription Shares, at the Second Subscription Price of HK\$0.15 per share, under the Specific Mandate to settle the Remaining Indebtedness. Please refer to the announcement of the Company dated 27 June 2026 for more details.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

Basis for Qualified Opinion

Exploration and evaluation assets

As set out in Note 23 to the consolidated financial statements, the Group's exploration and evaluation asset relating to the Lapichevskaya Mine-2 had a carrying amount of approximately HK\$1,413,000,000 as at 31 March 2026. Based on a valuation prepared by an independent professional qualified valuer, an impairment loss of approximately HK\$13,325,000 has been recognised in respect of this asset for the year then ended.

As at 31 March 2026, the Company's exploration and evaluation assets (E&E assets) had a carrying value of approximately HK\$1,413,000,000. The Company has engaged an external valuer to estimate the recoverable amount of these assets using a value in use model. We were unable to obtain sufficient appropriate audit evidence regarding the timing of commencement of commercial production and the renewal of the current exploration license upon expiration, as both are subject to certain administrative and regulatory approvals and conditions, the outcome and timing of which involve inherent uncertainties. These assumptions have a significant impact on the value in use calculation.

Consequently, we were unable to determine whether any adjustments might be necessary to the carrying amount of the exploration and evaluation asset as at 31 March 2026, the impairment loss recognised for the year then ended, and the related disclosures to the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*” section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”) as applicable of audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Development of Russia – Ukraine War

We draw attention to the development of geopolitical tensions related to situation in Ukraine and sanctions imposed by certain countries that have affected and could significantly affect in the future the Russian economy, as well as the activity of the Group. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2026, the Group recorded total revenue of approximately HK\$699.65 million (2025: approximately HK\$489.45 million), representing an increase of approximately 42.95% as compared to last corresponding year.

The increase in revenue was primarily driven by a recovery in sales volumes of diesel and gasoline to the Group's key customers in Korea. Despite persistent geopolitical tensions, including the ongoing Ukraine-Russia conflict and the Israel-Gaza Strip conflict, as well as economic uncertainties related to United States and Organisation of the Petroleum Exporting Countries ("OPEC") policies, the Group successfully capitalized on market opportunities to achieve higher sales.

The increase in revenue was mainly driven by higher sales volumes of diesel and gasoline to the Group's key customers in Korea. The Group's total revenue comprised sales of diesel of approximately HK\$506.58 million (2025: approximately HK\$369.33 million), sales of gasoline of approximately HK\$135.81 million (2025: approximately HK\$99.02 million) and sales of other related petroleum products and services of approximately HK\$57.26 million (2025: approximately HK\$21.10 million). In terms of product mix, sales of diesel, sales of gasoline and sales of other related petroleum products and services accounted for approximately 72.40%, 19.42% and 8.18%, respectively, of total revenue of the Group.

Other Income

Other income during the year mainly represented the reversal of certain payables which had been outstanding for over six years of approximately HK\$8.26 million (2025: Nil) and net exchange gains of approximately HK\$0.95 million (2025: HK\$2.99 million).

Other Gains and Losses, net

During the year, the Group recorded net other loss of approximately HK\$64.09 million (2025: net other losses of approximately HK\$305.50 million). The other loss was mainly attributable to the loss on written-off of property, plant and equipment of approximately HK\$62.83 million (2025: Nil) and the impairment loss on exploration and evaluation assets of approximately HK\$13.33 million (2025: HK\$786.78 million).

Selling and Distribution Costs

The selling and distribution costs for the year amounted to approximately HK\$3.13 million (2025: approximately HK\$3.66 million), representing a decrease of approximately 14.48%. The decrease was mainly due to the decrease in freight and transportation expenses, sales taxes and duty during the year.

Administrative Expenses

During the year, total administrative expenses amounted to approximately HK\$21.96 million (2025: approximately HK\$13.40 million). The increase in administrative expenses was mainly due to the depreciation of right of use assets of approximately HK\$3.00 million.

Finance Costs

During the year, total finance costs amounted to approximately HK\$100.54 million (2025: approximately HK\$19.07 million). The increase in finance costs was mainly attributable to the imputed interest on convertible notes of approximately HK\$93.10 million during the year (2025: HK\$9.92 million).

Loss Before Income Tax

For the year ended 31 March 2026, the loss before income tax of the Group was approximately HK\$34.56 million (2025: loss before income tax of approximately HK\$329.01 million). The decrease in loss before income tax was primarily attributable to the significant decrease in impairment loss on exploration and evaluation assets to approximately HK\$13.33 million (2025: HK\$786.78 million), partially offset by the increase in imputed interest on convertible notes to approximately HK\$93.10 million (2025: HK\$9.92 million).

The Company would like to highlight that the impairment loss of approximately HK\$13.33 million (2025: impairment loss of approximately HK\$786.78 million) on exploration and evaluation assets (in relation to mining rights of Lot 2 of the Group's Russian coal mines) and the gain from waiver of interest charged on convertible notes of approximately of HK\$103.02 million (2025: HK\$468.46 million) were just non-cash item arising from year end valuation exercise for accounting purposes, which would not affect the cashflow position of the Group.

OPERATION REVIEW

Trading

During the year, the trading business of diesel, gasoline and related petroleum products and services in Korea remained the prime contributor to the Group's revenue. The segment demonstrated resilience amidst a volatile global energy market, which continued to be impacted by geopolitical tensions and economic uncertainties. The Group successfully increased its sales volume, achieving a total revenue of approximately HK\$699.66 million, representing an increase of approximately 42.95% compared to the previous year.

Petroleum and liquefied natural gas remain major industries in the energy market and play an influential role in the global economy. During the year, global prices for middle distillates such as gasoline and diesel were influenced by a slowing economy, the commissioning of new refineries, and the re-routing of exports from Russia, which were partially replaced by fuel from the Middle East. Despite these challenges, the Group continued to stabilise its trading operations by:

- (i) achieving competitive pricing for individual petrol stations through effective timing of purchases and sales;
- (ii) maintaining a stable supply of diesel and gasoline;
- (iii) minimising lead time and costs through direct delivery from oil refineries to petrol stations;
- (iv) engaging with social media users as part of “untact marketing” to seek prospective customers;
- (v) focusing on aggressive sales to petrol stations; and
- (vi) keeping inventory in preparation for the end of the fuel tax cut.

In addition to its core trading activities in Korea, the Group also generated a modest amount of revenue of approximately HK\$28.32 million from coal sales in the PRC during the year.

Coal Mining

The Group holds mining and exploration rights in respect of coal mines located in the Russian Federation (the “**Russian Coal Mines**”). As at 31 March 2026, the carrying value of the Group’s exploration and evaluation assets in relation to the Russian Coal Mines amounted to approximately HK\$1,413.00 million.

During the year, the Group continued to progress its mining development plans. In respect of Lot 1 and Lot 1 Extension underground mining, the Group has been working in consultation with experts to minimise environmental impact and studying new approaches to mine ventilation, the filling of mined-out space, and the creation of underground repair shops. The Group is also evaluating the possibility of complete import substitution of equipment. In respect of open-pit mining in certain areas of Lot 2, the Group has been analysing technical documents to demonstrate compliance with environmental standards and engaging with local governments and communities.

As previously disclosed, the mining licenses relevant to the Group’s exploration and evaluation assets were subject to revocation proceedings initiated by the Federal Agency for Mineral Resources (“**Rosnedra**”) in April 2025. On 15 April 2026, the Arbitration Court of the City of Moscow delivered its full judgement in favour of the Group’s subsidiary, declaring Rosnedra’s decision on early termination of subsoil use rights unlawful. However, on 10 June 2026, the Ninth Arbitration Court of Appeal accepted an appeal filed by the Ministry of Natural Resources and Ecology and scheduled the hearing on 3 August 2026. As at the date of this annual report, the outcome of the appeal is pending. Please refer to the Company’s announcements dated 24 April 2026 and 10 June 2026 for further details.

In light of the ongoing legal proceedings, the Directors have conducted a comprehensive assessment of the carrying value of the exploration and evaluation assets. Based on a valuation performed by an independent professionally qualified valuer, the Directors are of the opinion that the carrying value of approximately HK\$1,413.00 million as at 31 March 2026 remains supportable.

The Group will continue to vigorously defend its legitimate interests through all available legal channels and will keep shareholders informed of further developments as and when appropriate.

Geographical

During the year, Korea was the Group’s major market segment which accounted for 95.95% (2025: 100.00%) of the total revenue.

PROSPECTS

Looking forward, the Group foresees a challenging year ahead, marked by ongoing volatility in global economic conditions. While early signs of economic stability were observed earlier this year, it remains premature to confirm the onset of a sustained global recovery. Persistent high interest rates continue to hinder growth in the post-pandemic landscape. Concurrently, geopolitical tensions, including the prolonged Russia-Ukraine conflict and the continuing US-triggered world trade disputes, pose significant risks to global stability. The war between Israel and Iran introduces additional challenges, such as disruptions in global oil supply chains, heightened security risks in the Middle East, and increased volatility in commodity and financial markets. These external factors are expected to impact the Group's trading activities in diesel and gasoline, as well as influence coal prices and the demand for coal products.

In light of these uncertainties, the Group will remain focused on optimising its core business operations in trading and coal mining while exploring potential avenues for diversification, should opportunities arise.

Trading

The Group will further strengthen the trading business in Korea by (i) continuously providing competitive prices for individual petrol stations; (ii) ensuring the stable supply at petrol stations; (iii) improving the quality of petroleum products; (iv) offering exceptional customer services; (v) standing out from market competition; (vi) reducing cost of goods sold; (vii) operating more petrol stations; (viii) going to the customers by advertising; (ix) continuing the engagement with prospective customers in online social media; and (x) finding a possible lot area for storage of diesel.

In parallel, the Group will strive to meet the needs of different customers looking for diversified products, and will continue to explore trading opportunities in other products when appropriate.

Coal Mining

In respect of Lot 1 and Lot 1 Extension underground mining, the Group will continue to consult with government officials and experts in the fields of law, environment and economy, despite the Russia-Ukraine war which may make the current situation in Russia rather unstable both internally and externally. The Group also plans to hold more public hearings and looks forward to communicating well with the community and gaining support from the community. The Company is confident that the project will create more job opportunities and contribute to the development of the local community. Additionally, the Company aims to strengthen its public image by giving back to the community.

Because open pit mining in certain areas of Lot 2 requires more effort to maintain the environment than underground mining, the Group will focus more on developing development plans that comply with environmental standards and will continue to cooperate with local governments and local communities for a smooth start of the business. In addition, the Group will research the possibility of introducing automation tools designed to increase production efficiency and minimise labor costs for ordinary operations.

In respect of underground mining of Lot 2, the Group will actively consider the opinions and concerns of local residents about the mining industry, prepare evidence for compliance with environmental standards, and work continuously with local governments and local communities. Similarly, the Group will research the possibility of introducing automation tools designed to increase production efficiency and minimise labor costs for ordinary operations. The Company is always committed to comply with environmental standards and has already engaged an expert to perform technical design on the project.

As regards the legal proceedings concerning the mining licenses, the Group will continue to vigorously defend its legitimate interests through all available legal channels. The Company will closely monitor the progress of the appeal proceedings and will make further announcements as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

PLACING OF SHARES

To further improve the financial position, the Company will strive to grasp opportunities in potential equity funding such as issuance of new shares under specific mandate and/or general mandate.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2026, the Group had net current assets of approximately HK\$0.31 million (2025: net current liabilities of approximately HK\$87.12 million). The Group's current ratio, being a ratio of current assets to current liabilities, was approximately 100.87% (2025: approximately 11.63%) and the Group's gearing ratio, being a ratio of total interest-bearing borrowings to total assets, was approximately 12.64% (2025: approximately 9.90%).

The Group generally finances its operations with internally generated cash flows, loans from a substantial Shareholder and its associates, and independent third parties, and through the capital market available to listed companies in Hong Kong.

The total cash and cash equivalents increased to approximately HK\$5.16 million (2025: approximately HK\$2.44 million) as at the end of reporting year.

As at 31 March 2026, the interest-bearing borrowings of the Group amounted to approximately HK\$88.21 million (2025: approximately HK\$73.10 million), all of which was repayable over one year (2025: majority repayable within a period of within one year). As at 31 March 2026, amounts due to Shareholders amounted to approximately HK\$169.55 million (2025: approximately HK\$151.76 million), all of which was repayable more than one year but not exceeding two years (2025: majority repayable within a period of more than one year but not exceeding two years).

Cost control measures have already been in place to monitor the day-to-day operational and administrative expenses. The Directors will continue to closely review the Group's financial resources in a cautious manner and explore opportunities in potential financial institutions financing and equity funding. The Company will take proactive actions to improve the liquidity and financial position of the Group by way of equity fund raising exercises, including placement of new shares as well as other pre-emptive offers. The Company will closely monitor the market situation and take prompt actions when such opportunities arise.

During the year, the Company has undertaken a number of fund raising activities. On 17 March 2025, the Company issued convertible notes in an aggregate principal amount of US\$400,390,000 (equivalent to approximately HK\$3,123.04 million), which were subsequently fully converted into ordinary shares of the Company, significantly strengthening the Group's equity base. On 28 March 2025, the sellers entered into a placing agreement to place convertible notes in an aggregate principal amount of US\$100,000,000, of which US\$50,200,000 was successfully placed. On 27 November 2025, the Company entered into a placing agreement to place up to 1,368,000,000 new shares at HK\$0.34 per share, with estimated net proceeds of approximately HK\$459.60 million. In addition, on 4 March 2026, the Company entered into a non-binding financing proposal term sheet with GEM Global Yield LLC SCS, pursuant to which the investor indicated its interest in providing an equity funding facility of up to HK\$1.5 billion. The Company will continue to evaluate these and other opportunities to further improve its overall financial position.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this announcement, there was no equity-linked agreement entered into by the Company during the year ended 31 March 2026 or subsisted at the end of the financial year.

CAPITAL STRUCTURE

As at 31 March 2026, the authorised share capital of the Company was HK\$1,000,000,000 (2025: HK\$1,000,000,000) divided into 100,000,000,000 shares (2025: 100,000,000,000 shares) of the Company with par value of HK\$0.01 each (2025: HK\$0.01 each) and the issued share capital was approximately HK\$126.37 million (2025: approximately HK\$1.45 million).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

The Group's revenue, expenses, assets and liabilities are denominated in HKD, USD, RUB, KRW and RMB. The exchange rates of USD against HKD remained relatively stable during the year. Certain expenses of the Group are denominated in RUB and KRW which fluctuated in a relatively greater spread during the year. The Group also recorded revenue in RMB from coal sales in the PRC during the year. Therefore, the Shareholders should be aware that the exchange rate volatility of RUB, KRW and RMB against HKD may have favourable or adverse effects on the operating results of the Group.

Taking into consideration of the amount of revenue and expenses involved, the Group at present has no intention to hedge its exposure from foreign currency exchange rate risk involving RUB, KRW and RMB. However, the Group will constantly review exchange rate volatility and will consider using financial instruments for hedging when necessary.

LITIGATIONS

During the year and up to the date of this announcement, the Group has been involved in a number of legal proceedings. Details of the litigations are set out in Note 24.

Legal Proceedings in Relation to Russian Mining Licenses

Reference is made to the announcements of the Company dated 5, 10, 17 and 27 October 2025, 18 November 2025, 7 April 2026, 24 April 2026 and 10 June 2026 (the “**Announcements**”). Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Announcements.

On 15 April 2025 (Moscow time), the Group, through its Russian subsidiary LLC “Shakhta Lapichevskaya” (the “**Licensee**”), successfully renewed the mining license for the Lapichevskaya coal mine situated in Russia with the Federal Authority, with validity until 1 January 2029. On 22 April 2025 (Moscow time), the Federal Authority revoked the License. On 19 May 2025, the Licensee lodged an application to the Russian Court to review the Revocation Decision. On 8 September 2025 (Moscow time), the Russian Court dismissed the Licensee’s review application on procedural grounds. On 10 October 2025 (Moscow time), the Licensee, having considered the legal advice from the legal advisers of the Group as to Russian laws, filed the Judicial Challenge with the Russian Court, seeking, amongst others, an interim relief for suspending the enforcement of the revocation until the Judicial Challenge is resolved. On 17 November 2025 (Moscow time), the Russian Court issued an interlocutory ruling upholding the revocation decision at that interim stage.

On 3 April 2026 (Moscow time), the Russian Court delivered its judgement in summary terms on the Judicial Challenge (the application by the Licensee to challenge the Revocation Decision) heard by the Russian Court on 31 March 2026. Following the receipt of the Summary Judgement, on 15 April 2026 (Moscow time), the Russian Court delivered its final full judgment on the merits of the Judicial Challenge. In the Full Judgement, the Court ruled in favour of the Licensee. The Court declared both the decision of the Federal Authority dated 18 April 2025 on the early termination of licenses No. KEM 01518 TE and No. KEM 13206 TE, and the decision to annul the approval of the Licensee’s project documentation for field development dated 18 April 2025 unlawful. The Court also declared the Ministry’s refusal of the complaint dated 23 September 2025 and its decision dated 26 September 2025 unlawful. The Federal Authority was ordered to remedy the violations of the Licensee’s rights and legitimate interests within thirty days from the date the judgement becomes legally effective (i.e. 15 April 2026).

On 10 June 2026 (Moscow time), the Ministry filed an appeal with the Appeal Court seeking to overturn the Full Judgement, and the Appeal Court has scheduled a hearing for 3 August 2026 at 11:10 a.m. (Moscow time). As at the date of this announcement, the outcome of the appeal remains pending.

LITIGATION AND THE ACTION

Reference is made to the announcements of the Company dated 14, 15, 19 and 24 December 2025 (the “**Litigation Announcements**”). Unless otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Litigation Announcements.

THE ACTION

On 29 September 2025, the Company was served with a writ of summons (without a statement of claim) filed by Daily Loyal Limited (the “**Claimant**”) alleging breach of a global settlement agreement (the “**Action**”). As the Writ relates to an unliquidated amount and no statement of claim was indorsed, the Board could not assess the merits. The Company has instructed legal advisers to act in the Action. All relevant Directors have confirmed in writing that they had no knowledge of, and did not sign, the alleged Global Settlement Agreement.

On 12 December 2025, the Claimant served a notice of intention to enter default judgment. On 15 December 2025, the Company was provided with a copy of the statement of claim (the “**SOC**”). According to the SOC, the Claimant alleges that pursuant to the Global Settlement Agreement dated 25 October 2024, the Company agreed to procure the transfer of the entire shareholding in LEL and the Licensee (or the mining licenses and rights in relation to the Lapichevskaya Mine) to the Claimant on or before 25 October 2028. The Claimant seeks damages of approximately HK\$1,423 million against the Company for the alleged breach.

The Board is carrying out investigations into certain allegations regarding the Russian mining licenses, and has engaged independent Russian legal advisers to conduct a comprehensive enquiry. The Board has resolved to establish an independent investigation committee for carrying out the investigation of the Allegations.

FORMATION OF AN INDEPENDENT INVESTIGATION COMMITTEE

In order to carry out the investigation of the Allegations, an independent investigation committee had been formed with effect from 15 December 2025 which comprised all independent non-executive Directors including Ms. Chen Dai, Mr. Kim Sung Rae and Mr. Wong Wei Hua Derek.

CAPITAL COMMITMENTS

As at 31 March 2026, the Group had no capital commitments in respect of the exploration related contracts (2025: Nil) and no capital commitments in acquisition of property, plant and equipment (2025: Nil).

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any material contingent liabilities or guarantees (2025: Nil).

PLEDGE OF ASSETS

The Group had not pledged any of its assets for bank facilities as at 31 March 2026 and 31 March 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group was neither involved in any other significant investments, nor any material acquisitions and disposals of any subsidiaries or joint venture company during the year ended 31 March 2026.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 March 2026, the Group had 18 (2025: 15) staff in Hong Kong, Russia and Korea. Remuneration policy is reviewed by the Directors periodically and is determined with reference to industry practice, company performance, and individual qualifications and performance. Remuneration packages comprised salary, commissions and bonuses based on individual performance. Employees benefit plans provided by the Group include provident fund scheme, medical insurance and subsidised training programs and seminars.

The remuneration policy and packages for the Directors and senior management of the Company are determined by the Remuneration Committee of the Company with reference to the prevailing market practices, individual qualifications, time devoted by a Director, responsibilities of a Director, his/her performance and contribution, etc. The primary objective of the remuneration policy is to enable the Company to retain and motivate the Directors.

Under the policy, a Director is not allowed to approve his/her own remuneration package. Directors are entitled to directors' fee. Subsidised continued professional development training may be granted to the Directors.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2026.

DIVIDENDS

The Board does not recommend the payment of a dividend in respect of the financial year ended 31 March 2026 (2025: Nil).

CORPORATE GOVERNANCE

Corporate Governance Code

During the year, the Company has complied with the code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules except for the described below.

Reference is made to the announcement of the Company dated 5 December 2025 (the “**IC Review Announcement**”). Unless the context otherwise requires, capitalised terms shall have the meanings ascribed to them in the IC Review Announcement.

Upon learning of the Revocation Decision and the Review Application submitted by the Board in October 2025, the Board had been examining various measures to enhance the internal control and corporate governance of the Group. On 26 November 2025, the Board resolved to engage Cheng and Cheng Risk Advisory Services Limited (the “**IC Consultant**”) to perform a review of the internal control (the “**IC Review**”) of the Company and to make recommendations based on the results of the IC Review.

The IC Review was conducted in two stages including (i) a review of the existing internal control systems and provision of recommendations; and (ii) a follow-up review to evaluate the internal control systems following the implementation of remedial actions in areas requiring improvement. During the course of the IC Review, the results indicated that control deficiencies existed within the Group in the areas of chop management and entity-level controls. The management has reviewed the above matters and has implemented remediation measures recommended by the IC Consultant to enhance the escalation of material information, standardise chop management, and improve Listing Rules compliance.

As at the date of this announcement, the two-stage IC Review has been completed. The IC Consultant concluded that the Group has adopted targeted improvement measures to address the internal control deficiencies identified, which will help mitigate the risk of recurrence of similar issues concerning chop management and entity-level controls.

Having considered the Group’s implementation of a series of internal control measures in response to the deficiencies identified, as well as the IC Consultant’s conclusion that the Company has completed the remediation and that no material internal control issues were identified, the Board considered that the risk management and internal control systems of the Group are effective and adequate as a whole.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Having made specific enquiries, the Company has obtained confirmation from all Directors that they have complied with the required standards as set out in the Model Code throughout the year ended 31 March 2026.

Audit Committee

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference which have been updated from time to time to align with the code provisions set out in the CG Code. The Audit Committee is comprised of Mr. Wong Wei Hua Derek (Chairman), Ms. Chen Dai and Mr. Kim Sung Rae, all of whom are independent non-executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended 31 March 2026.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company is scheduled to be held on 19 August 2026 (Wednesday) (“AGM”). To determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 14 August 2026 (Friday) to 19 August 2026 (Wednesday) (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 13 August 2026 (Thursday) which is the last registration date for the AGM.

AUDITOR

The consolidated financial statements have been audited by Prism Hong Kong Limited which will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company. A resolution for the reappointment of Prism Hong Kong Limited as the auditor of the Company is expected to be proposed at the forthcoming annual general meeting of the Company.

SCOPE OF WORK OF PRISM

The figures in respect of this preliminary announcement of the Company’s consolidated annual results for the year ended 31 March 2026 have been agreed by the Company’s auditor, Prism, to the amounts set out in the Company’s consolidated financial statements for the year ended 31 March 2026. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Prism on this preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <https://enp.aconnect.com.hk/>, respectively. The annual report of the Company for the year ended 31 March 2026 will be despatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
E&P Global Holdings Limited
Liu Wai Shing Peter
Chairman

Hong Kong, 30 June 2026

As at the date of this announcement, the Board consists of Mr. Liu Wai Shing Peter, Mr. Im Jonghak and Ms. Sun Meng as executive directors and Ms. Chen Dai, Mr. Kim Sung Rae and Mr. Wong Wei Hua Derek as independent non-executive directors.