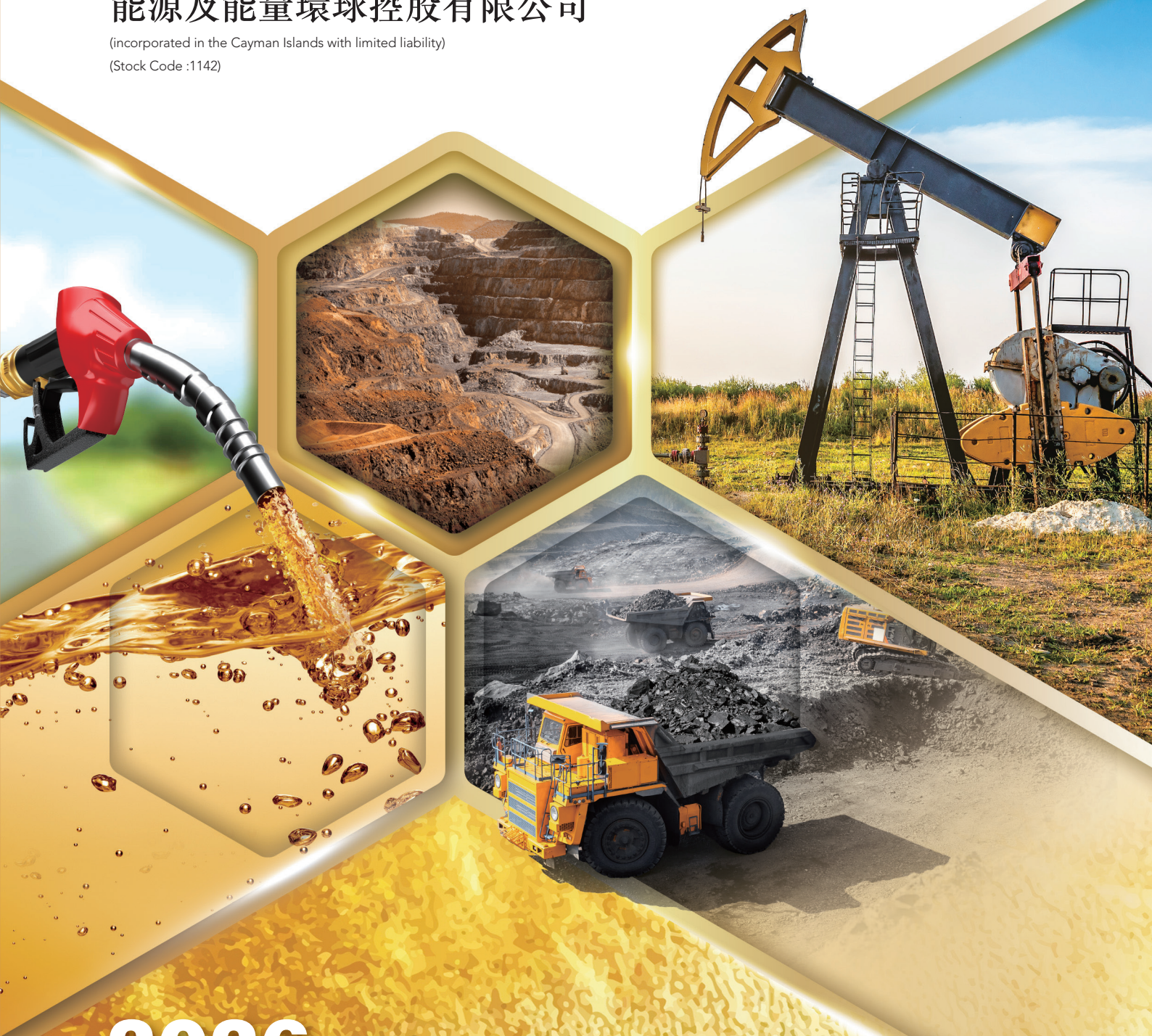


E&P Global Holdings Limited 能源及能量環球控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code :1142)



2026

ANNUAL REPORT

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Liu Wai Shing Peter (*Chairman*)
(appointed as a Chairman on 10 October 2025)
Mr. Lee Jaeseong (*Chairman*) (resigned on 10 October 2025)
Mr. Im Jonghak
Ms. Sun Meng (re-designated as an executive Director
on 15 July 2025)

Independent Non-executive Directors

Ms. Chen Dai
Mr. Kim Sung Rae
Mr. Wong Wei Hua Derek

COMPANY SECRETARY

Ms. Wong Ngar Lai

AUTHORISED REPRESENTATIVES

Mr. Liu Wai Shing Peter (*Chairman*)
(appointed on 10 October 2025)
Mr. Lee Jaeseong (resigned on 10 October 2025)
Ms. Wong Ngar Lai

AUDIT COMMITTEE

Mr. Wong Wei Hua Derek (*Chairman*)
Ms. Chen Dai
Mr. Kim Sung Rae

REMUNERATION COMMITTEE

Ms. Chen Dai (*Chairlady*)
Mr. Kim Sung Rae
Mr. Wong Wei Hua Derek

NOMINATION COMMITTEE

Mr. Liu Wai Shing Peter (*Chairman*)
(appointed as a Chairman on 10 October 2025)
Mr. Lee Jaeseong (*Chairman*) (resigned on 10 October 2025)
Ms. Chen Dai
Mr. Kim Sung Rae
Mr. Wong Wei Hua Derek

AUDITORS

Prism Hong Kong Limited
Registered Public Interest Entity Auditor
Units 1903A-1905, 19/F, 8 Observatory Road,
Tsim Sha Tsui, Kowloon, Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

HKEX STOCK CODE

1142

WEBSITE

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CHAIRMAN'S STATEMENT

On behalf of the board of directors (the “**Board**”) of E&P Global Holdings Limited (the “**Company**”), I would like to present to the shareholders of the Company (the “**Shareholders**”) the annual report with the annual results of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 March 2026.

PERFORMANCE AND OPERATIONS

For the year under review, the Group achieved a significant revenue increase to approximately HK\$699.66 million (2025: approximately HK\$489.45 million), representing growth of 42.95%. Trading of diesel, gasoline and related petroleum products and services in the Republic of Korea continued to be the dominant contributor, accounting for approximately 95.95% of total revenue (2025: 100%).

The Group recorded a loss before income tax of approximately HK\$34.56 million (2025: HK\$329.01 million). The substantial reduction in loss was primarily driven by:

- A sharp decrease in impairment loss on exploration and evaluation assets (related to mining rights of Lot 2 of the Russian coal mines) to approximately HK\$62.64 million (2025: HK\$786.78 million); and
- Recognition of a gain on derecognition of financial liability of approximately HK\$140.29 million (2025: Nil).

These positive factors were partially offset by higher imputed interest on convertible notes of approximately HK\$93.10 million (2025: HK\$9.92 million) and other operating cost movements. It is noteworthy that the impairment loss and the convertible notes gain were largely non-cash items arising from year-end valuation exercises and therefore did not materially impact the Group's cash position.

In the Korean trading business, the Group navigated a challenging environment marked by lower purchasing sentiment among certain top customers amid ongoing geopolitical tensions (including the Russia-Ukraine conflict), economic uncertainties, and sharp swings in global energy prices. Despite these headwinds, the Group successfully increased overall sales volume through competitive pricing, stable supply chains, direct refinery-to-station deliveries, and targeted marketing efforts.

The coal mining operations in Russia remained in the development phase, with continued emphasis on environmental sustainability, compliance with regulatory standards, and community engagement. As previously disclosed, the Group secured a favourable court judgment in March 2026 regarding the mining licences, though an appeal by the authorities is pending (hearing scheduled for 3 August 2026). The carrying value of exploration and evaluation assets stood at approximately HK\$1,413 million as at 31 March 2026 following the impairment charge, supported by an independent valuation.

The year was shaped by persistent global macroeconomic and geopolitical uncertainties. The prolonged Russia-Ukraine conflict, in which successive short-lived ceasefire initiatives during 2026 failed to take hold, combined with US-triggered trade disputes, a marked escalation of tensions in the Middle East, including the direct military exchanges between Israel and Iran in June 2026, and volatile commodity prices, continued to pressure energy markets. Crude oil prices proved especially volatile, with Brent crude spiking towards US\$95 per barrel in June 2026 amid the Middle East hostilities before easing sharply as immediate supply concerns receded — a swing that underscored the fragility of global energy market sentiment. Global oil and coal price fluctuations, slower economic growth in key regions, and sanctions-related disruptions affected supply chains and demand sentiment — particularly in the Group's core Korean trading market. These external factors contributed to cautious purchasing by customers and added complexity to long-term mining development planning in Russia. The Group maintained operational resilience through agile procurement, inventory management, and diversification efforts within petroleum products.



CHAIRMAN'S STATEMENT

PROSPECTS

The year ahead is expected to remain challenging due to ongoing geopolitical risks, notably the unresolved conflict between Russia and Ukraine and the risk of renewed instability in the Middle East following the June 2026 escalation, as well as potential further volatility in global energy prices and macroeconomic uncertainties. The Group will continue to focus on its two core businesses, namely diesel and gasoline trading in Korea and coal mining development in Russia, while, over time and in a measured manner, continuing to seek to broaden its energy trading activities into selected markets beyond Korea, including but not limited to China, and remaining attentive to opportunities to acquire mining rights and related resource assets in jurisdictions beyond Russia, as and when these naturally complement the Group's existing operations and strengths.

In trading, we will strengthen market presence by expanding partnerships with petrol stations, enhancing product quality and customer service, optimising costs, and leveraging digital marketing channels. For the mining segment, we will prioritise environmental compliance, community relations, technical improvements such as potential automation, and vigorous defence of our legal rights regarding the licences. We remain cautiously optimistic about the long term potential of our core assets, supported by disciplined cost control and ongoing fundraising initiatives to bolster liquidity and financial flexibility.

APPRECIATION

I would like to extend my sincere gratitude to our Board members, Shareholders, suppliers, customers, business partners, and dedicated staff for their continued support and contributions during a demanding year.

Liu Wai Shing Peter

Chairman

Hong Kong, 30 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2026, the Group recorded a total revenue of approximately HK\$699.66 million (2025: approximately HK\$489.45 million), representing an increase of approximately 42.95% as compared to the corresponding period last 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: HK\$369.33 million), sales of gasoline of approximately HK\$135.81 million (2025: HK\$99.02 million) and sales of other related petroleum products and services of approximately HK\$57.26 million (2025: 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 gains of approximately HK\$64.09 million (2025: net other losses of approximately HK\$305.50 million). The other gain was mainly attributable to the gain on derecognition of financial liability of approximately HK\$140.29 million (2025: Nil), which was partially offset by the loss on written-off of property, plant and equipment of approximately HK\$13.52 million (2025: Nil), and the impairment loss on exploration and evaluation assets of approximately HK\$62.64 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: 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: 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.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

During the year, total finance costs amounted to approximately HK\$100.54 million (2025: 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: 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\$62.64 million (2025: HK\$786.78 million) and the gain on derecognition of financial liability of approximately HK\$140.29 million (2025: Nil), 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\$62.64 million (2025: 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 on derecognition of financial liability 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 last 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 approximately 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.



MANAGEMENT DISCUSSION AND ANALYSIS

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: 11.63%) and the Group's gearing ratio, being a ratio of total interest-bearing borrowings to total assets, was approximately 12.64% (2025: 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 31 March 2026, the interest-bearing borrowings of the Group amounted to approximately HK\$88.21 million (2025: HK\$73.10 million), all of which was repayable over one year (2025: majority repayable within one year). As at 31 March 2026, amounts due to Shareholders amounted to approximately HK\$169.55 million (2025: HK\$151.76 million), all of which was repayable more than one year but not exceeding two years (2025: majority repayable 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 had 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 during the year, 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 a portion was subsequently placed during the year. 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 annual report, 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\$126.38 million (2025: HK\$1.45 million).

CAPITAL REORGANISATION

On 26 November 2024, the Board proposed to implement a capital reorganisation (the “**Capital Reorganisation**”) comprising (i) the reduction of the par value of each of the issued shares from HK\$0.50 each to HK\$0.01 each by cancelling the paid-up share capital to the extent of HK\$0.49 per issued share so that following such reduction, each issued share shall become one share with a par value of HK\$0.01 each in the share capital of the Company; and (ii) the sub-division of the authorised but unissued shares into fifty unissued shares with a par value of HK\$0.01 each.

The Capital Reorganisation was approved by the Shareholders in the extraordinary general meeting of the Company on 30 December 2024 and became effective on Monday, 17 March 2025.

Please refer to the circular of the Company dated 6 December 2024 for details of the Capital Reorganisation.



MANAGEMENT DISCUSSION AND ANALYSIS

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The following is a list of principal risks and uncertainties that are considered to be of significance, as it would have potential significant impacts to the Group's business, results of operations and financial conditions. However, this is non-exhaustive as there may be other risks and uncertainties arising from changes in economic and other conditions over time.

- (i) The Group derives a significant portion of its revenue from several customers and sources a significant portion of its purchases from several suppliers. Such reliance on a small number of customers and suppliers may materially affect the business of the Group, if the Group could not secure continuous supports from them.
- (ii) The Group's trading business is mainly located in Korea, and such concentration in location may make the Group more sensitive to changes in government policies and regulations in Korea.
- (iii) The Group derives its revenue wholly from trading of diesel, gasoline and related petroleum products and services. Such over concentration on petroleum products and services may materially affect the business of the Group, if there are sudden significant changes in business environment of these products and services.
- (iv) Significant fluctuations in international coal prices from year to year, especially due to the ongoing geopolitical tensions in Ukraine and uncertainties in world economic developments, will cast corresponding significant fluctuations in year end valuation of exploration and evaluation assets (in relation to mining rights of Lot 2 of the Group's Russian coal mines) for accounting purposes, which may have material impacts on the Group's financial results due to the resultant impairment loss or reversal of impairment loss (as the case may be), and also on the Group's total non-current assets.
- (v) The coal mining license of Lot 1 will expire on 1 January 2029, and if such coal mining license could not be further extended, the general integrated mining plan (if implemented) for Lot 1, Lot 1 Extension and Lot 2 may be affected.
- (vi) The Group's coal mining rights of Lot 1, Lot 1 Extension and Lot 2 are all geographically located in Russia, and such concentration in location may make the Group more sensitive to changes in government policies and regulations in Russia.

MANAGEMENT DISCUSSION AND ANALYSIS

- (vii) The Company and the Group have get involved in various legal proceedings, and the outcomes of the outstanding legal proceedings are still unknown, since the legal procedures are still in progress.
- (viii) The ongoing geopolitical tensions and the developments in Ukraine might have continuous negative impacts on the Russian economy, including ongoing difficulties in obtaining international funding, increase in volatility on the securities and currency markets as well as significant fluctuations of national currency and continuous high inflation. The United States of America and the European Union already imposed sanctions against major Russian banks, which has created obstacles in normal fund remittance to the Group's Russian subsidiary to finance its daily operations and the coal mines development. If the situation persists or continues to develop significantly, it may affect the Russian subsidiary's operations, financial condition and prospects.
- (ix) Please refer to "Exposure to Fluctuation in Exchange Rates and Related Hedges" hereinabove for the foreign exchange risks.
- (x) Please refer to the relevant parts in Note 7 to the Financial Statements for the market risks (currency risk and cash flow and fair value interest rate risk), credit risks and liquidity risks on pages 79 to 84.

FINANCIAL KEY PERFORMANCE INDICATORS FOR BUSINESS REVIEW

- (i) During the year under review, the Group has focused on the trading of diesel, gasoline and related petroleum products and services, such products accounted for 100.00% (2025: 100.00%) of the Group's yearly revenue.
- (ii) The gross profit ratio (being gross profit to revenue) of trading business was approximately 2.47% (2025: 1.26%), which experienced an increase as the sales prices of diesel and gasoline generally increased and the product mix varied.
- (iii) As coal production in the Group's Russian coal mines has not yet been commenced during the year, financial key performance indicators for coal mining are not applicable.
- (iv) Since current assets of the Group as of 31 March 2026 increased and current liabilities of the Group as of 31 March 2026 decreased as compared with that of last year, the current ratio (being current assets to current liabilities) for the year under review increased to approximately 100.87% (2025: 11.63%).
- (v) As of 31 March 2026, the total loans payables and interest-bearing borrowings of the Group increased but the total assets of the Group also increased to a greater extent, hence the gearing ratio (being total loans payables and interest-bearing borrowings to total assets) for the year under review decreased to approximately 12.64% (2025: approximately 9.90%).

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLOSURES RELATING TO THE QUALIFIED AUDIT OPINION

In accordance with the guidance set out in the HKEx's Guide on Preparation of Annual Report, the Board and the Audit Committee provide the following disclosures regarding the qualified audit opinion issued by the auditor, Prism Hong Kong Limited, for the year ended 31 March 2026.

1. Details of the Modification and Potential Financial Impact

The qualification arises solely from the auditor's inability to obtain sufficient appropriate audit evidence to support the valuation assumptions for the Group's exploration and evaluation assets (carrying amount of approximately HK\$1,413.00 million), specifically concerning: (i) the timing of commencement of commercial production; and (ii) the renewal of the exploration license upon expiry.

Potential Impact: Given the material uncertainty over the license validity (revoked on 22 April 2025, with appeal pending), the auditor was unable to obtain sufficient appropriate audit evidence to determine whether any further adjustment to the carrying amount of the assets was necessary. Management recognised a partial impairment of HK\$62.64 million based on its own assessment. If the underlying assumptions are not realised, a further impairment may be required in future periods.

2. Management's Position, Basis

Management maintains that its adopted assumptions are reasonable and supportable. The value-in-use assessment was based on an independent valuation report and includes the following specific assumptions:

- **Commercial Production:** Lot 2 is assumed to commence in 2028, and Lot 1 & Extension in 2032, based on the mine development plans set out in independent technical reports.
- **License Renewal:** The license is assumed to be reinstated and renewed for the full projection period, supported by (i) the initial renewal granted on 15 April 2025; (ii) the favourable court ruling on 31 March 2026; and (iii) legal advice from Russian counsel indicating a strong case on the merits.

Management relies on the favourable court ruling dated 31 March 2026 and the Company's history of successful license renewals as the basis for continuing to recognise the exploration and evaluation (E&E) assets. The Auditors agreed with the Company's decision to reinstate the E&E assets. However, the Auditor was unable to obtain sufficient appropriate audit evidence regarding two key assumptions underlying the valuation — namely (i) the timing of commencement of commercial production and (ii) the long-term renewal — due to the fundamental uncertainty arising from the pending appeal (hearing scheduled for 3 August 2026) and formal confirmation of future license renewal.

3. Audit Committee's Assessment and View

The Audit Committee has reviewed the relevant materials, including management's assessment, the independent valuation report, and legal advice, and has held discussions with both management and the auditor.

The Audit Committee agrees with management's position and basis for the valuation (i.e., that the assumptions are reasonable based on available information). However, the Committee fully recognises the material uncertainty arising from the pending appeal. Consequently, the Audit Committee supports the auditor's decision to include a qualified opinion in the audit report to ensure full transparency for shareholders, while noting that it does not disagree with management's accounting assessment.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Action Plan to Address the Audit Qualification

The Board and Audit Committee have implemented the following action plan, with the objective of resolving the qualification in the next financial year:

Action Item	Objective	Timeline
Legal Proceedings	Vigorously pursue the pending appeal and secure a final, non-appealable ruling in favour of the Licensee.	Hearing on 3 August 2026.
Government Engagement	Continue active engagement with relevant government authorities to restore a constructive regulatory relationship and support the development plan.	Immediate and ongoing.
Valuation Reassessment	Engage the independent valuer to update the valuation model and reassess the carrying amount, incorporating the outcome of the August 2026 appeal hearing and any available information regarding the final appeal	Based on the future case development, it will be further updated in forthcoming 2026 interim or 2027 annual results announcement
Enhanced Disclosure	Provide regular updates to shareholders via announcements on the progress of the legal proceedings and their impact on the financial statements.	As and when material developments occur.

Views on Effectiveness:

The auditor views this plan as subject to fundamental uncertainties, as it relies heavily on external court and government decisions. The Board and Audit Committee acknowledge this limitation but consider the plan to be the only viable path to resolving the qualification and remain cautiously optimistic given the favourable court ruling obtained to date.

LITIGATIONS

During the year and up to the date of this annual report, the Group has been involved in a number of legal proceedings. Details of the litigations are set out in Note 44 to the Financial Statements.



MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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.



MANAGEMENT DISCUSSION AND ANALYSIS

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, Korea and PRC. 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.



REPORT OF THE DIRECTORS

The Board of the Company presents the report together with the audited consolidated financial statements of the Group for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

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 Russian and trading of diesel, gasoline and other products in Korea and PRC.

An analysis of the principal activities of the subsidiaries is set out in Note 47 to the Financial Statements.

Further discussion and analysis of these activities as required by Schedule 5 of the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis section set out on pages 5 to 15 of this annual report. Such discussion forms part of this Report of The Directors.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 March 2026 and the state of affairs of the Group as at 31 March 2026 are set out on pages 48 to 131.

The Board does not recommend the payment of any dividend for the year ended 31 March 2026 (2025: Nil).

SEGMENT INFORMATION

An analysis of the Group's revenue and contribution to results by principal activities and geographical segments of operations for the year ended 31 March 2026 is set out in Note 9 to the Financial Statements.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 132.

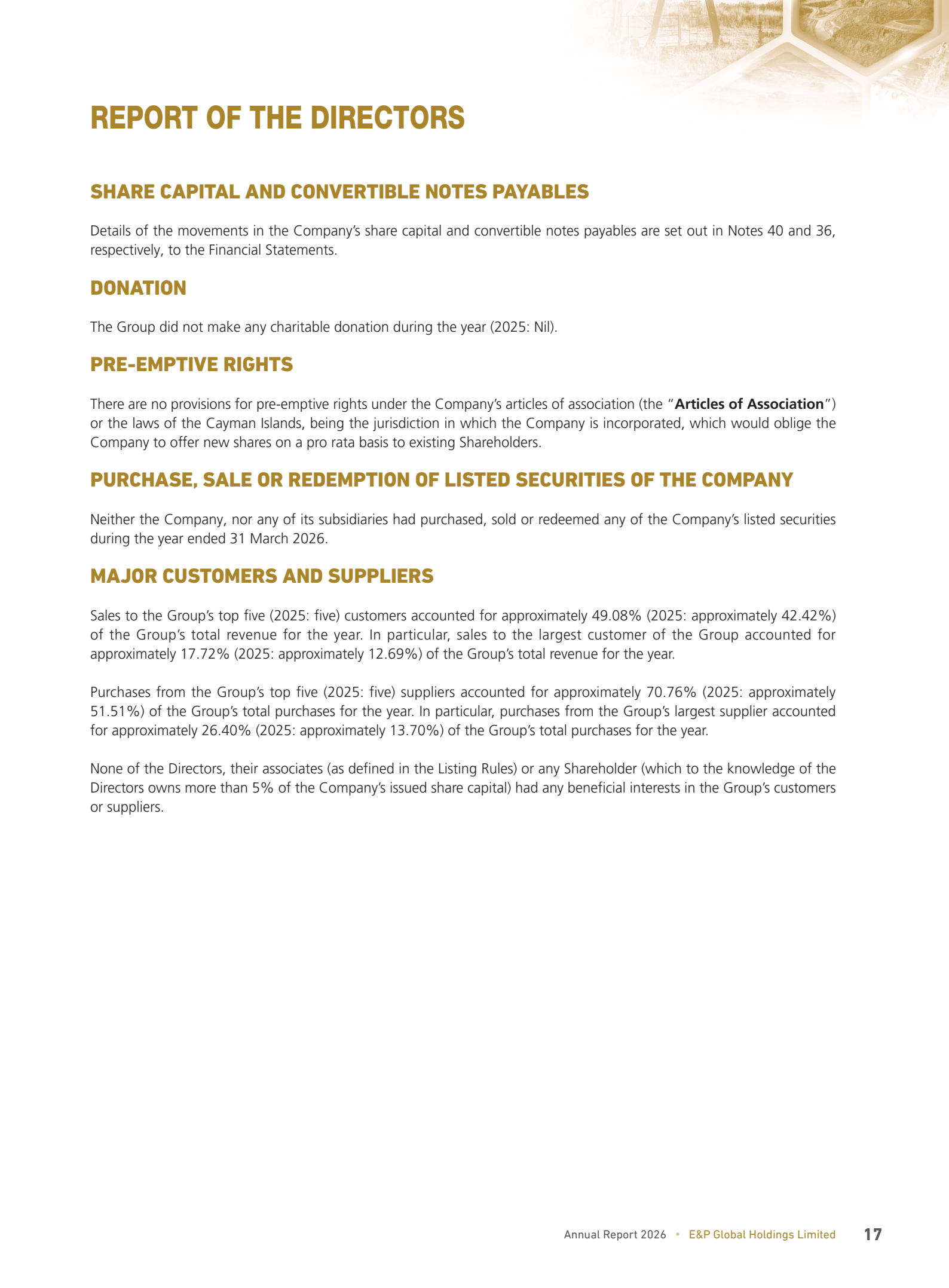
RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Note 46 to the Financial Statements and in the Consolidated Statement of Changes in Equity, respectively.

As at 31 March 2026, the Company did not have any reserve for distribution (2025: Nil). Under the laws of the Cayman Islands, a company may make distributions to its members out of the contributed surplus account under certain circumstances. In addition, the Company's share premium account amounted to HK\$4,954,637,000 (2025: HK\$1,956,517,000) may be distributed in the form of fully paid bonus shares.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 19 to the Financial Statements.



REPORT OF THE DIRECTORS

SHARE CAPITAL AND CONVERTIBLE NOTES PAYABLES

Details of the movements in the Company's share capital and convertible notes payables are set out in Notes 40 and 36, respectively, to the Financial Statements.

DONATION

The Group did not make any charitable donation during the year (2025: Nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "**Articles of Association**") or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

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.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's top five (2025: five) customers accounted for approximately 49.08% (2025: approximately 42.42%) of the Group's total revenue for the year. In particular, sales to the largest customer of the Group accounted for approximately 17.72% (2025: approximately 12.69%) of the Group's total revenue for the year.

Purchases from the Group's top five (2025: five) suppliers accounted for approximately 70.76% (2025: approximately 51.51%) of the Group's total purchases for the year. In particular, purchases from the Group's largest supplier accounted for approximately 26.40% (2025: approximately 13.70%) of the Group's total purchases for the year.

None of the Directors, their associates (as defined in the Listing Rules) or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any beneficial interests in the Group's customers or suppliers.



REPORT OF THE DIRECTORS

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Liu Wai Shing Peter (*Chairman*) (appointed as Chairman on 10 October 2025)

Mr. Lee Jaeseong (*Chairman*) (resigned as an executive Director and Chairman on 10 October 2025)

Mr. Im Jonghak

Ms. Sun Meng (re-designated from a non-executive Director to an executive Director on 15 July 2025)

Independent Non-executive Directors

Ms. Chen Dai

Mr. Kim Sung Rae

Mr. Wong Wei Hua Derek

In accordance with Articles 87(1) and 87(2) of the Articles of Association, Mr. Im Jonghak and Ms. Chen Dai shall retire by rotation and being eligible, shall offer themselves for re-election at the forthcoming annual general meeting.

The Company has received from each of the independent non-executive Directors ("**INEDs**" and each an "**INED**"), an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company considers that all the INEDs to be independent.

CHANGES IN DIRECTORS' INFORMATION

Ms. Sun Meng was re-designated from a non-executive Director to an executive Director on 15 July 2025.

Mr. Lee Jaeseong resigned as executive Director, Chairman of the Board, Chairman of the nomination committee and authorised representative of the Company on 10 October 2025.

Mr. Liu Wai Shing Peter was appointed as Chairman of the Board and Chairman of the nomination committee on 10 October 2025.

Mr. Im Jonghak, executive Director, was appointed as the authorised representative of the Company on 10 October 2025.

Save as disclosed above, there are no changes in the information of Directors that are required to be disclosed pursuant to Rule 13.51B(1) since the publication of the Company's last interim report and up to the date of this annual report.



REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

None of the Directors (including those proposed for re-election at the forthcoming annual general meeting of the Company) had a service contract with the Company or any of its subsidiary companies which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTOR'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 42 to the Financial Statements, there was no transaction, arrangement or contract of significance to which any of the Company's holding company, subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of the Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

The Company did not enter into any contract, other than the contracts of service with the Directors or any person engaged in the full-time employment of the Company, by which a person undertakes the management and administration of the whole, or any substantial part of any business of the Company during the year.

CONTROLLING SHAREHOLDERS' INTEREST

Save as disclosed in this report, no contracts of significance were entered into between the Company or any of its subsidiaries and any controlling Shareholders or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by any controlling Shareholders or any of its subsidiaries.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their respective holding of the Company's securities.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and the five highest paid individuals in the Group during the year are set out in Notes 15 and 16 to the Financial Statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2026 and at any time during the year, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interests in any business, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group or any other conflicts of interest with the Group.



REPORT OF THE DIRECTORS

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Liu Wai Shing Peter (“**Mr. Liu**”) aged 57, was appointed as an Executive Director on 4 November 2024 and subsequently appointed as a Chairman of the Board and Chairman of the Nomination Committee on 10 October 2025. He has been a co-owner, a partner and a chief financial officer of Morganite Capital Limited since January 2024. Mr. Liu was a group chief financial officer and a chief operating officer of 8F Asset Partners HK Limited from April 2021 to December 2023; a co-founder, a chief financial officer and a chief operating officer of All4Learn Holdings Limited from September 2020 to April 2021; a chief financial officer of KKR Asia Limited from July 2017 to August 2020; a chief financial officer of Kohlberg Kravis Roberts & Co Partners LLP from October 2008 to June 2017; and a group financial controller of FTSE Group from September 2003 to September 2008. Mr. Liu also worked at Barclays Bank from June 1998 to August 2003 and his last position was a finance change program manager and an acting consultant in Barclays Bank PLC Monaco, Monte Carlo, Monaco. Mr. Liu obtained a bachelor’s degree in business studies from the University of Westminster, the United Kingdom (the “**UK**”) in 1993 and a master’s degree of business administration from Oxford Brookes University, Oxford Institute of International Finance, the UK in 2007. Mr. Liu has been a qualified member (FCCA) of the Chartered Association of Certified Accountants, the UK since 1998.

Mr. Im Jonghak (“**Mr. Im**”), aged 48, was appointed as an Executive Director on 21 February 2020. He has over 10 years’ experience in finance and corporate management. He had been the chief manager of Global Power Asia Co. Ltd. (“**GPA**”), a subsidiary of the Company. Prior to joining GPA in May 2017, he served various positions in Orbital Education Ltd, including the director of admission from September 2006 to April 2017. Mr. Im obtained a bachelor’s degree of physical education from Kyung Hee University in 2005.

Ms. Sun Meng (“**Ms. Sun**”) aged 24, was appointed as a Non-executive Director on 4 November 2024 and was re-designated as an Executive Director on 15 July 2025. On the same date, she was also appointed as business development director of the Company responsible for developing and expanding business opportunities for the Group. Ms. Sun was an overseas business development manager in JiangSu LiChang Construction Materials Limited from January 2023 to July 2025. Ms. Sun obtained a bachelor’s degree in political science from the University of Iowa, the United States of America in 2022.

Independent Non-executive Directors

Ms. Chen Dai (“**Ms. Chen**”), aged 47, was appointed as an Independent Non-executive Director on 29 March 2018. On the same date, she became a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. She was further appointed as chairlady of the Remuneration Committee on 28 August 2020. On 18 October 2024, she was re-designated from a member to chairlady of the Audit Committee and subsequently re-designated from chairlady to member of the Audit Committee on 17 January 2025. She holds a Bachelor’s Degree of Business Administration and Financial Management from Shanghai University of Finance and Economics (Shanghai, China). She is currently the chief operating officer of Teng Wei Information Consulting Co., Ltd. providing corporate consultancy to foreign investment companies and Chinese companies. Before joining Teng Wei Information Consulting Co., Ltd. in March 2008, she had been the senior accountant in Shanghai Beston Trading Co., Ltd. from March 2000 to March 2004. Ms. Chen possesses core competencies in corporate tax consultation and corporate consultation.

REPORT OF THE DIRECTORS

Mr. Kim Sung Rae (“Mr. Kim”), aged 68, was appointed as an Independent Non-executive Director on 3 March 2023. On the same date, he became a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He has over 40 years working experience in electric industry. He had been working in Korea Electric Power Corporation, a company listed on The Korea Exchange with stock code 015760, for almost 40 years until retirement in 2017. He then served for almost 5 years as a deputy general manager at the Korea Electric Association (“KEA”) from April 2017 to December 2021, and joined the administration of construction as construction supervisor at ED&C Co., Ltd from October 2022 to February 2023. He is currently a part-time training teacher at KEA starting from March 2023. Mr. Kim holds a bachelor’s degree of Real Estate from Gukje Cyber University (Suwon, Korea). He is qualified as an electrician and a vocational competency development training teacher - electrician Level 3.

Mr. Wong Wei Hua Derek (“Mr. Wong”) aged 54, was appointed as an Independent Non-executive Director on 17 January 2025. On the same date, he became a Chairman of the Audit Committee, and a member of the Nomination Committee and the Remuneration Committee. He has over 25 years of experience in auditing and financial and corporate management. Mr. Wong joined Ausnutria Dairy Corporation Ltd (“Ausnutria”), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1717) as the deputy chief financial officer in July 2011 and was appointed as joint company secretary (later re-designated as the company secretary in December 2012) and the chief financial officer in September 2011. Mr. Wong has resigned from all of his positions in Ausnutria in December 2023. Mr. Wong graduated from York University in Toronto, Canada with a bachelor’s degree in arts (major in mathematics) in June 1993 and a bachelor’s degree in administrative studies (major in accounting) in June 1995. Mr. Wong has been a member of the Hong Kong Institute of Certified Public Accountants since March 2002.

DIRECTORS’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2026, none of the Directors or any of their associates or chief executives of the Company (as defined in the Listing Rules) had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)), which are required to be notified to the Company and the Stock Exchange pursuant to SFO (including interests which they are taken or deemed to have under SFO) or which are, pursuant to Section 352 of the SFO, entered in the register referred to therein or, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

CONNECTED TRANSACTION

The Company did not (i) have any outstanding continuing connected transaction; or (ii) enter into any connected transaction for the year ended 31 March 2026.

None of the related party transactions set out in Note 42 to the Financial Statements constitutes connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Laws of the Cayman Islands) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Company.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2026, the register of interests in shares and short positions required to be kept by the Company under Section 336 of the SFO showed that the following persons (other than the Directors or chief executives of the Company) had disclosed to the Stock Exchange and/or the Company an interest of 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company.

Long position in shares of HK\$0.01 each in the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of shareholding
A Mark Limited (<i>Note</i>)	Trustee	1,481,844,000	11.73%
Ocean Resources Int'l Investment Group Limited (<i>Note</i>)	Trustee	2,187,042,000	17.30%
Wayside Holdings Limited (<i>Note</i>)	Beneficial Owner	4,040,322,000	31.97%
Chen William Hon Lam (<i>Note</i>)	Interested in Controlled Corporation	7,709,208,000	61.00%

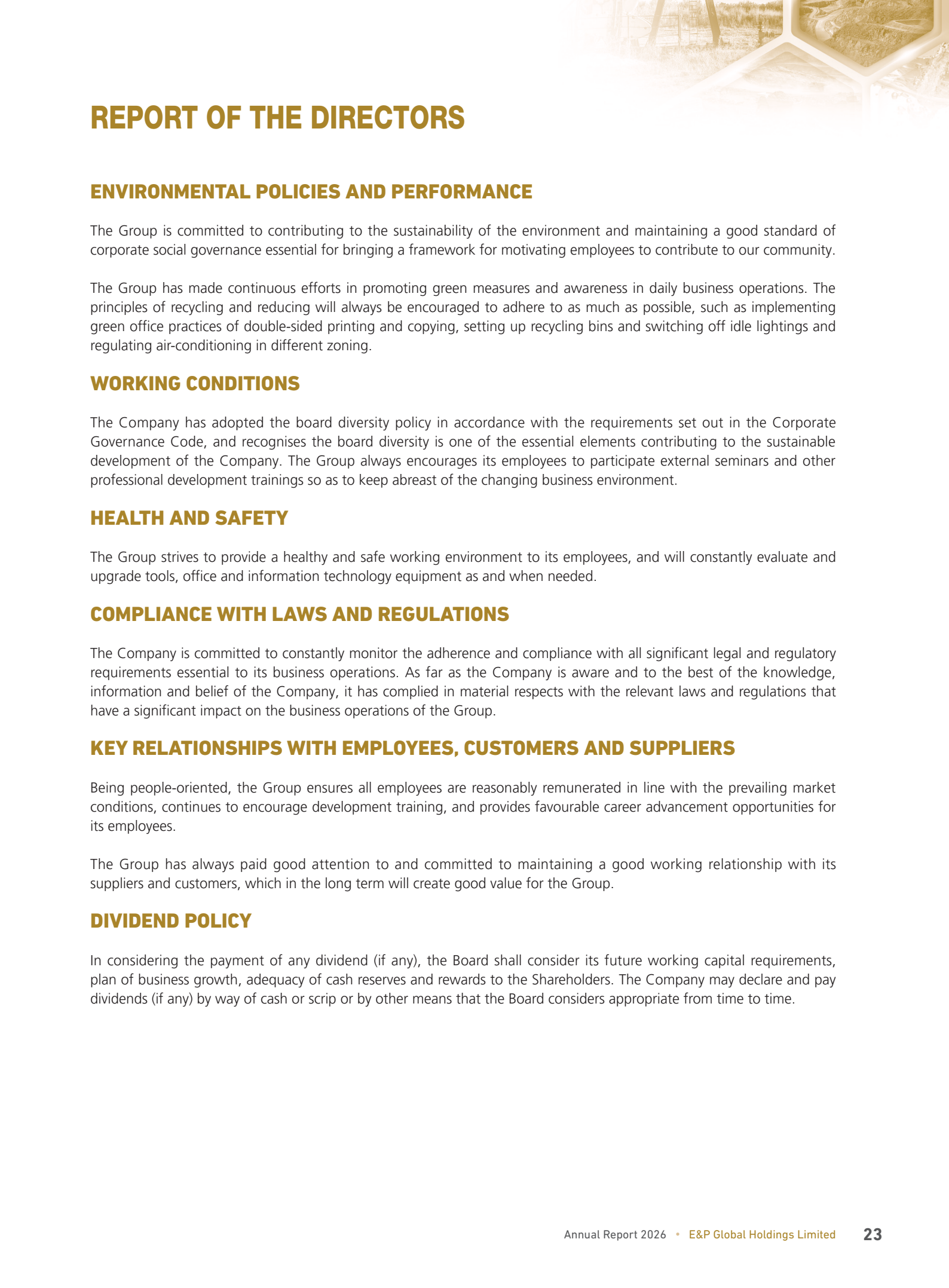
Note:

A Mark Limited ("**A Mark**") and Ocean Resources Int'l Investment Group Limited ("**Ocean Resources**") hold these Shares on behalf of Wayside Holdings Limited ("**Wayside**"). Wayside is beneficially wholly owned by Mr. Chen William Hon Lam ("**Mr. Chen**") and as such Mr. Chen is deemed to be interested in all the Shares held by A Mark, Ocean Resources and Wayside.

Save as disclosed above, as at 31 March 2026, no person had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to Section 336 of SFO.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 25 to 41 of this annual report.



REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a good standard of corporate social governance essential for bringing a framework for motivating employees to contribute to our community.

The Group has made continuous efforts in promoting green measures and awareness in daily business operations. The principles of recycling and reducing will always be encouraged to adhere to as much as possible, such as implementing green office practices of double-sided printing and copying, setting up recycling bins and switching off idle lightings and regulating air-conditioning in different zoning.

WORKING CONDITIONS

The Company has adopted the board diversity policy in accordance with the requirements set out in the Corporate Governance Code, and recognises the board diversity is one of the essential elements contributing to the sustainable development of the Company. The Group always encourages its employees to participate external seminars and other professional development trainings so as to keep abreast of the changing business environment.

HEALTH AND SAFETY

The Group strives to provide a healthy and safe working environment to its employees, and will constantly evaluate and upgrade tools, office and information technology equipment as and when needed.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is committed to constantly monitor the adherence and compliance with all significant legal and regulatory requirements essential to its business operations. As far as the Company is aware and to the best of the knowledge, information and belief of the Company, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business operations of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Being people-oriented, the Group ensures all employees are reasonably remunerated in line with the prevailing market conditions, continues to encourage development training, and provides favourable career advancement opportunities for its employees.

The Group has always paid good attention to and committed to maintaining a good working relationship with its suppliers and customers, which in the long term will create good value for the Group.

DIVIDEND POLICY

In considering the payment of any dividend (if any), the Board shall consider its future working capital requirements, plan of business growth, adequacy of cash reserves and rewards to the Shareholders. The Company may declare and pay dividends (if any) by way of cash or scrip or by other means that the Board considers appropriate from time to time.



REPORT OF THE DIRECTORS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report of the Company for the year ended 31 March 2026 will be available on the websites of the Stock Exchange and the Company by the end of July 2026. As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Details of the other significant events after the reporting period of the Group are set out in Note 48 to the Financial Statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules.

CHANGE IN AUDITOR IN ANY OF THE PRECEDING THREE YEARS

Prism Hong Kong Limited (formerly known as Prism Hong Kong and Shanghai Limited) was appointed as the auditor of the Company on 22 May 2023.

Save for the above-mentioned changes, in the preceding three years, the auditor of the Company had not been changed.

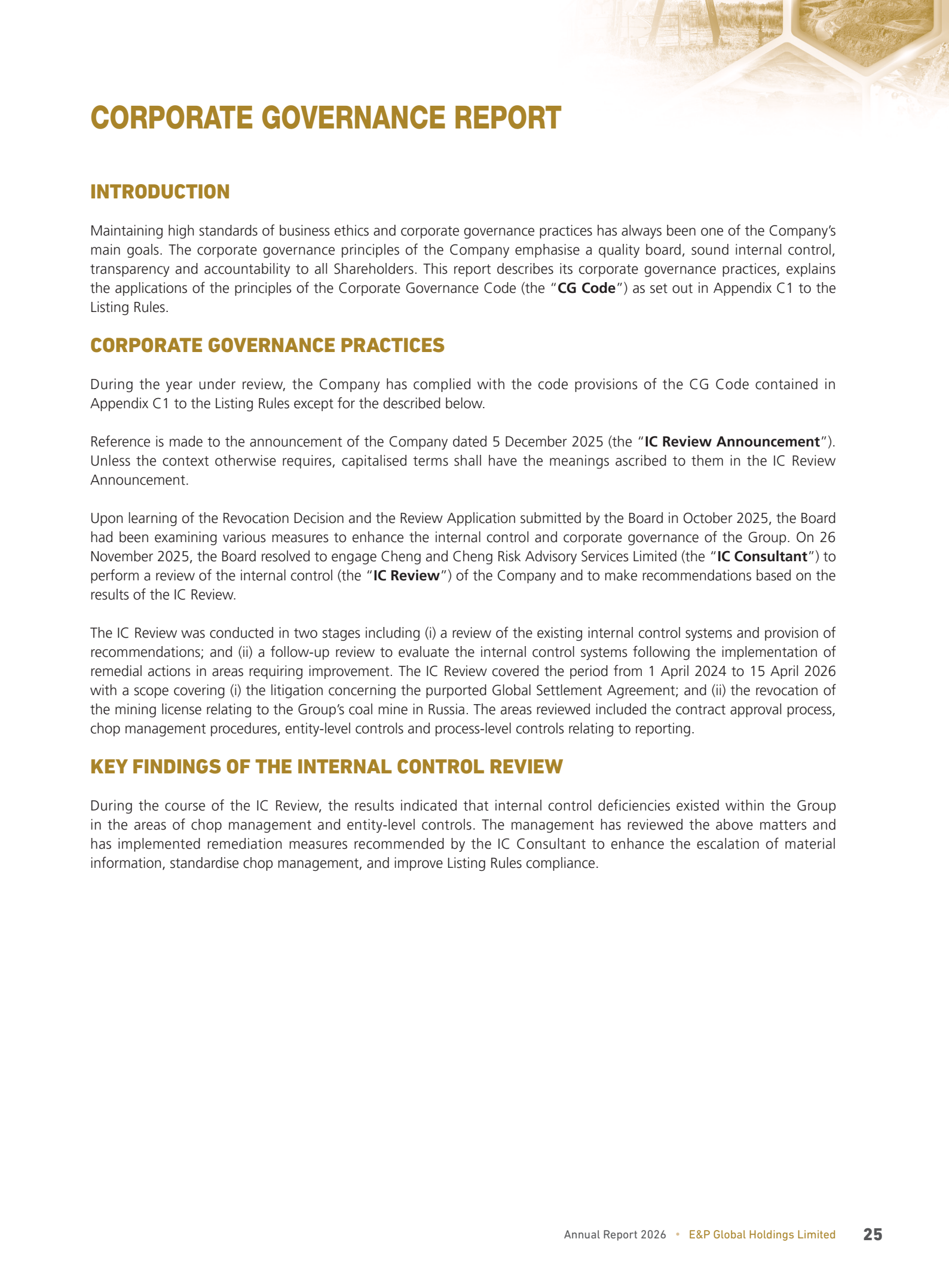
AUDITOR

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 re-appointment 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.

On behalf of the Board

Liu Wai Shing Peter
Chairman

Hong Kong, 30 June 2026



CORPORATE GOVERNANCE REPORT

INTRODUCTION

Maintaining high standards of business ethics and corporate governance practices has always been one of the Company's main goals. The corporate governance principles of the Company emphasise a quality board, sound internal control, transparency and accountability to all Shareholders. This report describes its corporate governance practices, explains the applications of the principles of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

During the year under review, the Company has complied with the code provisions of the CG 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. The IC Review covered the period from 1 April 2024 to 15 April 2026 with a scope covering (i) the litigation concerning the purported Global Settlement Agreement; and (ii) the revocation of the mining license relating to the Group's coal mine in Russia. The areas reviewed included the contract approval process, chop management procedures, entity-level controls and process-level controls relating to reporting.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

During the course of the IC Review, the results indicated that internal 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.

CORPORATE GOVERNANCE REPORT

The key internal control findings identified by the IC Consultant throughout the IC review, corresponding recommendation for rectification, the Company's response and remediation status are summarized as follows:

Findings	Recommendation/ Company action	Follow-up Review Result	Rectification completed
Event 1: Litigation Concerning the Global Settlement Agreement			
1. Lack of segregation of duties in the custody and use of chops			
The chops of the Company and its relevant subsidiaries were solely kept by Mr. Lee Jaeseong. Under such arrangement, Mr. Lee Jaeseong had both (i) the authority to sign contracts on behalf of the Company (as an Executive Director); and (ii) the actual control over the custody and use of the Company's chops. The IC Consultant identified a lack of segregation of duties in the custody and use of as a single director kept all chops of the Company and its subsidiaries. The lack of segregation of duties in the custody and use of chops, whereby the approval function for contract signing was not separated from the execution function of chop usage, may increase the risk of contracts being signed without proper authorisation.	The Company should segregate the duties of chop custodian and contract signatory. The chops of the Company and its major subsidiaries should be kept by a person who does not have contract signing authority (such as a designated administrative officer), and such custodian shall not simultaneously be an authorised person to sign contracts.	The chops of the Company and its subsidiaries are now kept by the designated administrative officer and the duties of chop custodian and contract signatory have been segregated.	The Company has completed the remediation, and no material internal control issues were identified.

CORPORATE GOVERNANCE REPORT

Findings	Recommendation/ Company action	Follow-up Review Result	Rectification completed
2. Lack of a chop use register			
The Company had not established a chop use log. Without a chop use register, key details of chop usage cannot be recorded or tracked. This increases the risk of unauthorised or improper use of the company chop to sign material contracts.	The Company should establish a written chop use register, clearly recording the date, document summary, approver, handler and purpose.	The IC Consultant obtained and reviewed the chop use register provided by the Company and confirmed that it includes date, document summary, initiator, approver, handler and purpose. There were one instance of chop usage for contract execution occurred during the period, and the IC Consultant reviewed the chop use register and confirmed that the usage was duly recorded.	The Company has completed the remediation, and no material internal control issues were identified.

Event 2: Revocation of the Russian Mining License

3. Failure to accurately and completely disclose financial data

The Company's 2025 annual report was inaccurate and incomplete in material respects, as it failed to disclose the impact of the Revocation Decision. As a result, the Company breached Listing Rule 2.13(2), which requires that a listed issuer must ensure that information contained in any announcement or corporate communication is accurate and complete in all material respects and not misleading or deceptive. Failure to accurately and completely disclose financial data, constituted a breach of Listing Rule 2.13(2) by the Company, leading the Stock Exchange to issue multiple regulatory concern enquiry letters starting from October 2025.	The Company has disclosed the financial impact of the mining right revocation in its announcement dated 28 November 2025. As disclosed therein, in view of the mining right being revoked, 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 impaired.	The IC Consultant have obtained and reviewed the Company's announcement dated 28 November 2025 and confirmed that the Company has disclosed the financial impact of the mining right revocation. Based on the IC Consultant's review, the Company has addressed the disclosure deficiency identified.	The Company has completed the remediation, and no material internal control issues were identified.
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CORPORATE GOVERNANCE REPORT

Findings	Recommendation/ Company action	Follow-up Review Result	Rectification completed
4. Former Executive Director (Mr. Lee Jaeseong) failed to fulfil his duty of continuous monitoring and timely reporting			
Mr. Lee Jaeseong became aware of the revocation of the Russian coal mining license in August 2025, but failed to disclose such inside information (including the Revocation Decision, the Review Application and the relevant Ruling) to the Board until 3 October 2025. This constituted a breach of his duty under Rule 3.08 of the Listing Rules to act with due skill, care and diligence, as well as his related commitments under Rules 3.16 and 13.04 of the Listing Rules. Failure to fulfill duty of continuous monitoring and timely reporting resulted in the Company's inability to meet its disclosure obligations under the Listing Rules in a timely manner in respect of the above material matters, which in turn led the Stock Exchange to issue multiple regulatory concern enquiry letters starting from October 2025.	To ensure that the Board is promptly informed of the license and operational status of the Russian coal business, the Company should provide training to its directors covering their responsibilities under the Listing Rules, including introduction to key Listing Rules requirements for inside information provisions under Chapter 13, notifiable transactions under Chapter 14 and connected transactions under Chapter 14A of the Listing Rules; as well as the directors' fiduciary duties and the Corporate Governance Code.	Mr. Lee Jaeseong resigned from his directorship, effective on 10 October 2025. He would serve as a temporary advisor to the Company solely in relation to the license, the appeal and the judicial challenge, and will no longer be involved in the daily management and operations of the Company. In addition, the Company has appointed Mr. Im Jonghak to take over Mr. Lee Jaeseong's responsibilities in managing the Russian Licensee. The IC Consultant obtained from the Stock Exchange's website the announcement regarding the resignation of Mr. Lee Jaeseong and the appointment of the new Chairman. Furthermore, the IC Consultant have obtained Mr. Im Jonghak's training records on 15 April 2026.	The Company has completed the remediation, and no material internal control issues were identified.

CORPORATE GOVERNANCE REPORT

Findings	Recommendation/ Company action	Follow-up Review Result	Rectification completed
5. Lack of clear communication process for material matters			
The Company has not established a clear communication and escalation process for material matters, including the scope of material matters, the reporting obligations of relevant personnel, time limits, alternative channels and accountability mechanisms. The absence of a clear communication process for material matters prevents the Company from promptly identifying material events and fulfilling its disclosure obligations. This may lead to non-compliance with Rules 2.12A (timely disclosure) and 13.09 (inside information disclosure) of the Listing Rules.	The Company should establish a written “Material Matter Escalation and Disclosure Policy” that clearly defines the scope of material matters, mandatory escalation timelines, and primary/alternative reporting channels. In addition, the Company may also specify that the person in charge of the Licensee submits a written monthly report on the license status to the designated supervisor of the Company, Mr. Im Jonghak, with immediate notification of any abnormal matters.	The IC Consultant have obtained and reviewed the “Material Matter Escalation and Disclosure Policy” established by the directors. The Company has updated and established a written policy to govern material matter communication. The IC Consultant have also obtained signature circulation record confirming that all personnel are aware of and agree to comply with the policy. In addition, the IC Consultant considered that the current communication mechanism regarding the mining licenses for material matters is operating smoothly.	The Company has completed the remediation, and no material internal control issues were identified.

CORPORATE GOVERNANCE REPORT

Findings	Recommendation/ Company action	Follow-up Review Result	Rectification completed
6. Former Executive Director (Mr. Lee Jaeseong) failed to timely notify inside information			
Pursuant to the Company's announcement dated 10 October 2025, Mr. Lee Jaeseong became aware of the Revocation Decision by the Federal Authority in August 2025, but did not notify the Board and the company secretary until 3 October 2025. This contravened the Company's Inside Information Policy which requires that "every director must promptly notify the other directors or the company secretary of any inside information." Director's failure to timely notify inside information resulted in the Company's failure to timely discharge its disclosure obligations under Rule 13.09 of the Listing Rules and Section 307B of the Securities and Futures Ordinance.	The Company should provide refresher training to its directors covering their notification obligations under the Company's "Inside Information Policy" and the Listing Rules.	Mr. Lee Jaeseong resigned from his directorship, effective on 10 October 2025. In addition, the Company has appointed Mr. Im Jonghak to take over Mr. Lee Jaeseong's responsibilities in managing the Licensee. The IC Consultant have obtained the Company's announcements dated 5 October 2025 and 10 October 2025 regarding the Revocation Decision and Mr. Lee Jaeseong's resignation, respectively. Furthermore, the IC Consultant have obtained directors' training records on the Company's Inside Information Policy.	The Company has completed the remediation, and no material internal control issues were identified.

Results of the follow-up review

The IC Consultant conducted a follow-up review of the remedial measures implemented by the Group. Based on the review procedures performed, the IC Consultant considered that the Group had adopted targeted measures to address the deficiencies identified in relation to chop management, escalation of material information and compliance with the Listing Rules. The measures implemented were designed to mitigate the risk of recurrence of similar incidents.

As at the date of the IC Review Report, the relevant remedial measures had been substantially implemented, and no material internal control issues were identified in relation to the remedial measures reviewed.



CORPORATE GOVERNANCE REPORT

Views of the Board and the Audit Committee

Having considered the scope, findings and results of the IC Review, the recommendations of the IC Consultant and the remedial measures implemented by the Group, the Board is of the view, and the Audit Committee concurs, that the remedial measures adopted are adequate and appropriate to address the internal control deficiencies identified by the IC Consultant and mitigate the risk of recurrence of similar incidents.

In view of the above, the Board and the Audit Committee consider that the Group's risk management and internal control systems are effective and adequate as a whole. The Board and the Audit Committee will continue to monitor the implementation and effectiveness of the enhanced internal control measures and will arrange further reviews where appropriate.

DIRECTORS' SECURITIES TRANSACTIONS

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 under review.

BOARD OF DIRECTORS

As at 31 March 2026, the Board comprised of six Directors, including three Executive Directors and three INEDs. The Board believes its composition reflects a well-balanced mix of experience, competencies, expertise, diversity, and skills, which safeguards impartial decision-making and strengthens its oversight of management.

The INEDs provide the Group with different expertise, skills and experience. Their participation in board meetings could bring independent judgement on issues relating to the Group's strategy, internal control and performance to ensure the interests of the Shareholders are taken into account.

The Company has received from each of the INEDs an annual confirmation of their independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules. Each of the INEDs has signed a letter of appointment with the Company for an initial term of appointment ranging from one year to two years (as the case may be).

The Company has set out the respective functions and responsibilities reserved to the Board and those delegated to management. The Board delegated day-to-day operations of the Group to Executive Directors while reserving certain key matters for its approval. The Board is responsible for approving and monitoring the Company's overall strategies and policies, monitoring the risk register and the risk management policy annually, overseeing the financial position of the Group, approving business plans, evaluating the performance of the Company and supervising the performance of the management.

Decisions of the Board are communicated to the management through Executive Directors who have attended Board meetings.

The members of the Board during the year under review were:



CORPORATE GOVERNANCE REPORT

Executive Directors

Mr. Liu Wai Shing Peter (*Chairman*) (appointed as a Chairman on 10 October 2025)

Mr. Lee Jaeseong (*Chairman*) (resigned on 10 October 2025)

Mr. Im Jonghak

Ms. Sun Meng (re-designated as an executive Director on 15 July 2025)

Independent Non-executive Directors

Ms. Chen Dai

Mr. Kim Sung Rae

Mr. Wong Wei Hua Derek

The biographical details of each of the Directors are set out in the “Biographical Details of Directors and Senior Management” section in the Report of the Directors on pages 20 to 21 of this annual report. To the best knowledge of the Company, there are no relationships (including financial, business, family or other material relationships) among the Directors.

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group, in addition to the meetings for reviewing and approving the Group’s annual results and interim results.

During the year under review, the Board had reviewed the policies and practices on corporate governance of the Company; monitored the continuous professional development trainings of the Directors and members of the senior management; monitored the policies and practices of the Company on compliance with legal and regulatory requirements; monitored the compliance of the Model Code applicable to the Directors; as well as reviewed the compliance of the Company with the CG Code and the disclosures in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

During the year under review, the Company held seven Board meetings, one annual general meeting and two extraordinary general meetings. Details of Directors attendance records are as follows:

Name of Directors	Attendance		
	Board Meeting	Annual General Meeting	Extraordinary General Meeting
Executive Directors			
Mr. Liu Wai Shing Peter (<i>Chairman</i>) (appointed as a Chairman on 10 October 2025)	7/7	1/1	2/2
Mr. Lee Jaeseong (<i>Chairman</i>) (resigned on 10 October 2025)	4/4	1/1	2/2
Mr. Im Jonghak	7/7	1/1	2/2
Ms. Sun Meng (re-designated as an executive Director on 15 July 2025)	7/7	1/1	2/2
Independent Non-executive Directors			
Ms. Chen Dai	7/7	1/1	2/2
Mr. Kim Sung Rae	7/7	1/1	2/2
Mr. Wong Wei Hua Derek	7/7	1/1	2/2

Independent Views and Input

The Company recognises that independence on the Board is a key element of good corporate governance. The Company has established mechanisms to ensure independent views and input are available to the Board for enhancing objective and effective decision-making. These mechanisms in place are subject to annual review by the Board, including without limitation:

- (a) the Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new INED before appointment and also the continued independence of the INEDs and their time commitments annually;
- (b) the Nomination Committee will conduct performance evaluation of the INEDs annually to assess their contributions;
- (c) the INEDs can express their views in an open, candid as well as confidential manner, should circumstances require, through formal and informal channels, including meetings with the Chairman of the Company without the presence of other Directors to discuss major issues and concerns, dedicated meeting sessions with the Chairman of the Company and interaction with management and other Board members including the Chairman of the Company outside the boardroom; and
- (d) the Directors may, upon reasonable request to the Chairman, seek independent professional advice in appropriate circumstances, at the reasonable expense of the Company to assist them to perform their duties to the Company.

The Board has conducted an annual review of the implementation and effectiveness of these mechanisms and considered they are in place and are effective.

CORPORATE GOVERNANCE REPORT

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

To assist directors' continuing professional development, the Company recommends directors to attend relevant seminars to develop and refresh their knowledge and skills. All directors also participate in continuous professional development programmes such as external seminars organised by qualified professionals or reading books and articles, to develop and refresh their knowledge and skills in relation to their contribution to the Board.

The individual training record of each director received for the year ended 31 March 2026 is summarised below:

Name of Directors	Attending training course/seminar	Reading materials
Executive Directors		
Mr. Liu Wai Shing Peter (<i>Chairman</i>) (appointed as a Chairman on 10 October 2025)	✓	✓
Mr. Lee Jaeseong (<i>Chairman</i>) (resigned on 10 October 2025)	✓	✓
Mr. Im Jonghak	✓	✓
Ms. Sun Meng (re-designated from a non-executive Director to an executive Director on 15 July 2025)	✓	✓
Independent Non-executive Directors		
Ms. Chen Dai	✓	✓
Mr. Kim Sung Rae	✓	✓
Mr. Wong Wei Hua Derek	✓	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Wai Shing Peter is the Chairman of the Board and he provides leadership and is responsible for the effective functioning and leadership of the Board. The Company does not at present have any officer with the title "chief executive officer".

ACCESS TO INFORMATION BY DIRECTORS

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent to all Directors in a timely manner. Notice of at least 14 days is given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings and Board committee meetings, reasonable notice is given.

All Directors are entitled to have access to Board papers, minutes and related materials at all times. During the year, all Directors have been provided with the Group's management information updates to keep them informed of the Group's affairs and facilitate them to discharge their duties under the Listing Rules.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY AND DIRECTOR NOMINATION POLICY

The Board has adopted a board diversity policy to achieve board diversity through the consideration of a number of factors and measurable objectives, including but not limited to gender, age, cultural background, educational background, skills, knowledge and professional experience. All Board appointments will be based on merit, and candidates will be measured against objective criteria, with due regard for the benefits of diversity on the Board. The Board has also adopted a director nomination policy which stipulates the selection criteria on assessing the suitability and potential contribution of a proposed candidate, including but not limited to character, integrity and honesty, availability of time and devotion, independence, academic background, professional experience, technical skills and knowledge, and other relevant criteria on a case-by-case basis. The director nomination policy also sets out the procedures for selection of new directors and re-election of directors at general meetings. The Nomination Committee has the delegated responsibilities to monitor the implementation and review at least annually the board diversity policy and director nomination policy and report to the Board.

In terms of gender diversity on the Board, the Board has a gender ratio of approximately 17% to 83% (female to male). The Company will continue to ensure that there is gender diversity in employee recruitment at intermediate to senior levels and implement comprehensive programmes aimed at identifying and training female employees who display leadership and potential, so as to develop a pipeline of potential successors to the Board.

The Nomination Committee has reviewed the structure, composition and membership of the Board, and is of the opinion that the Board had an appropriate mix of skills, experience and diversity that are relevant to the Company's strategies, business and governance and to enable the Company to maintain a high standard of operation during the year ended 31 March 2026.

The gender ratio in the workforce of the Group, including senior management, as of 31 March 2026 is set out in the 2026 Environmental, Social and Governance Report of the Company.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Board is responsible for the appointment of any potential new Directors and the nomination of Directors for re-election by the Shareholders at the annual general meeting of the Company. In accordance with the Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board, whom is subject to retirement and re-election at the first annual general meeting after his/her appointment and shall then be eligible for re-election. Furthermore, every Director shall retire from office no later than the third annual general meeting after he/she was last elected or re-elected.

INEDs are appointed under signed letters of appointment for an initial term of one/two year(s) and thereafter could be extended for a further term of one year at a time until terminated by either party, subject to the termination provisions therein and the retirement and re-election provisions in the Articles of Association and the CG Code.

BOARD COMMITTEES

The Board has established three committees, namely, the audit committee of the Company (the "**Audit Committee**"), the remuneration committee of the Company (the "**Remuneration Committee**") and the nomination committee of the Company (the "**Nomination Committee**"), for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the websites of the Stock Exchange and the Company, and are available to the Shareholders upon request.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee was established in December 2005.

The Remuneration Committee currently comprises three members, all of them are INEDs. The members of Remuneration Committee are Ms. Chen Dai (Chairlady), Mr. Kim Sung Rae and Mr. Wong Wei Hua Derek.

The Remuneration Committee is responsible for formulating and recommending the Board in relation to the remuneration policy, determining the remuneration of Directors and members of the senior management of the Company, reviewing and making recommendations on the Company's share option scheme, other compensation-related issues and performance based remuneration and reviewing and/or approving matters relating to share schemes of Chapter 17 to the Listing Rules.

The Remuneration Committee held two meetings during the year. The main works performed by the Remuneration Committee during the year included the review of the remuneration of the Directors and the salary package of the senior management of the Company for coming year, and review of the remuneration policy of the Company. No matters relating to share schemes of Chapter 17 to the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the year.

Individual attendance of each Remuneration Committee member during the year under review is as follows:

Members	Attendance
Ms. Chen Dai (<i>Chairlady</i>)	2/2
Mr. Kim Sung Rae	2/2
Mr. Wong Wei Hua Derek	2/2

The Remuneration Committee is provided with resources enabling it to discharge its duties including access to relevant and timely information, support of independent professional advice if and when necessary. Regular meetings of the Remuneration Committee will be held to discuss remuneration and compensation related issues.

Details of the remuneration of each of the Directors for the year ended 31 March 2026 are set out in the Note 15 to the Financial Statements.

Pursuant to the code provision E.1.5 of the CG Code, the details of remuneration of the senior management (excluding Directors) for the year ended 31 March 2026 are within the following bands:

Remuneration bands	Number of individual	
	2026	2025
HK\$Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	—	—
HK\$1,500,001 to HK\$2,000,000	—	—

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

The Audit Committee currently comprises three INEDs. The current members of the Audit Committee are Mr. Wong Wei Hua Derek, Ms. Chen Dai and Mr. Kim Sung Rae. The Audit Committee is chaired by Mr. Wong Wei Hua Derek, who has appropriate accounting professional qualifications.

The Audit Committee is responsible for recommending the appointment and re-appointment of external auditor, reviewing the Group's financial information, overseeing the Group's financial reporting system, risk management and internal control procedures. It is also responsible for reviewing the interim and annual results of the Group prior to recommending them to the Board for approval. The management of the Company provides the Audit Committee with all relevant information the Committee needs for it to discharge its responsibilities.

The Audit Committee meets regularly to review financial reporting, risk management and internal control matters and has unrestricted access to the support of both the Company's management and auditor.

The Audit Committee held three meetings during the year under review, in which the Audit Committee considered and recommended the appointment of new auditors, reviewed and considered the resignation of auditor, reviewed the level of interim review fee and annual audit fees, reviewed with the management the accounting principles and practices adopted by the Group, and discussed auditing, internal controls and financial reporting matters so as to ensure that an effective control environment is maintained.

The main works performed by the Audit Committee during the year included evaluation and recommendation of appointment of new auditors including the level of audit fees, review of the auditor's audit plan, the review of the annual financial statements for the year ended 31 March 2025 and interim financial statements for the six months ended 30 September 2025 with recommendations to the Board for approval. It had also reviewed the adequacy and effectiveness of internal control system, including the internal control review report.

The Audit Committee had also reviewed the audited consolidated results of the Company for the year ended 31 March 2026, including the accounting principles and practice adopted by the Group and recommended to the Board for consideration.

Individual attendance of each Audit Committee member during the year under review is as follows:

Members	Attendance
Mr. Wong Wei Hua Derek (<i>Chairman</i>)	3/3
Ms. Chen Dai	3/3
Mr. Kim Sung Rae	3/3

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The Nomination Committee was established in March 2012.

The Nomination Committee currently comprises one Executive Director, namely Mr. Liu Wai Shing Peter (chairman) and three INEDs, namely Ms. Chen Dai, Mr. Kim Sung Rae and Mr. Wong Wei Hua Derek.

The Nomination Committee is responsible for reviewing and recommending the structure, size and composition of the Board to complement the Company's corporate strategy, identifying suitably qualified individuals to become Board members and assessing the independence of INEDs. It is also responsible for recommending the appointment, re-appointment and removal of Directors and succession planning of Directors, monitoring the implementation and reviewing the board diversity policy and the director nomination policy and ensuring at least one INED who sits in the Audit Committee has professional qualifications in accounting and financial management.

The Nomination Committee held two meetings during the year under review. The main works performed by the Nomination Committee during the year included review of the structure, size and composition of the Board, and making recommendations on the re-appointment of Directors by rotation in the forthcoming annual general meeting.

Individual attendance of each Nomination Committee member during the year under review is as follows:

Members	Attendance
Mr. Liu Wai Shing Peter (<i>Chairman</i>) (appointed on 10 October 2025)	2/2
Mr. Lee Jaeseong (<i>Chairman</i>) (resigned on 10 October 2025)	2/2
Ms. Chen Dai	2/2
Mr. Kim Sung Rae	2/2
Mr. Wong Wei Hua Derek	2/2

AUDITOR'S REMUNERATION

During the year under review, total auditor's remuneration charged in relation to audit and non-audit services of the Group were as follows:

Nature of services	HK\$
Review fee for interim results	150,000
Audit fee for annual results	1,000,000
Total audit and non-audit services	1,150,000

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that they are responsible for (i) preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Group, and (ii) presenting a clear, balanced and understandable assessment of the Group's performance and prospects in the Company's annual report and interim report, inside information announcements and other financial disclosures required under the Listing Rules and such other matters as the regulators may request. The Board is not aware of any material uncertainties relating to the events or condition that might cast doubt upon the Company's ability to continue as a going concern. Accordingly, the Board has prepared the consolidated financial statements of the Company on a going concern basis.

The Board has overall responsibility for monitoring the risk management policies, the risk register and the internal control of the Group and reviewing their effectiveness once a year. Policies and procedures are in place to ensure that assets are adequately protected against unauthorised use or disposal and that the interests of Shareholders are safeguarded. The systems in place are designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

To enable the Company to discharge its annual review responsibilities pursuant to the code provision of the CG Code, the Company has reviewed the need for an internal audit function and considered it appropriate to adopt the practice of outsourcing the internal audit functions. Accordingly, for the year under review, the Company engaged Cheng & Cheng Risk Advisory Services Limited ("**Cheng & Cheng**"), to provide internal audit services to the Group.

Cheng & Cheng formulated the annual internal audit plan and procedures, conducted yearly independent reviews by rotation on the operations of the Group to identify any material irregularities and significant risks, developed action plans and made recommendations to address risks and key findings (where applicable).

During the year ended 31 March 2026, the Board reviewed and ensured that the risk management and the internal control process have been properly carried out and experiences of staff of the Group's accounting and financial reporting were maintained properly. The Board satisfies that, given the size and activities of the Company, appropriate risk management and adequate internal control systems have been established and considers continuing reviews of risk register and internal controls will be undertaken to ensure its adequacy and effectiveness.

For the sake of enhancing the Company's system of handling inside information and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Company has adopted and implemented its inside information policy and procedures. Proper and reasonable measures have been in place and implemented from time to time to ensure that proper safeguards exist to prevent a breach of disclosure requirements in relation to the Group, which include (i) the access of confidential and possible price-sensitive information is restricted to a limited number of employees on a need-to-know basis and all employees who are in possession of any inside information are fully conversant with their obligations to preserve confidentiality; (ii) confidentiality agreements and non-disclosure agreements are well in place whenever the Group enters into any significant negotiations; and (iii) the Executive Directors are the only designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

COMPANY SECRETARY

Ms. Wong Ngar Lai was appointed as the company secretary of the Company on 3 May 2024. She meets the qualification requirements for the company secretary under Rule 3.28 of the Listing Rule. She is currently a company secretary of Summit Consulting Limited. Although she is not an employee of the Company, she has been engaged by the Company as its company secretary to support the Board. She had taken no less than 15 hours of relevant training as required by the Listing Rules. Mr. Im Jonghak, an Executive Director of the Company, is her primary corporate contact person in the Company.



CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS

According to Article 58 of the Articles of Association, any one or more members of the Company may request for an extraordinary general meeting to be convened upon depositing a written requisition to the Board or the company secretary of the Company specifying the objects of the meeting and signed by the requisitionist(s), provided that as at the date of deposit of the requisition, such requisitionist(s) hold not less than one-tenth of the paid-up capital of the Company which carries the right of voting at a general meeting of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene an extraordinary general meeting, the requisitionist(s) themselves may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meeting may be convened by the Board provided that any meeting so convened shall not be held after the expiration of two months from the date of deposit of the requisition.

The same procedure also applies to any proposal to be tabled at general meetings for adoption.

PROCEDURES FOR PUTTING ENQUIRIES TO THE BOARD

Shareholders and other stakeholders may at any time send their enquires and concerns to the Board by addressing them to the company secretary of the Company by post, fax or email.

The contact details are set out as below:-

E&P Global Holdings Limited
Suites 603-605, 6th Floor
AIA Central
1 Connaught Road Central
Hong Kong

Shareholders and potential investors of the Company are also welcome to share their views and suggestions by contacting the Company through the following methods:-

By telephone: (852) 2114 0039
By fax: (852) 2114 0188
By email: investor@enp.com.hk

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents during the year.



CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

To foster effective communications, the Company provided all necessary information to its Shareholders in its annual report, interim report, announcements and circular. The Board hosts general meetings to meet the Shareholders so as to ensure that the Shareholders' view is communicated to the Board. The Board will endeavor to attend the general meetings so that they could communicate with the Shareholders and answer their questions.

The Board has reviewed the implementation and effectiveness of the Shareholders communication policy of the Company. The Board is of the view that the Shareholders communication policy was adequate and effective during the year ended 31 March 2026, having considered the communication channels in place to provide the Shareholders and the investor community with information about the latest development of the Group in a timely manner, and the various communication channels established by the Company between itself and its Shareholders, investors and other stakeholders to allow the Company to receive feedback effectively.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF E&P GLOBAL HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of E&P Global Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 48 to 131, which comprise consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

Exploration and evaluation assets

As set out in Note 23 to the consolidated financial statements and the accounting policies in Note 4.2, 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.

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.

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INDEPENDENT AUDITOR'S REPORT

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 to 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.

Also, we draw attention to Note 44 to the consolidated financial statements which describes the uncertainty related to the outcome of the lawsuits filed against the Group. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

VALUATION OF INVESTMENT PROPERTY

Refer to Note 21 to the consolidated financial statements and the accounting policies in note 4.2.

The key audit matter

As at 31 March 2026, the carrying values of the Group's investment property was approximately HK\$26,368,000, which is related to the assets located in South Korea.

The fair value of the Group's investment property as at 31 March 2026 was assessed by the Group based on independent valuations prepared by qualified external property valuers. There is a fair value gain of investment property of HK\$987,000 for the year ended 31 March 2026.

Fair value of the Group's investment property is mainly derived using the direct comparison approach, the Valuer refers to market price of similar comparable properties.

How the matter was addressed in our audit

We have obtained and inspected the valuation report prepared by independent external property valuer engaged by the Group on which the Group's assessment of valuation of investment property was based.

We have evaluated the independent external valuer's competence, capabilities and objectivity.

We have assessed their valuation methodology and challenged the key estimates and assumptions adopted in the valuations with the assistance of our independent external valuation specialists.

We have assessed the reasonableness of the disclosures in the consolidated financial statements in respect of the investment property with reference to the requirements of the prevailing accounting standards.



INDEPENDENT AUDITOR'S REPORT

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

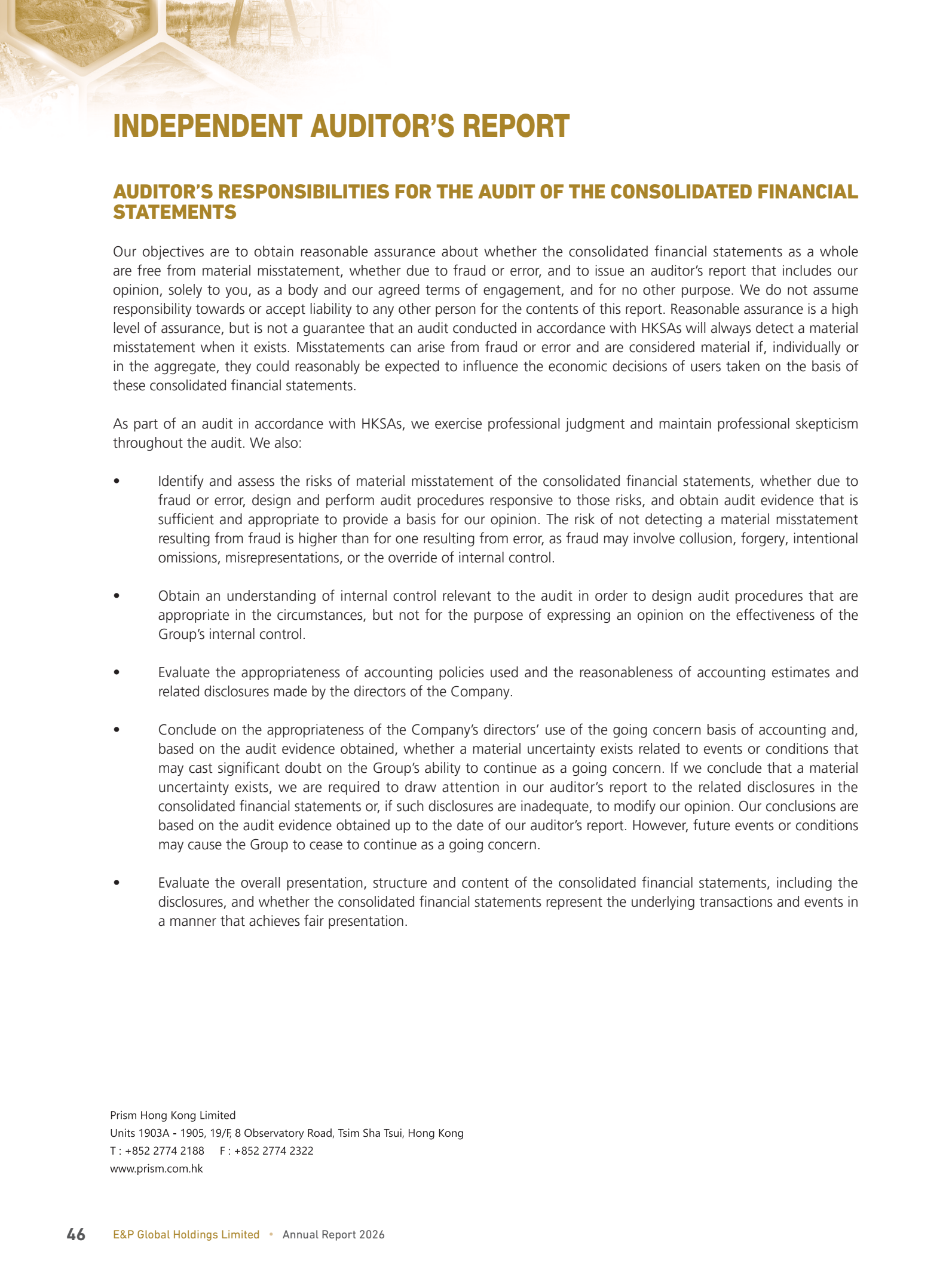
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate evidence for commencement of the production period of the asset and the related period over which future cash flows are projected. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Audit Committee are responsible for overseeing the Group's financial reporting process.



INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body and our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with audit committee, we determine the matter that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe the matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yip Chi Chiu.

Prism Hong Kong Limited

Certified Public Accountants

Yip Chi Chiu

Practising Certificate Number: P06934

Hong Kong

30 June 2026

Prism Hong Kong Limited

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	8	699,656	489,447
Cost of sales		(682,385)	(483,260)
Gross profit		17,271	6,187
Other income	10	9,705	6,431
Other gains and losses, net	11	64,089	(305,504)
Selling and distribution costs		(3,126)	(3,659)
Administrative expenses		(21,957)	(13,399)
Finance costs	12	(100,541)	(19,070)
Loss before income tax		(34,559)	(329,014)
Income tax credit/(expenses)	13	9,570	(328)
Loss for the year	14	(24,989)	(329,342)
Loss for the year attributable to:			
Owners of the Company		(16,569)	(329,045)
Non-controlling interests		(8,420)	(297)
Loss for the year		(24,989)	(329,342)
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		44,290	101,986
Total comprehensive income (expense) for the year		19,301	(227,356)
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		28,059	(226,358)
Non-controlling interests		(8,758)	(998)
		19,301	(227,356)
Loss per share			
Basic (HK\$)	18	(0.00)	(2.27)
Diluted (HK\$)	18	(0.00)	(2.27)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Assets			
Non-current assets			
Property, plant and equipment	19	5,138	15,639
Right-of-use assets	20	6,612	41
Investment property	21	26,368	26,011
Intangible assets	22	—	—
Exploration and evaluation assets	23	1,413,000	1,423,165
Rental deposits	26	1,212	189
		1,452,330	1,465,045
Current assets			
Inventories	24	8,794	5
Trade receivables	25	15,493	1,927
Other receivables	26	6,416	7,095
Cash and cash equivalents	27	5,156	2,443
		35,859	11,470
Liabilities			
Current liabilities			
Trade payables	28	12,636	7,887
Other payables	29	11,152	8,497
Contract liabilities	30	9,172	516
Interest-bearing borrowings	31	—	73,099
Amounts due to shareholders	32	—	4,926
Amount due to a director	33	—	229
Purchase consideration payable for additional acquisition	35	—	3,338
Lease liabilities	20	2,078	58
Promissory notes payables	37	—	—
Income tax payable		512	39
		35,550	98,589
Net current assets/(liabilities)		309	(87,119)
Total assets less current liabilities		1,452,639	1,377,926

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current liabilities			
Amounts due to shareholders	32	169,554	146,836
Amount due to a related party	34	—	15,312
Interest-bearing borrowings	31	88,210	—
Other payables	29	19,776	16,838
Convertible notes payables	36	—	3,170,231
Provision for close down, restoration and environmental costs	38	1,503	1,434
Lease liabilities	20	3,085	—
Deferred tax liabilities	39	3,676	5,433
		285,804	3,356,084
Net assets/(liabilities)		1,166,835	(1,978,158)
Capital and reserves			
Share capital	40	126,372	1,450
Reserves		1,086,302	(1,942,527)
Equity attributable to owners of the Company		1,212,674	(1,941,077)
Non-controlling interests		(45,839)	(37,081)
Total equity/(Capital deficiencies)		1,166,835	(1,978,158)

The consolidated financial statements on pages 48 to 131 were approved and authorised for issue by the board of directors on 30 June 2026 and are signed on its behalf by:

Liu Wai Shing Peter
Director

Im Jonghak
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Note	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
		Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Other reserve HK\$'000	Equity-settled share option reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
At 1 April 2024		72,509	1,956,517	(101,099)	322,366	47	23,936	(3,988,995)	(1,714,719)	(36,083)	(1,750,802)
Loss for the year		—	—	—	—	—	—	(329,045)	(329,045)	(297)	(329,342)
Other comprehensive income (expense) for the year		—	—	102,687	—	—	—	—	102,687	(701)	101,986
Total comprehensive income (expense) for the year		—	—	102,687	—	—	—	(329,045)	(226,358)	(998)	(227,356)
Capital reduction	40	(71,059)	—	—	—	—	—	71,059	—	—	—
At 31 March 2025		1,450	1,956,517	1,588	322,366	47	23,936	(4,246,981)	(1,941,077)	(37,081)	(1,978,158)
At 1 April 2025		1,450	1,956,517	1,588	322,366	47	23,936	(4,246,981)	(1,941,077)	(37,081)	(1,978,158)
Loss for the year		—	—	—	—	—	—	(16,569)	(16,569)	(8,420)	(24,989)
Other comprehensive income (expense) for the year		—	—	44,628	—	—	—	—	44,628	(338)	44,290
Total comprehensive income (expense) for the year		—	—	44,628	—	—	—	(16,569)	28,059	(8,758)	19,301
Deemed equity contribution		—	—	—	2,650	—	—	—	2,650	—	2,650
Conversion of convertible notes		124,922	2,998,120	—	—	—	—	—	3,123,042	—	3,123,042
At 31 March 2026		126,372	4,954,637	46,216	325,016	47	23,936	(4,263,550)	1,212,674	(45,839)	1,166,835

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
Operating activities		
(Loss) profit before income tax	(34,559)	(329,014)
Adjustments for:		
Depreciation of property, plant and equipment	993	411
Depreciation of right-of-use assets	3,003	959
Finance costs	100,541	19,070
Interest income	(311)	(92)
Impairment loss on trade and other receivables	1,032	20
Impairment loss on exploration and evaluation assets	62,643	786,775
Fair value gain of investment property	(987)	(389)
Impairment loss on property, plant and equipment	13,515	—
Gain on derecognition of financial liability	(140,292)	—
Gain from write-off of interest-bearing borrowings	(4,926)	(49,718)
Loss on extinguishment of convertible notes	—	37,272
Waiver of interest charged on convertible notes	—	(468,456)
Operating cash flows before working capital changes	652	(3,162)
(Increase) decrease in inventories	(9,336)	1,718
(Increase) decrease in trade receivables	(14,877)	2,716
Increase in deposit and other receivables	(332)	(70)
Increase (decrease) in trade payables	4,821	(2,012)
Increase (decrease) in contract liabilities	8,665	(48)
Increase (decrease) in other payables	3,329	(3,140)
Cash used in operating activities	(7,078)	(3,998)
Income tax paid	(951)	(224)
Interest paid	(1,967)	(80)
Net cash used in operating activities	(9,996)	(4,302)
Investing activities		
Purchases of property, plant and equipment	(3,180)	(2,590)
Interest received	311	92
Net cash used in investing activities	(2,869)	(2,498)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
Financing activities		
Loans received from shareholders	19,033	7,612
Advance received from a director	—	229
Proceeds from borrowings	5,630	5,779
Repayment to a director	(636)	(2,673)
Repayment of lease liabilities	(4,633)	(1,005)
Net cash from financing activities	19,394	9,942
Increase in cash and cash equivalents	6,529	3,142
Cash and cash equivalents, at the beginning of the year	2,443	228
Effect of foreign exchange rate changes	(3,816)	(927)
Cash and cash equivalents, at the end of the year	5,156	2,443

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 Suites 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**”) and trading of diesel, gasoline and other products in the Republic of Korea (“**Korea**”).

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 People’s Republic of China (“**PRC**”) are Russian Ruble (“**RUB**”), South Korean Won (“**KRW**”) and Renminbi (“**RMB**”) respectively. For the purpose of presenting the consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as 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 32, 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.
- (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 48), 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Going concern assumptions (Continued)

- (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 of the Company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

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

Amendments to HKFRSs issued but not yet effective *(Continued)*

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

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 HKFRS 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES

4.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Company Ordinance.

The consolidated financial statements have been prepared on historical cost basis, for certain financial instruments and investment property that are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the material accounting policies set out below.

The material accounting policies are set out below.

4.2 Material accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved where the Group has:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Basis of consolidation (Continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a five-step approach to recognition revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Revenue recognition when (or as) the Group satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Contract assets and contract liabilities (Continued)

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer.

For a single contract with the customer, either a net contract asset or a net contract liability is presented.

The Group recognised revenue from the sales of diesel, gasoline and other products.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Leasing (Continued)

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, provision is recognised and measured under HKAS 37 *Provision, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use assets.

Except for the right-of-use assets classified as investment properties and measured under fair value model, right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line item in the consolidated statement of financial position.

The Group applies HKAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits cost

Payments to the pension fund/the Mandatory Provident Fund Scheme (the "MPF scheme") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expenses represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before income tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives, using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is amortised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties recognised by the Group as right-of-use asset and leased out under operating lease.

Owned investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses (see the accounting policy in respect of impairment losses on exploration and evaluation assets, property, plant and equipment, right-of-use assets and intangible assets below). Amortisation for intangible assets with finite useful lives is recognised on (i) a units-of-production basis over the total proved and probable reserves; or (ii) straight line method over the remaining terms of the mining rights if no mining activity is carried out as appropriate. The estimated reserves and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Exploration and evaluation assets

Exploration and evaluation assets include studies related to surveys, exploratory drilling, sampling and trenching and activities in relation to commercial and technical feasibility studies, and expenditure incurred to secure further mineralisation in existing coal bodies and to expand the capacity of a mine. Expenditure incurred prior to acquiring legal rights to explore an area is expensed as incurred.

Once the exploration right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless a future economic benefit is more likely than not to be realised. Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. They are subsequently stated at cost less accumulated impairment.

When it can be reasonably ascertained that a mining property is capable of commercial production, exploration and evaluation costs are transferred to tangible or intangible assets according to the nature of the exploration and evaluation assets. If any project is abandoned during the evaluation stage, the total expenditure thereon will be written off.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories sold are calculated using the weighted average method. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Investments in subsidiaries

Investments in subsidiaries is stated in the statement of financial position of the Company at cost less accumulated impairment loss.

Impairment losses on exploration and evaluation assets, property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its exploration and evaluation assets, property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (the “CGU”) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss was recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "Other income" line item (Note 10).

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Credit-impaired financial assets (Continued)

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Convertible notes payables

Convertible notes issued by the Group that contain both liability and derivative components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity.

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve will be transferred to share premium. Where the option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to the retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provision for close down, restoration and environmental costs

One consequence of coal mining is land subsidence caused by the resettlement of the land at the mining sites. Depending on the circumstances, the Group may relocate inhabitants from the mining sites prior to conducting mining activities or the Group may compensate the inhabitants for losses or damage from close down and land subsidence after the sites have been mined. The Group may also be required to make payments for restoration, rehabilitation or environmental protection of the land after the sites have been mined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Material accounting policies *(Continued)*

Fair value measurement

When measuring fair value except for the Group's leasing transactions, net realisable value of inventories and value in use of property, plant and equipment, right-of-use assets and intangible assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Going concern consideration

The assessment of the going concern assumptions involves making judgements by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in Note 2.

Principal versus agent consideration

The Group engages in sales of diesel, gasoline and other products. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods, and the Group has inventory risk and discretion in establishing selling prices of the goods.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Amortisation of mining right

The Group determines the development of its mines, comprising a mining right and an adjacent exploration and mining right as a single unit. In determining how the mining right should be amortised, the Group has exercised judgement that both the estimated reserves and pattern over which the economic benefits embodied in the mines as a whole to be consumed are uncertain and not yet reliably determined. Accordingly, the Group is of the view that it is currently not appropriate to apply the unit-of-production method, until both the estimated reserves and pattern over which the economic benefits embodied in the mines can be reliably determined. The Group further considers that the mining right is available for use once it was acquired and therefore has adopted the straight-line method which is an acceptable method of amortisation. The mining right is amortised using straight line method over an estimated period of 13 years commencing from the financial year ended 31 March 2010.

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value-in-use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belong.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated impairment of property, plant and equipment and right-of-use assets *(Continued)*

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 March 2026, the carrying values of property, plant and equipment and right-of-use assets are approximately HK\$5,138,000 and HK\$6,612,000 respectively (2025: HK\$15,639,000 and HK\$41,000 respectively). Based on the estimated recoverable amounts, an impairment loss on property, plant and equipment of approximately HK\$13,515,000 (2025: Nil) have been recognised in profit or loss. No impairment losses in respect of right-of-use assets was recognised during the year (2025: Nil).

Estimated impairment of exploration and evaluation assets

Exploration and evaluation assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involve management estimates and judgements such as future prices of coals and production profile. Management uses all readily available information in determining an amount that is a reasonable approximately of recoverable amount, including estimates basis on reasonable and supportable assumptions and projections of future coal prices and production profile. As at 31 March 2026, the carrying value of exploration and evaluation assets is approximately HK\$1,413,000,000 (2025: HK\$1,423,165,000). Based on the estimated recoverable amounts, impairment loss of approximately HK\$62,643,000 (2025: HK\$786,775,000) has been recognised in profit or loss.

Estimated useful life of property, plant and equipment

At the end of each reporting period, the directors of the Company review the estimated useful life of property, plant and equipment. The estimated useful life reflects the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life. The carrying values of property, plant and equipment as at 31 March 2026 are approximately HK\$5,138,000 (2025: HK\$15,639,000).

Reserve estimates

The process of estimating quantities of reserves is inherently uncertain and complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. Reserve estimates are based on, among other things, forecasts of production, prices, cost estimates and economic conditions.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Reserve estimates *(Continued)*

Reserve estimates are critical to many accounting estimates including: (i) determining whether or not an exploratory well has found economically recoverable reserves. Such determinations involve the commitment of additional capital to develop the field based on current estimates of production, prices and other economic conditions; (ii) calculating unit-of-production depletion rates. Proved plus probable reserves are used to determine rates that are applied to each unit-of-production in calculating depletion expense; and (iii) assessing development and production assets for impairment. Estimated future net cash flows used to assess impairment of the Group's development and production assets are determined using proved plus probable reserves.

Provision for close down, restoration and environmental costs

Provisions are recognised for the future decommissioning and restoration of mines. The amounts of the provision recognised are the present values of the estimated future expenditures that the Group is expected to incur. The estimation of the future expenditures is based on their past experience and best estimation of future expenditure, after taking into account the existing relevant regulations in Russia. In addition to these factors, the present values of these estimated future expenditures are also impacted by the estimation of the economic lives of mining properties. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the mining properties.

Estimated impairment of financial assets

The impairment provisions for financial assets are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. As at 31 March 2026, the carrying values of financial assets (excluded cash and cash equivalents) were approximately HK\$19,973,000 (2025: HK\$4,923,000), while impairment loss of approximately HK\$608,000 (2025: HK\$43,000) and impairment loss of approximately HK\$424,000 (2025: reversal of impairment loss of approximately HK\$23,000) have been recognised in profit or loss separately.

Income taxes

As at 31 March 2026, no deferred tax asset has been recognised on the tax losses of approximately HK\$28,232,000 (2025: HK\$28,232,000) and deductible temporary difference of approximately HK\$3,843,813,000 (2025: HK\$3,832,160,000) respectively due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Fair value of investment property

The fair value of investment property is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 21.

As at 31 March 2026, the carrying amount of investment property of the Group was approximately HK\$26,368,000 (2025: HK\$26,011,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Fair value of convertible notes

The fair value of convertible notes is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in Note 36.

As at 17 March 2025, the issued convertible notes of the Group was US\$405,168,431 (equivalent to approximately HK\$3,160,314,000).

Litigations

In prior years, the Company or its subsidiaries have been named as defendants in local courts for certain litigations. With the opinion of the independent legal advisers of the Company, the directors of the Company considered that no provision for any potential liability has been made in the consolidated financial statements as the Group has pledged reasonable chance of success in defense. Details of the litigation are disclosed in Note 44.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of interest-bearing borrowings, amounts due to shareholders, amount due to a related party, amount due to a director, convertible notes payables and promissory notes payables, net of cash and cash equivalent and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debt or the redemption of existing debt.

7. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2026 HK\$'000	2025 HK\$'000
Financial assets		
At amortised cost (including cash and cash equivalent)	25,129	7,366
Financial liabilities		
At amortised cost	306,491	3,447,251

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables other than advance payments and prepayments, cash and cash equivalents, trade payables, other payables, interest-bearing borrowings, amounts due to shareholders, amount due to a director, amount due to a related party, purchase consideration payable for additional acquisition, lease liabilities, convertible notes payables and promissory notes payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

(a) Currency risk

The Group's business operations in Korea are denominated in KRW and United States dollar ("US\$"), and the Group's investments denominated in US\$ and RUB. Most of the Group's assets and liabilities are denominated in HK\$, US\$, RUB, KRW and RMB, which are the functional currencies of respective group companies. The Group does not expect any significant exposure to foreign currency risks. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure should the need arise.

(b) Cash flow and fair value interest rate risk

The Group's interest-rate risk mainly arises from interest-bearing borrowings, amounts due to shareholders, amount due to a director, amount due to a related party, promissory notes payables and convertible notes payables. The Group's interest-bearing borrowings, amounts due to shareholders, amount due to a director, amount due to a related party, promissory notes and convertible notes issued at fixed rate expose the Group to fair value interest rate risk. The Group has no cash flow interest-rate risk as there is no borrowing which bears floating interest rates. The Group historically has not used any financial instruments to hedge potential fluctuation in interest rates.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 31 March 2026, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from trade receivables, other receivables and cash and cash equivalents. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

For trade receivables, the Group has applied the simplified approach in HKFRS 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The Group determines the ECL on a collectively basis by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

For other non-trade related receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. The Group considers that there are increase in credit risk of these amounts since initial recognition and the Group provided impairment based on lifetime ECL rather than 12-month ECL.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk as 54% (2025: 18%) and 83% (2025: 66%) of the total trade receivables was due from the Group's largest external customer and the top five largest external customers respectively as at 31 March 2026.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across the industry.

The Group's exposure to credit risk

In order to minimise credit risk, the Group has maintained the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management of the Group uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories

Category	Description	Basis for recognising ECL
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL — not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written-off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The Group's exposure to credit risk *(Continued)*

The tables below detail the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Notes	Internal credit rating	12-month or lifetime ECL	2026			2025		
				Gross carrying amounts	Loss allowances	Net carrying amounts	Gross carrying amounts	Loss allowances	Net carrying amounts
				HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade receivables	25	(Note)	Lifetime ECL (simplified approach)	15,960	(467)	15,493	2,075	(148)	1,927
Other receivables	26	Doubtful	Lifetime ECL — not credit impaired	5,642	(1,162)	4,480	3,697	(701)	2,996
					(1,629)			(849)	

Note: For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Liquidity risk

The Group's policy to manage liquidity risk is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from lenders and shareholders to meet its liquidity requirements in the short and longer term. The Group relies on borrowings as a significant source of liquidity as set out in Note 2.

The following table details the remaining contractual maturities at the end of reporting year of the Group's non-derivative financial liabilities and lease liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	As at 31 March 2026			Carrying amounts HK\$'000
	On demand or within 1 year HK\$'000	More than 1 year but less than 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	
Trade payables	12,636	—	12,636	12,636
Other payables	11,152	19,776	30,928	30,928
Interest-bearing borrowings	—	95,671	95,671	88,210
Amounts due to shareholders	—	180,675	180,675	169,554
Amount due to a related party	—	—	—	—
Purchase consideration payables for additional acquisition	—	—	—	—
Lease liabilities	2,387	3,182	5,569	5,163
Convertible notes payables	—	—	—	—
	26,175	299,304	325,479	306,491

	As at 31 March 2025			Carrying amounts HK\$'000
	On demand or within 1 year HK\$'000	More than 1 year but less than 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	
Trade payables	7,887	—	7,887	7,887
Other payables	8,497	16,838	25,335	25,335
Interest-bearing borrowings	77,379	—	77,379	73,099
Amounts due to shareholders	4,926	170,444	175,370	151,762
Amount due to a director	229	—	229	229
Amount due to a related party	—	15,769	15,769	15,312
Purchase consideration payables for additional acquisition	3,338	—	3,338	3,338
Lease liabilities	63	—	63	58
Convertible notes payables	—	3,591,498	3,591,498	3,170,231
	102,319	3,794,549	3,896,868	3,447,251

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Fair value measurement objective and policies

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The directors of the Company consider that the carrying amounts of current and non-current financial assets, current and non-current financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

8. 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 HK\$'000	2025 HK\$'000
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
	699,656	489,447

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 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.

9. SEGMENT INFORMATION

Information reported to the directors of the Company, 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 of the Company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. SEGMENT INFORMATION *(Continued)*

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 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.

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	—	699,656	699,656
Segment (loss) profit	(76,528)	12,115	(64,413)
Unallocated corporate income			130,395
Unallocated finance costs			(100,541)
Loss before income tax			(34,559)

For the year ended 31 March 2025

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

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

Segment liabilities

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. 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	62,643	—	—	62,643
Impairment loss on property, plant and equipment	13,515	—	—	13,515
Impairment loss on trade and other receivables	—	918	114	1,032
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)

For the year ended 31 March 2025

	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	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
Amount regularly provided to the CODM but not included in the measure of segment profit or loss:				
Income tax expenses (credit)	453	(125)	—	328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

9. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are located in Hong Kong, Russia, Korea and 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 HK\$'000	2025 HK\$'000
Korea	671,337	489,447
PRC	28,319	—
	699,656	489,447

Non-current assets

	2026 HK\$'000	2025 HK\$'000
Russia	1,414,306	1,437,125
Korea	27,742	27,731
PRC (including Hong Kong)	9,070	—
	1,451,118	1,464,856

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 HK\$'000	2025 HK\$'000
Customer A ¹	123,976	2,028
Customer B ¹	46,818	62,124
Customer C ¹	60,963	48,771

¹ Revenue from trading segment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

10. OTHER INCOME

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

11. OTHER GAINS AND LOSSES, NET

	2026 HK\$'000	2025 HK\$'000
Impairment loss on exploration and evaluation assets	(62,643)	(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)
Waiver of interest charged on convertible notes	—	468,456
Gain on derecognition of financial liability	140,292	—
Impairment loss on property, plant and equipment	(13,515)	—
	64,089	(305,504)

12. FINANCE COSTS

	2026 HK\$'000	2025 HK\$'000
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
	100,541	19,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

13. INCOME TAX (CREDIT)/EXPENSES

	2026 HK\$'000	2025 HK\$'000
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 (Note 39)	(2,043)	493
	(9,570)	328

Notes:

- (a) No Hong Kong profits tax and Russia profits tax has been provided for the years ended 31 March 2026 and 2025 as the Hong Kong and Russia subsidiaries of the Group have no assessable profits subject to Hong Kong profits tax and Russia profits tax purposes in the current and prior years.
- (b) Taxation for the Russian and Korea are charged at the appropriate current rates of 25% (2025: 25%) and 20% (2025: 20%) respectively, based on the taxation rulings in the relevant countries.

The income tax expenses can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026 HK\$'000	2025 HK\$'000
Loss before income tax expenses	(34,559)	(329,014)
Tax at the domestic rates applicable to profits in the countries concerned	(8,094)	(81,848)
Tax effect of expenses of not deductible for taxation purposes	8,907	1,856
Tax effect of income not taxable for taxation purposes	(366)	(169)
Over-provision in respect of prior years	(10,862)	(224)
Tax effect of utilisation of deductible temporary difference previously not recognised	845	80,713
Income tax (credit)/expenses for the year	(9,570)	328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

14. LOSS FOR THE YEAR

	2026 HK\$'000	2025 HK\$'000
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
	5,548	3,093
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	(953)	(2,992)
Cost of inventories recognised as an expense	682,385	483,260

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of directors' and chief executive's emoluments are as follows:

	Emoluments paid or receivable in respect of a persons services as a director, whether of the Company or its subsidiaries undertaking			Total HK\$'000
	Director's Fees HK\$'000	Salaries and allowances HK\$'000	Pension fund contributions HK\$'000	
Year ended 31 March 2026				
<i>Executive Directors:</i>				
Lee Jaeseong (Note (i))	95	—	—	95
Im Jonghak	180	—	—	180
Liu Wai Shing Peter (Note (ii))	1,018	—	9	1,027
Sun Meng (Note (iii))	200	360	5	565
<i>Independent Non-Executive Directors:</i>				
Chen Dai	120	—	—	120
Leung Yau Wan John (Note (iv))	—	—	—	—
Kim Sung Rae	120	—	—	120
Wong Wei Hua Derek (Note (v))	216	—	—	216
Total	1,949	360	14	2,323

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

15. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

	Emoluments paid or receivable in respect of a persons services as a director, whether of the Company or its subsidiaries undertaking	Emoluments paid or receivable in respect of a persons services in connection with the management of the affairs of the Company or its subsidiaries undertaking		
	Director's Fees HK\$'000	Salaries and allowances HK\$'000	Pension fund contributions HK\$'000	Total HK\$'000
Year ended 31 March 2025				
<i>Executive Directors:</i>				
Lee Jaeseong (Note (i))	180	—	—	180
Im Jonghak	180	—	—	180
Liu Wai Shing Peter (Note (ii))	82	—	—	82
Sun Meng (Note (iii))	82	—	—	82
<i>Independent Non-Executive Directors:</i>				
Chen Dai	120	—	—	120
Leung Yau Wan John (Note (iv))	105	—	—	105
Kim Sung Rae	120	—	—	120
Wong Wei Hua Derek (Note (v))	45	—	—	45
Total	914	—	—	914

Notes:

- (i) Mr. Lee Jaeseong resigned as an executive director of the Company with effect from 10 October 2025.
- (ii) Mr. Liu Wai Shing Peter was appointed as an executive director of the Company with effect from 4 November 2024.
- (iii) Ms. Sun Meng was appointed as a non-executive director of the Company with effect from 4 November 2024 and has been re-designated as an executive director of the Company with effect from 15 July 2025.
- (iv) Mr. Leung Yau Wan John has resigned as an independent non-executive director of the Company with effect from 18 October 2024.
- (v) Mr. Wong Wei Hua Derek was appointed as an independent non-executive director of the Company with effect from 17 January 2025.

During the current and prior years, no emoluments were paid by the Group to any director of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2025 and 2026.

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration during the year (2025: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

16. EMPLOYEES' EMOLUMENTS

The five highest paid individuals during the year included three directors (2025: two) and the details of directors' remuneration are set out in Note 15 above. Details of the remuneration of the two (2025: three) non-directors, highest paid individuals for the year are as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries and other emoluments	1,088	953
Pension fund contribution	36	12
	1,124	965

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2026 Number of individuals	2025 Number of individuals
Nil to HK\$1,000,000	2	3

No emoluments were paid by the Group to the five highest paid individuals or any of the directors of the Company as an incentive payment to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2026 and 2025.

17. 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

18. 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 HK\$'000
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share	(16,569)	(329,045)

	Number of Shares	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding for the purpose of basic and diluted loss per share	8,140,421,552	145,017,062

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

19. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement HK\$'000	Construction in progress HK\$'000	Freehold land HK\$'000	Furniture and fixture HK\$'000	Equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
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
Exchange realignments	—	787	58	—	(52)	(24)	769
At 31 March 2026	2,929	13,515	1,249	34	2,055	1,065	20,847
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
Impairment	—	13,515	—	—	—	—	13,515
Exchange realignments	—	—	—	—	(27)	(31)	(58)
At 31 March 2026	416	13,515	—	34	694	1,050	15,709
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

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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	2026 HK\$'000	2025 HK\$'000
As at 1 April	41	755
Addition	9,440	278
Modification	141	299
Depreciation	(3,003)	(959)
Exchange realignments	(7)	(332)
As at 31 March	6,612	41

The Group has lease arrangements for buildings and equipment. The lease terms are generally ranged from 1 to 5 years, respectively.

Additions to the right-of-use assets for the year ended 31 March 2026 amounted to approximately HK\$9,440,000 (2025: HK\$278,000) due to new lease of office.

(b) Lease liabilities

	2026 HK\$'000	2025 HK\$'000
Total lease liabilities	5,163	58
Less: current portion	(2,078)	(58)
Non-current portion	3,085	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

20. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

(b) Lease liabilities *(Continued)*

Amounts payable under lease liabilities

	2026 HK\$'000	2025 HK\$'000
Within one year	2,078	58
After one year but within two years	3,085	—
	5,163	58
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,078)	(58)
Amount due for settlement after 12 months	3,085	—

Additions to the lease liabilities for the year ended 31 March 2026 amounted to approximately HK\$9,440,000 (2025: HK\$278,000) due to new lease of office.

(c) Amounts recognised in profit and loss

	2026 HK\$'000	2025 HK\$'000
Depreciation of right-of-use assets		
— Building	2,994	926
— Equipment	9	33
Interest expenses on lease liabilities	519	30

(d) Others

During the year ended 31 March 2026, the total cash outflow for lease amount to approximately HK\$4,633,000 (2025: HK\$1,005,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

21. INVESTMENT PROPERTY

	2026 HK\$'000	2025 HK\$'000
At 1 April	26,011	28,188
Transfer	—	—
Fair value gain	987	389
Exchange realignments	(630)	(2,566)
At 31 March	26,368	26,011

Valuation process of the Group

The Group measures its investment property at fair value. The fair value of the Group's investment property as at 31 March 2026 has been determined on the basis of valuation carried out by an independent professionally qualified valuer, Kaaram Appraisal Co., Ltd. (the "Valuer"). The valuation was arrived at by reference to the recent market prices for similar properties in the similar locations and conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Fair value measurements using significant unobservable inputs

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the assets or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's investment property is categorised as level 3 and there were no transfers between levels 1, 2 and 3 during the year.

Fair value of the Group's investment property is mainly derived using the direct comparison approach, the Valuer refers to market price of similar comparable properties.

For the investment property of the Group, the prevailing market price are estimated based on recent sales transactions nearby. The lower the prices, the lower is the fair value. As at 31 March 2026, prevailing market prices ranged from KRW23,000,000 to KRW28,000,000 (equivalent to approximately HK\$119,000 to HK\$144,000) (2025: ranged from KRW23,600,000 to KRW27,400,000 (equivalent to approximately HK\$124,000 to HK\$145,000) per square meter on saleable area basis were adopted for the Group's investment property located in the South Korea.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22. INTANGIBLE ASSETS

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

22. 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 2025, the directors of the Company considered impairment loss or reversal of impairment loss was not applicable as at 31 March 2025.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

23. EXPLORATION AND EVALUATION ASSETS

	Total HK\$'000
Cost	
At 1 April 2024	3,634,450
Exchange realignments	1,946
At 31 March 2025 and 1 April 2025	3,636,396
Exchange realignments	1,139
At 31 March 2026	3,637,535
Net of accumulated impairment loss	
At 1 April 2024	1,526,844
Impairment loss	786,775
Exchange realignments	(100,388)
At 31 March 2025 and 1 April 2025	2,213,231
Impairment loss	62,643
Exchange realignments	(51,339)
At 31 March 2026	2,224,535
Net carrying values	
At 31 March 2026	1,413,000
At 31 March 2025	1,423,165

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 22).

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.

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For the year ended 31 March 2026

23. 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.

The hearings for the Judicial Challenge against the Revocation Decision were fully completed on 31 March 2026. The Russian Court issued its judgement in favour of the Licensee, declaring the licence revocation unlawful and ordering rectification by the Federal Authority. The Ministry filed an appeal on 10 June, with a hearing scheduled for 3 August. The ultimate validity of the Licences remains subject to the appellate outcome.

Please refer to the announcements of the Company dated 5 October, 10 October, 17 October, 27 October, 18 November 2025, 7 April 2026 and 24 April 2026 for more details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

23. 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\$62,643,000 (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 2028, increase 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 decrease in the cost of production and the decrease in post-tax discount rate during the current year as compared to previous year.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

24. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Gasoline products for sale	8,794	5

25. 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 HK\$'000
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

The following table provides information which are assessed based on provision matrix.

At 31 March 2026:

	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Allowance HK\$'000
0 to 90 days	10.75%	15,701	(223)
91 to 180 days	0.00%	—	—
181 to 365 days	0.00%	—	—
Over 365 days	11.76%	259	(244)
		15,960	(467)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

25. TRADE RECEIVABLES *(Continued)*

At 31 March 2025:

	Weighted average expected loss rate %	Gross carrying amount HK\$'000	Allowance HK\$'000
0 to 90 days	0.92%	1,934	(19)
91 to 180 days	0.39%	15	(8)
181 to 365 days	3.28%	73	(68)
Over 365 days	2.55%	53	(53)
		2,075	(148)

The movements in the allowance for impairment of trade receivables are set out below:

	HK\$'000
At 1 April 2024	118
Impairment loss recognised	43
Exchange realignments	(13)
At 31 March 2025 and 1 April 2025	148
Impairment loss recognised	608
Exchange realignments	(289)
At 31 March 2026	467

26. OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Deposits	1,277	198
Other loans receivables	1,616	1,656
Other receivables	1,587	1,142
Advance payments	1,277	2,734
Prepayments	1,871	1,554
	7,628	7,284
Less: Rental deposits classified as non-current assets	(1,212)	(189)
Current portion included in other receivables	6,416	7,095

Details of impairment assessment of other receivables for the years ended 31 March 2026 and 2025 are set out in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

26. OTHER RECEIVABLES *(Continued)*

The movements in the allowance for impairment of other receivables are set out below:

	HK\$'000
At 1 April 2024	794
Reversal of impairment recognised	(23)
Exchange realignments	(70)
At 31 March 2025 and 1 April 2025	701
Impairment loss recognised	424
Exchange realignments	37
At 31 March 2026	1,162

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents cash at banks which earns interest at floating rates based on daily bank deposit rates. The carrying amounts of the cash and cash equivalents approximate their fair value.

	2026 HK\$'000	2025 HK\$'000
RUB	2	128
KRW	5,095	2,271
US\$	—	—
HK\$	58	44
RMB	1	—
	5,156	2,443

28. 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 HK\$'000
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

29. OTHER PAYABLES

	2026 HK\$'000	2025 HK\$'000
Other payables	331	320
Accrued expenses	10,821	4,189
Interest payables	7,578	8,354
Security deposit payable (Note)	12,198	12,472
	30,928	25,335
Less: other payables classified as non-current liabilities	(19,776)	(16,838)
Current portion included in other payables	11,152	8,497

Note: As at 1 August 2024, the Group has entered a lease agreement with the lenders-two independent parties and the borrowing amount of KRW2,364,000,000 (equivalent to approximately HK\$12,472,000) had been transferred to security deposit of this lease agreement. Details of the Other Loan 2 is set out in Notes 31(b).

30. CONTRACT LIABILITIES

	2026 HK\$'000	2025 HK\$'000
Advances from customers	9,172	516

In general, the Group receives certain percentage of the contract sum as advance payment from the customers upon signing of the sales contracts.

Revenue recognised during the year ended 31 March 2026 that was included in the contract liabilities as at 31 March 2025 was approximately HK\$516,000 (2025: HK\$618,000). There was no revenue recognised in the current year that related to performance obligations that were satisfied in a prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31. INTEREST-BEARING BORROWINGS

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

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

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

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	4.6% — 10%	4.6% — 10%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

31. INTEREST-BEARING BORROWINGS (Continued)

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

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

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 demand. The lender has agreed to extend the repayment date to 31 December 2027.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

32. AMOUNTS DUE TO SHAREHOLDERS

- (a) As at 31 March 2026, an 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 2025, an amount due to a shareholder totalling approximately HK\$4,926,000, which was unsecured, bears interest at the rate of 0%-8% per annum and repayable on demand. The amount has been written off during the year.
- (c) As at 31 March 2026, an 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, an 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, an amount due to a shareholder amounting approximately to HK\$12,000 (2025: nil) was unsecured, interest free and repayable on demand.

33. 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).

34. 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.

As at 31 March 2026, there was no amount due to a related party.

35. PURCHASE CONSIDERATION PAYABLE FOR ADDITIONAL ACQUISITION

Pursuant to the sales and purchases agreement dated 23 November 2009, Langfeld, a 90% indirectly owned subsidiary of the Company, acquired the remaining 30% equity interest in LLC "Shakhta Lapichevskaya" ("Lapi") held by three Russians for a consideration of US\$9,490,600 (equivalent to approximately HK\$74,027,000) to be satisfied by payment of cash in four stages (the "**Additional Acquisition**"). The first and second stages of payments in aggregate amount of US\$4,095,300 (equivalent to approximately HK\$31,943,000) were made before 31 March 2010. The remaining consideration payable on the Additional Acquisition will be settled in two stages upon the fulfilment of the certain conditions as follows: (i) an amount of US\$4,095,300 (equivalent to approximately HK\$31,943,000) when the Group obtain the New Exploration and Mining Licence (the "**3rd Adjusted Consideration**") and (ii) an amount of US\$1,300,000 (equivalent to approximately HK\$10,140,000) which is only payable as and when the Group obtains the confirmation from the relevant tax authority in Russia of the taxation liabilities of Lapi (the "**4th Adjusted Consideration**").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

35. PURCHASE CONSIDERATION PAYABLE FOR ADDITIONAL ACQUISITION

(Continued)

In prior year, the Group has recognised US\$1,300,000 (equivalent to approximately HK\$10,140,000) of the 4th Adjusted Consideration as purchase consideration payable for the acquisition of additional 30% equity interest in Lapi. The Group's share of the 4th Adjusted Consideration in the amount of approximately HK\$9,126,000 was debited directly to other reserve in equity. The Group settled an aggregate amount of US\$873,000 (equivalent to approximately HK\$6,813,000) of the 4th Adjusted Consideration, the remaining balance of the 4th Adjusted Consideration is US\$426,000 (equivalent to approximately HK\$3,338,000) (2024: HK\$3,338,000).

During the current financial year ended 31 March 2026, the Group obtained a legal opinion from a Russian-qualified attorney assessing the enforceability of the outstanding liability under the court-approved settlement arrangement governing the 4th Adjusted Consideration. The legal analysis concluded that the statutory time limit for enforcement of such monetary claims under Russian enforcement law had long expired, with no valid enforcement actions pursued against the subsidiary for many years. The liability is therefore legally unenforceable in Russia and the subsidiary has no binding legal repayment obligation for the outstanding amount. After taking this legal assessment into account, the Group reversed the entire remaining purchase consideration payable of HK\$3,338,000 in the current year. Accordingly, the carrying amount of the 4th Adjusted Consideration payable was reduced to zero as at 31 March 2026.

36. CONVERTIBLE NOTES PAYABLES

Convertible notes

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

36. CONVERTIBLE NOTES PAYABLES (Continued)

Measurement of convertible notes

The recognition of the Convertible Notes were valued on 17 March 2025 based on a valuation performed by an independent professionally qualified valuer, ValQuest Advisory (Hong Kong) Limited, at HK\$3,160,314,000.

The major inputs to value the Convertible Notes were based on the following parameters:

	Date of issue At 17 March 2025
Expected volatility	117.86%
Expected lift	5.0 years
Risk-free rate	4.09%
Expected dividend yield	Nil
Bond yield	13.19%

The expected volatility was determined by taking into account the historical ordinary share prices of the Company before the date of valuation.

Movement of the different components of the convertible notes

	Liabilities component HK\$'000	Derivative component HK\$'000	Total HK\$'000
As at 1 April 2024	3,591,498	–	3,591,498
Settlement during the year	(3,123,042)	–	(3,123,042)
Wavier of interest charged	(468,456)	–	(468,456)
Issue of the convertible notes	3,160,314	–	3,160,314
Imputed interest charged during the year	9,917	–	9,917
As at 31 March 2025 and 1 April 2025	3,170,231	–	3,170,231
Conversion of convertible notes	(3,123,042)	–	(3,123,042)
Gain on derecognition of financial liability	(140,292)	–	(140,292)
Imputed interest charged during the year	93,103	–	93,103
As at 31 March 2026	–	–	–

37. PROMISSORY NOTES PAYABLES

	Total HK\$'000
At 1 April 2024	15,600
Less: transferred to independent third party	(15,600)
At 31 March 2025 and 1 April 2026	–
Less: transferred to independent third party	–
At 31 March 2026	–

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For the year ended 31 March 2026

37. PROMISSORY NOTES PAYABLES (Continued)

In prior years, three unsecured promissory notes in the aggregate principal amount of US\$35,000,000 (equivalent to approximately HK\$273,000,000) ("**Modified PN**") were issued by the Company to Cordia, a shareholder of the Company, pursuant to a conditional modification deed entered into between the Company and Cordia, the Modified PN was issued on 23 February 2010, and is non-interest-bearing and payable in one lump sum on maturity date of 25 May 2015. The principal amount of the Modified PN was US\$35,000,000 (equivalent to approximately HK\$273,000,000) and its fair value was US\$20,766,000 (equivalent to approximately HK\$161,973,000) as at the issue date. The fair value was determined by reference to a valuation carried out on the issue date by Vigers Appraisal and Consulting Limited. The effective interest rate of the Modified PN was determined to be 10.5% per annum.

During the year ended 31 March 2012, Cordia transferred part of the Modified PN with an aggregate principal amount of US\$9,000,000 (equivalent to approximately HK\$70,200,000) to the then three independent third parties (the "**Three PN Holders**").

The Three PN Holders subsequently converted all the Modified PN into ordinary shares during year ended 31 March 2013.

On 20 February 2017, certain loan capitalisation agreements were signed with the Two PN Holders. Pursuant to the agreement, the Two PN Holders have agreed to, among other things, subscribe for new shares of the Company by apply the entire outstanding principals of the promissory notes as subscription monies at a price of HK\$0.325 per capitalisation share.

During the year ended 31 March 2024, no imputed interest was charged to profit or loss. The remaining outstanding Modified PN is classified as current liabilities and carried on the amortised cost basis until extinguished on redemption. As at 31 March 2024, the carrying amount of the Modified PN was HK\$15,600,000.

On 23 January 2025, the carrying amount of the Modified PN HK\$15,600,000 was fully transferred from Cordia to an independent third party as short-term borrowings.

38. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

	2026 HK\$'000	2025 HK\$'000
At 1 April	1,434	1,315
Exchange realignments	69	119
At 31 March	1,503	1,434

The provision for close down, restoration and environmental costs related to the Russian mine.

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38. PROVISION FOR CLOSE DOWN, RESTORATION AND ENVIRONMENTAL COSTS

(Continued)

Under the existing Russian law, management believed that there were no probable liabilities in respect of environmental liabilities that would have a material adverse effect on the financial position or results of operations of the Group. The Russian government, however, moved and may move further towards the adoption of more stringent environmental standards. Environmental liabilities were subject to considerable uncertainties which affected the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, coal mines and land development areas, whether operating, closed or sold, (ii) the extent of required clean-up efforts, (iii) varying costs of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites.

The provision for close down, restoration and environmental cleanup costs is determined by management based on their past experience and best estimate of future expenditure by discounting the expected expenditure to their net present value. However, in so far as the effect of the land and the environment from the mining activities becomes apparent in future years, the estimate of the associated costs may be subject to revision in the future. The amounts provided in relation to close down, restoration and environmental clean-up costs are reviewed at least annually based upon the facts and circumstances available at the time and the provisions were updated accordingly.

39. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation HK\$'000
As at 1 April 2024	4,458
Charged to profit or loss (Note 13)	493
Exchange realignments	482
As at 31 March 2025 and 1 April 2025	5,433
Charged to profit or loss (Note 13)	(2,043)
Exchange realignments	286
As at 31 March 2026	3,676

At 31 March 2026, the Group had unused tax losses of approximately HK\$28,232,000 (2025: HK\$28,232,000) available for offset against future profits indefinitely. No deferred tax asset has been recognised at 31 March 2026 and 2025 in respect of such losses and temporary differences due to the unpredictability of future profit streams of the respective group entities.

As at 31 March 2026, the Group has deductible temporary differences of approximately HK\$3,843,813,000 (2025: HK\$3,832,160,000). As at 31 March 2026, no deferred asset has been recognised in relation to such deductible temporary difference and it is not considered probable that taxable profits will be available against which such deductible temporary differences can be utilised.

There was no other significant unrecognised deferred tax as at 31 March 2026 and 2025.

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For the year ended 31 March 2026

40. SHARE CAPITAL

	Nominal value per share HK\$	Number of shares	Amount HK\$'000
Authorised:			
At 1 April 2024	0.50	2,000,000,000	1,000,000
Share sub-division (Note (ii))	N/A	98,000,000,000	—
At 31 March 2025, 1 April 2025 and 31 March 2026	0.01	100,000,000,000	1,000,000
At 31 March 2026	0.01	100,000,000,000	1,000,000
Issued:			
At 1 April 2024	0.50	145,017,062	72,509
Capital reduction (Note (i))	N/A	—	(71,059)
At 31 March 2025 and 1 April 2025	0.10	145,017,062	1,450
Conversion of Convertible Notes	N/A	12,492,168,000	124,922
At 31 March 2026	0.01	12,637,185,062	126,372

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

41. CAPITAL COMMITMENTS

There was no capital expenditure contracted for but not provided in the consolidated financial statements as at 31 March 2026 and 2025.

42. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Save for those related party transactions disclosed elsewhere in these consolidated financial statements, details of transactions between the Group and other related parties are disclosed below.

- (i) In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Company entered into the following transactions with its related parties during the year:

Name of company	Relationship	Nature of transactions	2026 HK\$'000	2025 HK\$'000
Cordia Global Limited	Shareholder	Interest expenses thereto	—	327
First Glory Limited	Shareholder	Interest expenses thereto	—	118
Space Hong Kong Enterprise Limited	Shareholder	Interest expenses thereto	2,920	5,665
EH Energy Limited	Related party	Interest expenses thereto	—	636
Im Jonghak	Director	Interest expenses thereto	—	77
Chen William Hon Lam	Ultimate shareholder	Interest expense thereto	684	—
Wayside Holdings Limited	Immediate shareholder	Interest expenses thereto	422	—

- (ii) Members of key management personnel during the year comprised only of the executive directors of the Company whose remuneration is set out in Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

43. RETIREMENT BENEFIT SCHEME

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs, capped at HK\$1,500 per month, to the MPF Scheme, in which the contribution is matched by employees.

The Group operates the defined contribution plan for all qualifying employees in Korea. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes at least 1/12 of the total annual salary to the defined contribution plan, in which employee's additional contribution is allowed.

The employees of the Group's subsidiary in Russia are members of a state-managed retirement benefit scheme operated by the local authorities. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year ended 31 March 2026, the total cost charged to consolidated statement of profit or loss and other comprehensive income of approximately HK\$179,000 (2025: HK\$111,000) represents contributions payable to these schemes by the Group in respect of the respective accounting period.

44. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

Legal Proceedings Taken By Former Shareholders of a Russian Subsidiary (Continued)

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.

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 parties 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

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.

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 liaised with the Trustee, who had conditionally agreed to discontinue the legal action with no costs to be borne, subject to final confirmation. Upon such confirmation, the litigation was wholly discontinued by consent.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. 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, liased with the Trustee, who had conditionally agreed to discontinue the legal action with no costs to be borne, subjects to final confirmation. Upon such confirmation, the litigation was wholly discontinued by consent.

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.

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, liased with the Trustee, who had conditionally agreed to discontinue the legal action with no costs to be borne, subject to final confirmation. Upon such confirmation, the litigation was wholly discontinued by consent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

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 liaised with the Official Receiver, who had conditionally agreed to discontinue the legal action with no costs to be borne, subject to final confirmation. Upon such confirmation, the litigation was wholly discontinued by consent.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

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 liaised with the Official Receiver, who had conditionally agreed to discontinue the legal action with no costs to be borne, subject to confirmation. Upon such confirmation, the litigation was wholly discontinued by consent.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

44. LITIGATIONS *(Continued)*

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

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash change. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amounts due to shareholders (Note 32) HK\$'000	Interest- bearing borrowings (Note 31) HK\$'000	Amount due to a director (Note 33) HK\$'000	Amount due to a related party (Note 34) HK\$'000	Lease liabilities (Note 20) HK\$'000	Total HK\$'000
At 1 April 2025	151,762	73,099	229	15,312	58	240,460
Financing cash flows:						
— Additions	19,033	5,630	—	—	—	24,663
— Repayments	—	—	(636)	—	(4,633)	(5,269)
Non-cash changes:						
— New lease	—	—	—	—	9,440	9,440
— Finance costs incurred	4,778	—	407	235	519	5,939
— Lease modification	—	—	—	—	141	141
— Write-off of interest- bearing borrowings	(4,926)	—	—	—	—	(4,926)
— Transfer from interest- bearing borrowings to amounts due to shareholders	3,400	(3,400)	—	—	—	—
— Transfer from amounts due to a related party to interest-bearing borrowings	—	12,900	—	(12,900)	—	—
— Deemed equity contribution	(2,650)	—	—	—	—	(2,650)
— Exchange realignments	(1,843)	(19)	—	(2,647)	(362)	(4,871)
At 31 March 2026	169,554	88,210	—	—	5,163	262,927

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

(Continued)

	Amounts due to shareholders (Note 32) HK\$'000	Interest- bearing borrowings (Note 31) HK\$'000	Amount due to a director (Note 33) HK\$'000	Amount due to a related party (Note 34) HK\$'000	Lease liabilities (Note 20) HK\$'000	Total HK\$'000
At 1 April 2024	172,656	62,096	2,596	16,167	777	254,292
Financing cash flows:						
— Additions	7,612	5,779	229	—	—	13,620
— Repayments	—	—	(2,673)	—	(1,005)	(3,678)
Non-cash changes:						
— New lease	—	—	—	—	278	278
— Finance costs incurred	6,110	77	77	636	30	6,930
— Lease modification	—	—	—	—	299	299
— Write-off of interest- bearing borrowings	(3,377)	(28,560)	—	—	—	(31,937)
— Transfer from amounts due to shareholders to interest-bearing borrowings	(31,239)	31,239	—	—	—	—
— Transfer from promissory notes payables to interest-bearing borrowings	—	15,600	—	—	—	15,600
— Transfer from interest- bearing borrowings to other payables	—	(12,472)	—	—	—	(12,472)
— Exchange realignments	—	(660)	—	(1,491)	(321)	(2,472)
At 31 March 2025	151,762	73,099	229	15,312	58	240,460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment		2,514	–
Right-of-use assets		6,555	–
Investments in subsidiaries	(a)	–	–
Rental deposits		1,213	–
		10,282	–
Current assets			
Trade receivables		1,922	–
Other receivables		726	1,554
Cash and cash equivalents		58	41
		2,706	1,595
Current liabilities			
Other payables		3,245	3,153
Amounts due to shareholders		–	1,878
Amount due to a director		–	229
Interest-bearing borrowings		–	41,783
Lease liabilities		2,001	–
Promissory notes payables		–	–
Convertible notes payables		–	–
		5,246	47,043
Net current liabilities		(2,540)	(45,448)
Total assets less current liabilities		7,742	(45,448)
Non-current liabilities			
Other payables		7,092	4,366
Amounts due to shareholders		169,541	146,836
Amount due to a subsidiary		8,989	5,536
Interest-bearing borrowings		44,013	–
Convertible notes payables		–	3,170,231
Lease liabilities		3,080	–
		232,715	3,326,969
Net liabilities		(224,973)	(3,372,417)
Capital and reserves			
Share capital		126,372	1,450
Reserves	(b)	(351,345)	(3,373,867)
Capital deficiencies		(224,973)	(3,372,417)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

46. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

- (a) The amounts including the amounts due from subsidiaries are unsecured, interest-free and not expected to be repaid with one year. The directors of the Company consider the amounts are in substance, part of the Company's investments in the subsidiaries in the form of quasi-equity loans.
- (b) Reserves movement of the Company is as follows:

	Share premium	Other reserve	Equity-settled share option reserve (Note i)	Capital reserve (Note ii & iii)	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2024	1,956,517	—	47	23,936	(5,879,447)	(3,898,947)
Profit and total comprehensive income for the year	—	—	—	—	454,021	454,021
Capital reduction	—	—	—	—	71,059	71,059
At 31 March 2025 and 1 April 2025	1,956,517	—	47	23,936	(5,354,367)	(3,373,867)
Loss and total comprehensive income for the year	—	—	—	—	21,752	21,752
Deemed equity contribution	—	2,650	—	—	—	2,650
Conversion of convertible notes	2,998,120	—	—	—	—	2,998,120
At 31 March 2026	4,954,637	2,650	47	23,936	(5,332,615)	(351,345)

At the end of reporting year, the equity-settled share option reserve and capital reserve of the Company represents respectively (i) the fair value of the outstanding share options of the Company at the respective grant dates; (ii) the amount of interest charged on amount due to a shareholder of the Company that was waived as a result of early settlement on the principal balance of the amount due to that shareholder of the Company. The amount waived was considered as a contribution from the equity participant of the Company; and (iii) the carrying amount of the Modified PN that was converted to equity and utilised to settle purchase consideration as set out in Note 37 as a result of early settlements on the principal balance of the Modified PN, which were considered as contributions from equity participant of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries as at 31 March 2026 and 2025 are as follows:

Name of subsidiaries	Place of incorporation/ establishment/ operation	Class of shares held	Issued and fully paid ordinary share capital/ registered capital	Percentage of equity interest and voting power attributable to the Company				Principal activities
				Direct		Indirect		
				2026	2025	2026	2025	
Langfeld Enterprises Limited	The Republic of Cyprus	Ordinary	EUR10,000	—	—	90%	90%	Investment holding
LLC “Shakhta Lapichevskaya”	Russia	Registered capital	RUB172,315,950	—	—	90%	90%	Holding of mining and exploration rights
Grandvest International Limited	BVI	Ordinary	US\$1	100%	100%	—	—	Investment holding
Global Power Asia Co., Ltd	Korea	Registered capital	KRW179,595,000	—	—	100%	100%	Trading of diesel, gasoline and other products

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries have non-controlling interests that are material to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

48. 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 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.

FINANCIAL SUMMARY

For the year ended 31 March 2026

(Expressed in Hong Kong dollars)

The following is summary of the published results and of the assets and liabilities of the Group for the five years ended 31 March 2026.

RESULTS

	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue	699,656	489,447	664,701	1,149,675	1,168,035
(Loss) profit before tax and non-controlling interests	(34,559)	(329,014)	108,658	528,926	(348,019)
Income tax credit (expenses)	9,570	(328)	(3,028)	(1,430)	(1,551)
(Loss) profit after tax and before non-controlling interests	(24,989)	(329,342)	105,630	527,496	(349,570)
Non-controlling interests	8,420	297	1,269	22,715	6,071
(Loss) profit attributable to owners of the Company	(16,569)	(329,045)	106,899	550,211	(343,499)

ASSETS AND LIABILITIES

	2026 HK\$'000	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
Non-current assets	1,452,330	1,465,045	2,149,147	2,021,177	1,445,309
Current assets	35,859	11,470	14,448	23,833	24,332
Current liabilities	(35,550)	(98,589)	(3,719,510)	(3,728,260)	(3,687,138)
Non-current liabilities	(285,804)	(3,356,084)	(194,887)	(171,655)	(164,591)
Non-controlling interests	45,839	37,081	36,083	36,249	13,447
Equity attributable to owners of the Company	1,212,674	(1,941,077)	(1,714,719)	(1,818,656)	(2,368,641)