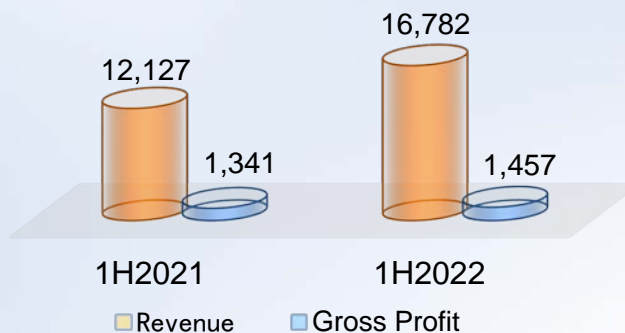


易大宗
e-comm.com

2022 Interim Results
August 2022

Financial Update

Revenue/ Gross Profit (HK\$ million)



(HK\$ million)	1H2021	1H2022
Revenue	12,127	16,782
Gross Profit	1,341	1,457
Gross Profit Margin	11.06%	8.68%

Product	1H2021('000 tonnes / HK\$ million)					1H2022('000 tonnes / HK\$ million)				
	Volume	Amount	As % of Total Revenue	Gross Profit	Gross Profit Margin	Volume	Amount	As % of Total Revenue	Gross Profit	Gross Profit Margin
Coal	6,744	9,337	76.99%	1,247	13.36%	4,559	13,067	77.86%	801	6.13%
Oil and Petrochemical	255	1,794	14.79%	40	2.21%	244	2,149	12.80%	14	0.64%
Integrated Supply Chain Services	-	419	3.45%	44	10.53%	-	1,310	7.80%	629	48.02%
Iron Ore	393	485	4.00%	-14	-2.83%	263	234	1.39%	11	4.72%
Coke	7	20	0.18%	1	6.06%	5	17	0.10%	-3	-16.84%
Nonferrous Metals	2	51	0.42%	0.3	0.66%	-	-	-	-	-
Others	-	21	0.17%	22	-	-	7	0.04%	5	-
Total	7,401	12,127	100%	1,341	11.06%	5,070	16,782	100%	1,457	8.68%

- The company recorded consolidated revenue of HK\$16,782 million, representing an increase of 38.39% compared to HK\$12,127 million in the first half of 2021, mainly due to the following factors: 1) the average selling price of coking coal increased compared with the same period due to the change of supply and demand; 2) the Group implemented the global expansion strategy for suppliers and customers; 3) the Group further expanded the domestic coking coal business, and the revenue increased by HK\$783 million compared with the same period in 2021; 4) given the various and simultaneous precautionary measures in place for coping with the pandemic in Mongolia which led to the restoration of the customs clearance capacity at the ports and promotion of the Mongolian coal imports, the customs clearance at the ports were increased
- The gross profit increased 8.65% from HK\$1,341 million in the first half of 2021 to HK\$1,457 million in the first half of 2022. The gross profit recorded for the first half of 2022 contains an inventory impairment arrangement amounting to approximately HK\$635 million. Due to the downturn trend of the coking coal after the reporting period. The Company made an impairment arrangement for the underlying market price after considering the signed contract price and the unsigned contract price after the reporting period

Operational Update

A – Supply Chain Trading

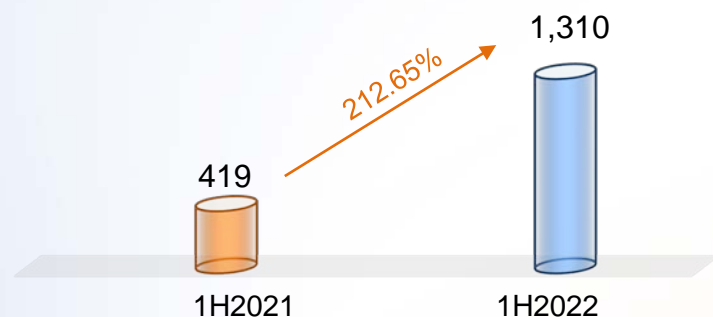
Product	Volume ('000 tonnes)	Amount (HK\$mn)	As % of Total Revenue	Gross Margin
Coal	4,559	13,067	77.86%	6.13%
Oil and Petrochemical	244	2,149	12.80%	0.64%
Iron Ore	263	234	1.39%	4.72%
Coke	5	17	0.10%	-16.84%
Total	5,069	15,465	92.15%	5.32%

In 1H2022, gross margin for supply chain trading sector was 5.32%, compared with 10.91% in the first half of 2021.

Country	Amount (HK\$mn)	As % of Total Revenue
PRC (including Hong Kong, Macau and Taiwan)	10,797	64.34%
South Korea	1,615	9.63%
The Netherlands	999	5.96%
Indonesia	797	4.75%
Malaysia	608	3.63%
India	394	2.35%
Brazil	253	1.51%
Total	15,465	92.15%

B – Integrated Supply Chain Services (warehousing, logistics, washing, processing and other services)

(HK\$ million)



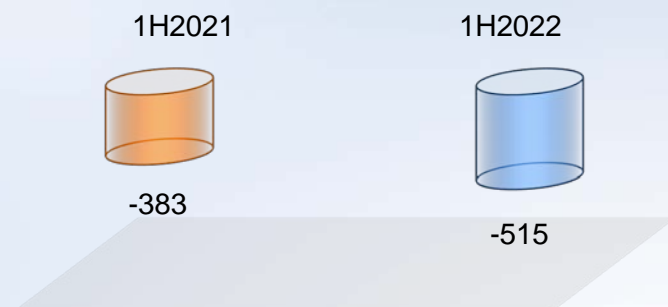
In 1H2022, the revenue of the supply chain integrated services segment increased significantly, increasing by 212.65% to HK\$1,310 million from HK\$419 million in the same period of 2021. The increase mainly due to the increased cross-border logistic business. The domestic epidemic prevention and control policy has been adjusted from "prevention and control mainly" to "can be prevented and released." Through nucleic acid testing, domestic closed-loop management, and off-peak operations, the Chinese government and enterprises have to work together. Efforts to increase the volume of goods. The AGV that the company is implementing conducts substantive testing and interaction within the closed loop, laying a good foundation for the next increment.



In 1H2022, gross margin for integrated supply chain services sector was 48.02%, compared with 10.53% in the first half of 2021.

Financial Update (Cont'd)

Operating Expense (HK\$ million)



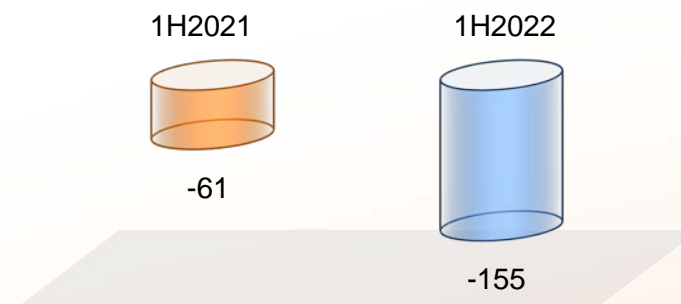
(HK\$ million)	1H2021	1H2022
Distribution Cost	(48)	(99)
Administrative Expenses	(352)	(366)
Other Operating Expenses, Net	17	(50)
Total Operating Expenses (Excluding Reversal of Impairment of Long-term Assets)	(383)	(515)
As % of Total Revenue	-3.16%	-3.07%

- 1H2022, the total operating expenses was HK\$515 million, accounting for 3.07% of total revenue as compared to 3.16% in 1H2021
- The increase in distribution expenses was mainly due to the increase in domestic coking coal business. Other net operating expenses was mainly due to a loss of approximately HK\$52 million on the futures side in the hedging of the futures business

(HK\$ million)	1H2021	1H2022
Finance Income	13	14
Finance Costs	(75)	(169)
Net Finance Costs	(61)	(155)
As % of Total Revenue	-0.50%	-0.92%

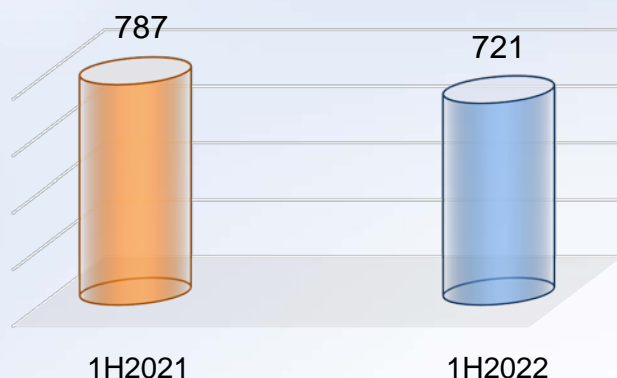
- Compared with 1H2021, finance income increased by 5.77%, finance costs increased by 122.66%. Net finance costs increased by 152.51% in 1H2022 and the increase was mainly due to foreign exchange loss

Finance Income/ Costs (HK\$ million)



Financial Update (Cont'd)

Net Profit (HK\$ million)



(HK\$ million/HK\$)	1H2021	1H2022
Net Profit	787	721
Profit Attributable to Shareholders	778	703
Basic/Diluted EPS	0.257	0.246

- The Company posted a net profit of HK\$721 million in 1H2022, representing a 8.39% decrease compared to HK\$787 million in 1H 2021. The decrease was mainly due to market influence. The international market was disrupted by events such as frequent heavy rainfall in Australia, the COVID-19 in Mongolia, and the restart of coal-fired power plants in Europe and the United States, resulting in large fluctuations in coking coal prices; domestically, due to the impact of the COVID-19, downstream steel mills were less willing to purchase , demand continued to be sluggish, steel profitability was poor, and trade volume declined
- Both Basic EPS and Diluted EPS were HK\$0.246 as of June 30, 2022
- An interim dividend of HK\$0.061 per share has been declared and will be dispatched on or around 13 January 2023.

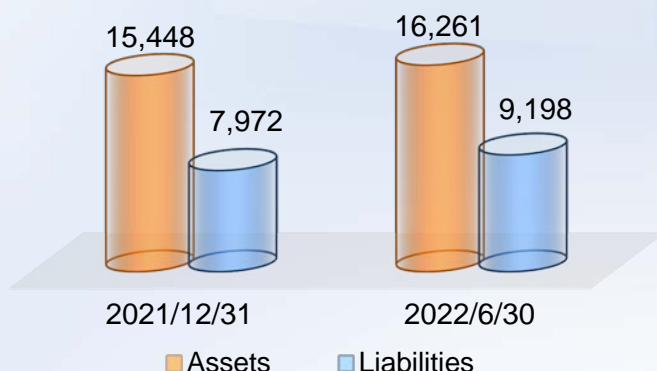
2022 Interim Dividend

(HK\$'000)

Profit Attributable to Shareholders	703,305
Total Number of Shares (as of June 30, 2022)	2,867,922,962
Interim Dividend per Share	HK\$0.061

Financial Update (Cont'd)

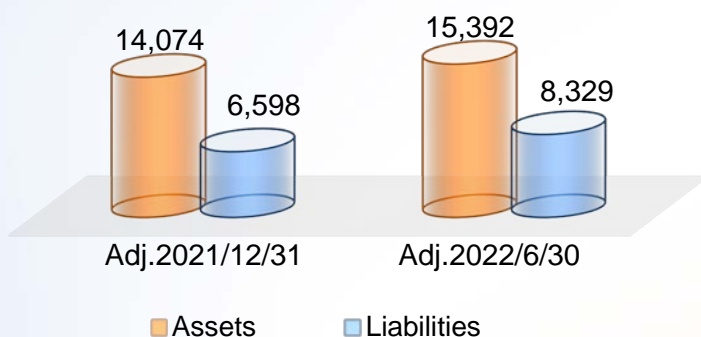
Assets/Liabilities (HK\$ million)



(HK\$ million)	2021/12/31	2022/6/30
Assets	15,448	16,261
Liabilities	7,972	9,198
Total Equity	7,476	7,063
Gearing Ratio	51.60%	56.57%

- As at June 30, 2022, the Company's gearing ratio increased from 51.60 % to 56.57%
- In 1H2022, the company conducts trade business which increases trade receivables and trade payables, leading to an increase in the gearing ratio

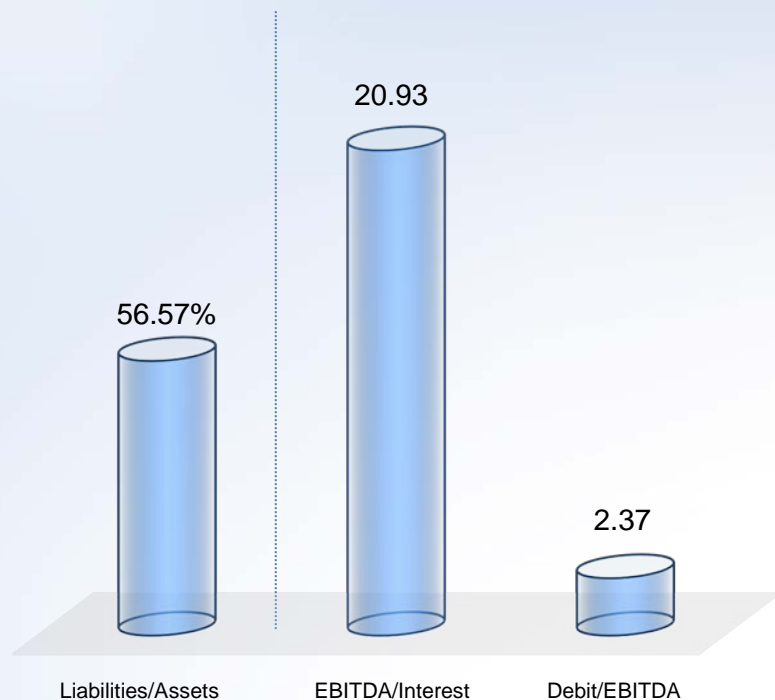
Adjusted Assets/Liabilities (HK\$ million)



(HK\$ million)	Adj.2021/12/31	Adj.2022/6/30
Assets	14,074	15,392
Liabilities	6,598	8,329
D/A Ratio	46.88%	54.11%

- After receiving bank acceptance bills and letters of credit, the Company discounts or pledges such bills to against loans from banks. According to accounting standards, assets and liabilities will increase at the same time. However, such bills and letters of credit discounted pledge loans are based on bank credit, and there is no substantial risk
- Excluding the impact of the accounting and loans pledged with full amount bank deposits, the Company's adjusted total assets and liabilities were shown as the above. The Company's adjusted gearing ratio at was 54.11%, debt level remains stable.

Liabilities and Liquidity

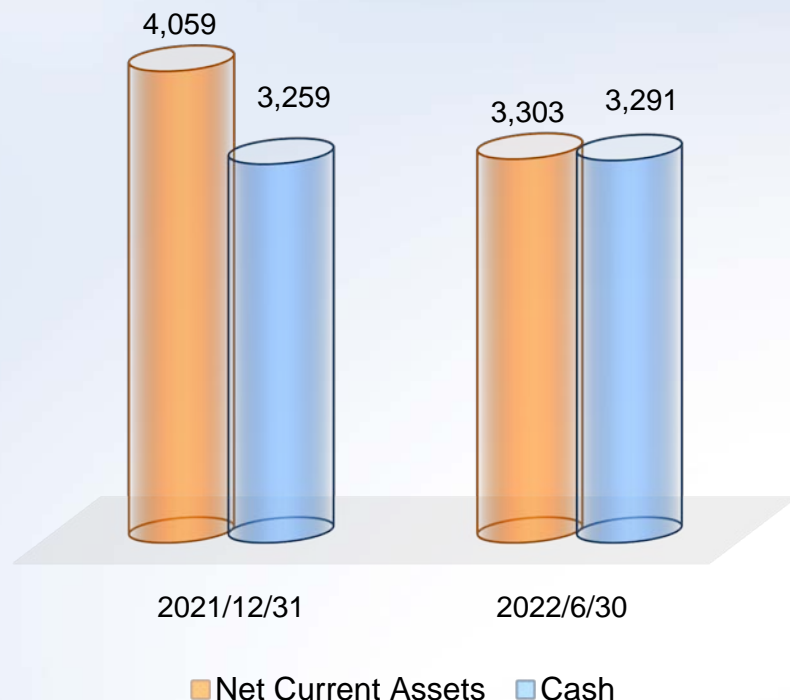


	1H2021	1H2022
Liabilities/Assets	54.52%	56.57%
Adjusted Liabilities/Assets	46.67%	54.11%
EBITDA/Interest	17.78	20.93
Liabilities/EBITDA	2.82	2.37

- As at June 30 2022, the Company's gearing ratio was 56.57%, EBITDA/Interest was 20.93, and Liabilities/EBITDA was 2.37
- In 1H2022, the Company's debt and liquidity indicators have improved. EBITDA/Interest increased from 17.78 in 1H2021 to 20.93, which indicates that the company's solvency has improved

Financial Update (Cont'd)

Current Assets and Cash (HK\$ million)

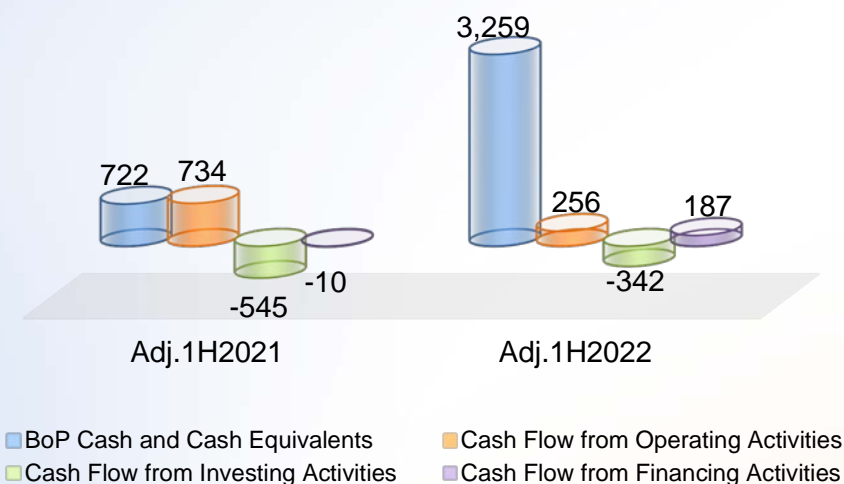
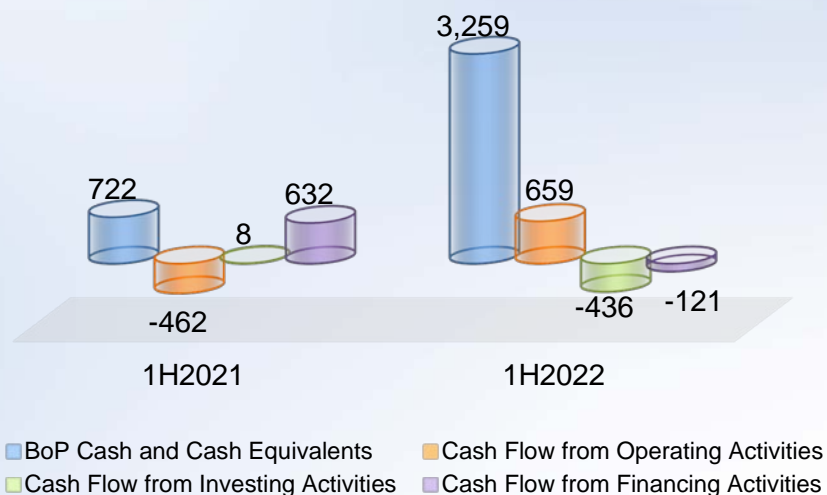


(HK\$ million)	2021/12/31	2022/6/30
Current Assets	11,522	12,283
Current Liabilities	7,463	8,980
Net Current Asset	4,059	3,303
Cash and Cash Equivalents	3,259	3,291
Current Ratio	1.54	1.37
Cash Ratio	43.67%	36.65%

- As at June 30 2022, compared with the end of 2021, the company's current assets increased by 6.60%, current liabilities increased by 20.33%, and net current assets decreased by 18.63%. The company's current ratio is 1.37 and cash ratio is 36.65%, a slight decrease from the end of 2021

Financial Update (Cont'd)

Cash Flow (HK\$ million)



(HK\$ million)	1H2021	1H2022
Cash and cash equivalents at 1 January	722	3,259
Cash Flow from Operating Activities	(462)	659
Cash Flow from Investing Activities	8	(436)
Cash Flow from Financing Activities	632	(121)
Impact of Change in Foreign Exchange Rates	7	(69)
Cash and cash equivalents at 30 June	907	3,291

- In 1H2022, operating cash inflow was approximately HK\$659 million, mainly due to operating profit inflow of HK\$845 million
- The cash outflow from investing activities was HK\$436 million. This outflow was mainly due to the investment in logistics assets which results the cash outflow of HK\$381 million
- Cash outflow from financing activities was HK\$121 million, mainly because of cash outflow of repayment of bank loans, on-market repurchase of shares, and dividend paid to equity Shareholders

(HK\$ million)	Adj.1H2021	Adj.1H2022
Cash and cash equivalents at 1 January	722	3,259
Cash Flow from Operating Activities	734	256
Cash Flow from Investing Activities	(545)	(342)
Cash Flow from Financing Activities	(10)	187
Impact of Change in Foreign Exchange Rates	7	(69)
Cash and cash equivalents at 30 June	907	3,291

- After receiving bank acceptance bills and letters of credit, the Company discounts or pledges such bills to against loans from Banks. According to accounting standards, such cash flows are classified as financing activities. As acceptance bills and letters of credit received from operating activities, in order to explain the company's business activities more clearly, the impact of the above changes is analysed as above

Thank You!

