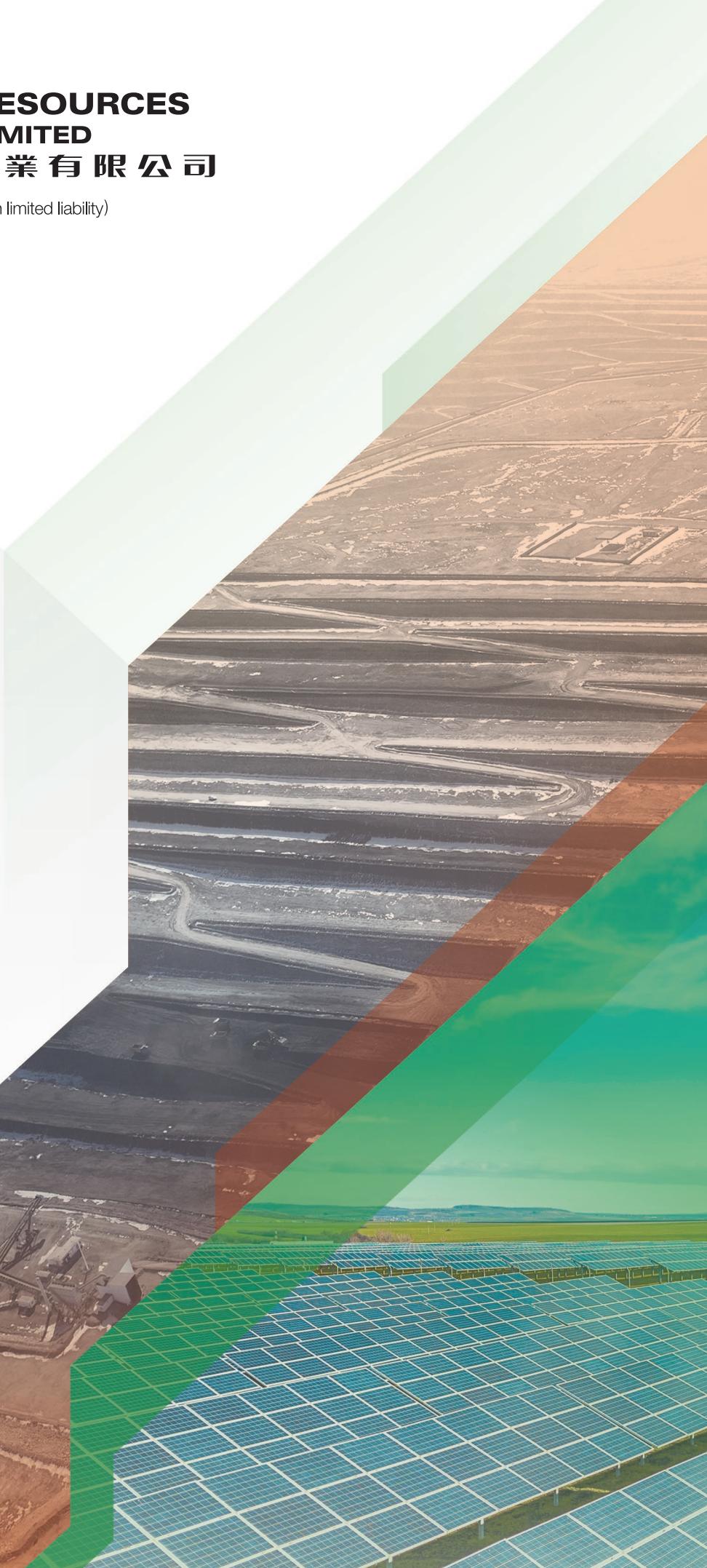




**NAN NAN RESOURCES
ENTERPRISE LIMITED**
南南資源實業有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code : 1229)

2025/26 INTERIM REPORT



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This interim report is prepared in English and Chinese. In case of inconsistency, please refer to the English version as it shall prevail.

 This interim report is printed on environmentally friendly paper.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Kwan Man Fai (Chairman & Managing Director)
Wong Sze Wai
Li Chun Fung
Tong Yuk Ying Angel

Independent Non-executive Directors

Wong Man Hin Raymond
Chan Yiu Fai Youdey
Pak Wai Keung Martin

AUDIT COMMITTEE

Pak Wai Keung Martin (Chairman)
Wong Man Hin Raymond
Chan Yiu Fai Youdey

REMUNERATION COMMITTEE

Wong Man Hin Raymond (Chairman)
Kwan Man Fai
Wong Sze Wai
Chan Yiu Fai Youdey
Pak Wai Keung Martin

NOMINATION COMMITTEE

Kwan Man Fai (Chairman)
Wong Man Hin Raymond
Chan Yiu Fai Youdey
Pak Wai Keung Martin
Tong Yuk Ying Angel (appointed on 20 June 2025)

COMPANY SECRETARY

Li Chun Fung

AUDITOR

Forvis Mazars CPA Limited
42/F., Central Plaza
18 Harbour Road
Wanchai, Hong Kong

LEGAL ADVISER

Conyers Dill and Pearman
29/F., One Exchange Square
8 Connaught Place
Central, Hong Kong

PRINCIPAL BANKERS

China CITIC Bank International Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

11/F., Tower 2
Admiralty Centre
18 Harcourt Road
Admiralty, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

HONG KONG STOCK EXCHANGE STOCK CODE

1229

WEBSITE

<https://www.nannanlisted.com>

INDEPENDENT AUDITOR'S REVIEW REPORT



FORVIS MAZARS CPA LIMITED

富睿瑪澤會計師事務所有限公司

42nd Floor, Central Plaza,

18 Harbour Road, Wanchai, Hong Kong

香港灣仔港灣道18號中環廣場42樓

Tel 電話: (852) 2909 5555

Fax 傳真: (852) 2810 0032

Email 電郵: info@forvismazars.com

Website 網址: forvismazars.com/hk

REVIEW REPORT TO THE BOARD OF DIRECTORS OF NAN NAN RESOURCES ENTERPRISE LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 35 which comprises the condensed consolidated statement of financial position of Nan Nan Resources Enterprise Limited (the "Company") and its subsidiaries (together the "Group") as at 30 September 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 20 November 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Notes	Six months ended 30 September	
		2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue	4	193,652	178,204
Cost of services and goods sold		(118,370)	(82,033)
Gross profit		75,282	96,171
Other revenue		1,141	1,408
Selling and distribution expenses		(7,391)	(634)
Administrative and other operating expenses		(24,899)	(32,372)
Exchange (loss)/gain, net		(915)	14,538
Finance costs	5	(2,748)	(2,842)
Loss on fair value change of convertible bond designated as financial liabilities at fair value through profit or loss ("FVPL")	17	(31,725)	(10,128)
Profit before tax	5	8,745	66,141
Income tax expenses	6	(12,186)	(18,998)
(Loss)/Profit for the period		(3,441)	47,143
Other comprehensive income/(loss):			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange difference on translation of the Company's financial statements to presentation currency		915	(11,167)
Loss on fair value change of convertible bond designated as financial liabilities at FVPL arising from change in its credit risk		–	(14,522)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of functional currency to presentation currency		9,606	1,787
Other comprehensive income/(loss) for the period		10,521	(23,902)
Total comprehensive income for the period		7,080	23,241
(Loss)/Profit for the period attributable to:			
– Owners of the Company		(3,375)	47,334
– Non-controlling interests		(66)	(191)
		(3,441)	47,143
Total comprehensive income/(loss) for the period attributable to:			
– Owners of the Company		6,974	23,353
– Non-controlling interests		106	(112)
		7,080	23,241
(Loss)/Earnings per share (expressed in Hong Kong cents)			
– Basic	8	(0.44)	6.18
– Diluted	8	(0.44)	2.88

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	144,682	134,121
Intangible assets	10	253,023	237,453
Goodwill	11	4,229	4,229
Prepayments for acquisition of property, plant and equipment	12	9,558	626
		411,492	376,429
Current assets			
Inventories		7,272	11,132
Trade and other receivables	12	6,675	7,543
Cash and cash equivalents		282,336	248,219
		296,283	266,894
Current liabilities			
Trade and other payables	13	108,343	108,019
Mining right payables, current portion		5,187	4,885
Interest-bearing borrowings	14	15,884	–
Lease liabilities	15	1,502	602
Tax payables		1,883	5,730
Convertible bond designated as financial liabilities at FVPL	17	237,673	205,948
		370,472	325,184
Net current liabilities		(74,189)	(58,290)
Total assets less current liabilities		337,303	318,139

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 September 2025

	Notes	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Capital and reserves			
Share capital	16	76,537	76,537
Reserves		172,384	165,410
		248,921	241,947
Equity attributable to owners of the Company		(1,198)	(1,304)
Non-controlling interests			
		247,723	240,643
Non-current liabilities			
Provision for close down, restoration and environmental costs		2,713	2,661
Mining right payables, non-current portion		60,838	57,297
Lease liabilities	15	2,199	963
Deferred tax liabilities		23,830	16,575
		89,580	77,496
		337,303	318,139

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company									Non-controlling interests HK\$'000	Total (deficit)/ equity HK\$'000
	Share capital HK\$'000 (Note 16)	Share premium HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Statutory reserves HK\$'000 (Note iii)	Exchange translation reserve HK\$'000 (Note iv)	Fair value reserve HK\$'000 (Note v)	Special reserve HK\$'000 (Note vi)	Accumulated losses HK\$'000	Total HK\$'000		
As at 1 April 2025 (audited)	76,537	191,534	14,882	39,495	(43,690)	19,485	27,143	(83,439)	241,947	(1,304)	240,643
Loss for the period	-	-	-	-	-	-	-	-	(3,375)	(3,375)	(66) (3,441)
Other comprehensive income:											
<i>Item that will not be reclassified to profit or loss:</i>											
Exchange difference on translation of the Company's financial statements to presentation currency	-	-	-	-	915	-	-	-	915	-	915
<i>Item that may be reclassified subsequently to profit or loss:</i>											
Exchange difference on translation of functional currency to presentation currency	-	-	-	-	9,434	-	-	-	9,434	172	9,606
Other comprehensive income for the period	-	-	-	-	10,349	-	-	-	10,349	172	10,521
Total comprehensive income/(loss) for the period	-	-	-	-	10,349	-	-	(3,375)	6,974	106	7,080
Transactions with owners:											
Appropriation for maintenance and production funds	-	-	-	28,642	-	-	-	(28,642)	-	-	-
Utilisation of maintenance and production funds	-	-	-	(28,642)	-	-	-	28,642	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
As at 30 September 2025 (unaudited)	76,537	191,534	14,882	39,495	(33,341)	19,485	27,143	(86,814)	248,921	(1,198)	247,723
As at 1 April 2024 (audited)	76,537	191,534	14,882	39,495	(50,595)	28,429	27,143	(156,025)	171,400	374	171,774
Profit for the period	-	-	-	-	-	-	-	-	47,334	47,334	(191) 47,143
Other comprehensive loss:											
<i>Items that will not be reclassified to profit or loss:</i>											
Exchange difference on translation of the Company's financial statements to presentation currency	-	-	-	-	(11,167)	-	-	-	(11,167)	-	(11,167)
Loss on fair value change of convertible bond designated as financial liabilities at FVPL arising from change in its credit risk	-	-	-	-	-	(14,522)	-	-	(14,522)	-	(14,522)
<i>Item that may be reclassified subsequently to profit or loss:</i>											
Exchange difference on translation of functional currency to presentation currency	-	-	-	-	1,708	-	-	-	1,708	79	1,787
Other comprehensive loss for the period	-	-	-	-	(9,459)	(14,522)	-	-	(23,981)	79	(23,902)
Total comprehensive income for the period	-	-	-	-	(9,459)	(14,522)	-	47,334	23,353	(112)	23,241
Transactions with owners:											
Appropriation for maintenance and production funds	-	-	-	19,480	-	-	-	(19,480)	-	-	-
Utilisation of maintenance and production funds	-	-	-	(19,480)	-	-	-	19,480	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
As at 30 September 2024 (unaudited)	76,537	191,534	14,882	39,495	(60,054)	13,907	27,143	(108,691)	194,753	262	195,015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 September 2025

Notes:

(i) Share premium

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

(ii) Capital reserve

Capital reserve arose from the acquisition of the additional equity interest of subsidiaries in prior years. It represents the difference between the carrying amount of the net assets of the subsidiaries attributable to the additional interest at the dates of acquisition and the fair value of consideration paid by the Group.

(iii) Statutory reserves

Statutory surplus reserve

In accordance with the People's Republic of China (the "Mainland China") regulations, all of the Group's subsidiaries in the Mainland China are required to transfer part of their profit after tax to the statutory surplus reserve, which are non-distributable, before profit distributions are made. The amounts of the transfers are subject to the approval of the boards of directors of these companies in accordance with their articles of association.

Specific reserve for maintenance and production funds

Pursuant to the relevant Mainland China regulations, the Group is required to transfer maintenance and production funds at fixed rates based on relevant bases to a specific reserve account. The maintenance and production funds can be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve account to retained earnings.

(iv) Exchange translation reserve

Exchange translation reserve comprises all foreign exchange differences arising from the translation of functional currency to presentation currency. The reserve is dealt with in accordance with the accounting policy.

(v) Fair value reserve

Fair value reserve comprises the fair value changes of the financial liabilities designated as FVPL arising from change in the financial liabilities' credit risk. The reserve is dealt in accordance with the accounting policy.

(vi) Special reserve

The amount in special reserve represents the difference between the consideration paid for acquiring a further 49% equity interest in Star Fortune International Investment Company Limited ("Star Fortune") and the decrease in the carrying amount of the non-controlling interests of Star Fortune in a previous year.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Operating activities		
Cash from operations activities	81,548	125,300
Interest paid	(132)	(49)
Income tax paid	(9,140)	(5,345)
Net cash from operations activities	72,276	119,906
Investing activities		
Purchase of property, plant and equipment	(11,778)	(3,711)
Additions to intangible assets	(35,366)	(53,368)
Prepayments for acquisition of property, plant and equipment	(9,558)	–
Interest received	308	754
Net cash used in investing activities	(56,394)	(56,325)
Financing activities		
Inception of interest-bearing borrowings	15,884	–
Repayment of lease liabilities	(863)	(673)
Net cash from/(used in) financing activities	15,021	(673)
Net increase in cash and cash equivalents	30,903	62,908
Cash and cash equivalents as at 1 April	248,219	189,307
Effect on foreign exchange rate changes	3,214	(2,066)
Cash and cash equivalents as at 30 September	282,336	250,149
Analysis of the balances of cash and cash equivalents		
Bank balances	279,464	215,430
Short term deposit with an original maturity of three months or less	2,778	34,488
Cash on hand	94	231
	282,336	250,149

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2025

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Nan Nan Resources Enterprise Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the directors of the Company, its holding company is Ascent Goal Investments Limited (“Ascent Goal”), a company incorporated in the British Virgin Islands with limited liability, and its ultimate holding company is New Bright International Development Limited, a company incorporated in Hong Kong with limited liability. Its ultimate controlling party is Ms. Fung Yuen Kwan, Veronica.

The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is 11/F., Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong. The condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), rounded to the nearest thousand except when otherwise indicated, for the convenience of the shareholders as the Company is listed in Hong Kong. The functional currency of the Company is Renminbi (“RMB”).

The Company is an investment holding company and the subsidiaries of the Company (together the “Group”) are principally engaged in (i) mining and sales of coal; (ii) renewable energy solutions; and (iii) information technology (“IT”) outsourcing, consultancy and technical services (together referred to as “IT Services”).

The condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Preparation of the condensed consolidated interim financial information requires the directors of the Company to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 condensed consolidated interim financial information includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2025 and therefore, do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations issued by the HKICPA. They shall be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2025 (the “2024/2025 Audited Financial Statements”).

In preparing the condensed consolidated interim financial information, significant judgements made by the directors of the Company in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied in the 2024/2025 Audited Financial Statements.

The condensed consolidated interim financial information is unaudited, but has been reviewed by the Company’s audit committee and the Company’s external auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information has been prepared on the historical cost basis except for convertible bond designated as financial liabilities at fair value through profit or loss ("FVPL"), which is measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 September 2025 are consistent with those followed in the preparation of the 2024/2025 Audited Financial Statements.

The adoption of the new/revised HKFRS Accounting Standards which are relevant to the Group and effective for current period does not have any significant impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

At the date of authorisation of the condensed consolidated interim financial information, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted. The directors of the Company do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results and the financial position of the Group.

Going concern

In preparing the condensed consolidated interim financial information, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by approximately HK\$74,189,000 as at 30 September 2025. These figures are mainly attributable to the convertible bond designated as financial liabilities at FVPL of approximately HK\$237,673,000. There is material uncertainty related to these matters that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Upon consideration of the following factors that: (i) the holder of the convertible bond is the holding company of the Group, Ascent Goal, (ii) the Company had entered into a fifth deed of amendment with Ascent Goal on 11 August 2022, pursuant to which the maturity date and the conversion period of the convertible bond was extended for 36 months to 13 March 2026, (iii) Ascent Goal confirmed its intention to extend the convertible bond, if necessary, and (iv) even if the convertible bond was not extended, Ascent Goal had committed to provide financial support to the Group as is necessary to enable the Group to meet its financial obligation as they fall due as alternative, the directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations, and that it is appropriate to prepare the condensed consolidated interim financial information on a going concern basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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

- (1) Coal mining business segment: mining and sales of coals in the Mainland China;
- (2) Renewable energy business segment: service income from renewable energy solutions in Malaysia; and
- (3) IT Services business segment: IT consultancy and technical services (including sales of IT hardware products) and IT outsourcing services in Hong Kong, Malaysia, Singapore and the United Kingdom (the "UK").

Segment revenue represents revenue derived from (i) coal mining business; (ii) renewable energy business; and (iii) IT Services business.

Segment results, which are the measures reported to the CODM for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of change in fair value of convertible bond designated as financial liabilities at FVPL and net exchange gain or loss.

Segment assets include property, plant and equipment, intangible assets, goodwill, prepayment for acquisition of property, plant and equipment, inventories, trade and other receivables and cash and cash equivalents. All assets are allocated to operating segments other than unallocated head office and corporate assets as these assets are managed on a group basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

3. SEGMENT INFORMATION (Continued)

Segment liabilities include trade and other payables, mining right payables, interest-bearing borrowings, lease liabilities, tax payables, convertible bond designated as financial liabilities at FVPL, provision for close down, restoration and environmental costs and deferred tax liabilities. All liabilities are allocated to operating segments other than unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

In addition, the directors of the Company consider that the Group's place of domicile is Hong Kong, where the central management and control is located.

Segment revenue and results

The followings are analysis of the Group's revenue and results by reportable and operating segments:

	Coal mining business HK\$'000	Renewable energy business HK\$'000	IT Services business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Six months ended 30 September 2025 (unaudited)					
Revenue from external customers and reportable segment revenue	191,690	1,962	-	-	193,652
Gross profit	74,340	942	-	-	75,282
Selling and distribution expenses	(7,391)	-	-	-	(7,391)
Segment results	66,949	942	-	-	67,891
Other revenue	962	43	21	115	1,141
Administrative and other operating expenses	(12,115)	(651)	(350)	(11,783)	(24,899)
Finance costs	(2,663)	-	-	(85)	(2,748)
Loss on fair value change of convertible bond designated as financial liabilities at FVPL	-	-	-	(31,725)	(31,725)
Exchange loss, net	-	-	-	(915)	(915)
Profit/(Loss) before tax	53,133	334	(329)	(44,393)	8,745
Income tax expenses	(12,145)	(41)	-	-	(12,186)
Profit/(Loss) for the period	40,988	293	(329)	(44,393)	(3,441)
Additional segment information:					
Amortisation	24,436	32	-	-	24,468
Depreciation	6,789	827	-	585	8,201
Additions to property, plant and equipment	11,867	10	-	3,518	15,395
Additions to intangible assets	35,366	-	-	-	35,366

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

3. SEGMENT INFORMATION (Continued)
Segment revenue and results (Continued)

	Coal mining business HK\$'000	Renewable energy business HK\$'000	IT Services business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Six months ended 30 September 2024 (unaudited)					
Revenue from external customers and reportable segment revenue	173,906	1,814	2,484	–	178,204
Gross profit/(loss)	95,311	890	(30)	–	96,171
Selling and distribution expenses	(600)	–	(34)	–	(634)
Segment results	94,711	890	(64)	–	95,537
Other revenue	737	64	501	106	1,408
Administrative and other operating expenses	(13,221)	(539)	(3,284)	(15,328)	(32,372)
Finance costs	(2,793)	–	(39)	(10)	(2,842)
Loss on fair value change of convertible bond designated as financial liabilities at FVPL	–	–	–	(10,128)	(10,128)
Exchange gain, net	–	–	–	14,538	14,538
Profit/(Loss) before tax	79,434	415	(2,886)	(10,822)	66,141
Income tax expenses	(18,981)	(17)	–	–	(18,998)
Profit/(Loss) for the period	60,453	398	(2,886)	(10,822)	47,143
Additional segment information:					
Amortisation	21,941	33	–	–	21,974
Depreciation	5,298	774	–	143	6,215
Additions to property, plant and equipment	3,825	–	–	–	3,825
Additions to intangible assets	53,368	–	–	–	53,368
Charge of loss allowance of trade receivables, net	–	1	1,396	–	1,397

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

3. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The followings are analysis of the Group's assets and liabilities by reportable and operating segments:

	Coal mining business HK\$'000	Renewable energy business HK\$'000	IT Services business HK\$'000	Unallocated HK\$'000	Total HK\$'000
As at 30 September 2025 (unaudited)					
Property, plant and equipment	115,533	26,166	-	2,983	144,682
Intangible assets	251,858	1,165	-	-	253,023
Goodwill	-	4,229	-	-	4,229
Other assets	291,148	7,375	449	6,869	305,841
 Total assets	 658,539	 38,935	 449	 9,852	 707,775
 Convertible bond designated as financial liabilities at FVPL	 -	 -	 -	 (237,673)	 (237,673)
Mining right payables	(66,025)	-	-	-	(66,025)
Other liabilities	(151,774)	(361)	(560)	(3,659)	(156,354)
 Total liabilities	 (217,799)	 (361)	 (560)	 (241,332)	 (460,052)
 As at 31 March 2025 (audited)					
Property, plant and equipment	108,419	25,640	-	62	134,121
Intangible assets	236,256	1,197	-	-	237,453
Goodwill	-	4,229	-	-	4,229
Other assets	240,315	6,229	1,177	19,799	267,520
 Total assets	 584,990	 37,295	 1,177	 19,861	 643,323
 Convertible bond designated as financial liabilities at FVPL	 -	 -	 -	 (205,948)	 (205,948)
Mining right payables	(62,182)	-	-	-	(62,182)
Other liabilities	(130,940)	(622)	(1,084)	(1,904)	(134,550)
 Total liabilities	 (193,122)	 (622)	 (1,084)	 (207,852)	 (402,680)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

3. SEGMENT INFORMATION (Continued)

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, goodwill, and prepayments for acquisition of property, plant and equipment ("Specified Non-current Assets").

The geographical location of the revenue is presented based on the location of the customers. The geographical location of property, plant and equipment and prepayments for acquisition of property, plant and equipment is presented based on the physical location of the assets and the geographical location of intangible assets and goodwill is presented based on the location of the respective business operations.

Location of revenue

Revenue from external customers

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
The Mainland China	191,690	173,906
Hong Kong	–	839
Malaysia	1,962	1,814
Singapore	–	1,645
	193,652	178,204

Location of the Specified Non-current Assets

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
The Mainland China	376,949	345,301
Hong Kong	2,983	62
Malaysia	31,560	31,066
	411,492	376,429

Information about major customers

There are no customers with whom contribute 10% or more of the total revenue of the Group during the six months ended 30 September 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

4. REVENUE

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Revenue from contracts with customers within HKFRS 15		
Coal mining business		
– Sales of coals	191,690	173,906
Renewable energy business		
– Service income from renewable energy solutions	1,962	1,814
IT Services business		
– Sales of IT hardware products	–	248
– IT outsourcing services	–	1,843
– IT consultancy and technical services	–	393
	–	2,484
	193,652	178,204

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

4. REVENUE (Continued)

In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
<i>Timing of revenue recognition:</i>		
– at a point of time		
Sales of coals	191,690	173,906
Sales of IT hardware products	–	248
	191,690	174,154
– over time		
Service income from renewable energy solutions	1,962	1,814
IT outsourcing services	–	1,843
IT consultancy and technical services	–	393
	1,962	4,050
	193,652	178,204

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

5. PROFIT BEFORE TAX

This is stated at after charging/(crediting):

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Finance costs		
Interest on interest-bearing borrowings	20	–
Interest on mining right payables	2,616	2,793
Interest on lease liabilities	112	49
	2,748	2,842
Staff costs (excluding directors' remuneration) (charged to "Cost of services and goods sold", "Selling and distribution expenses" and "Administrative and other operating expenses")		
Salaries, bonus, allowance and other short-term employee benefits	14,262	14,810
Contributions to defined contribution retirement plan	3,487	2,523
	17,749	17,333
Other items		
Amortisation of intangible assets (charged to "Cost of services and goods sold" and "Administrative and other operating expenses")	24,468	21,974
Cost of inventories sold	96,202	62,150
Bank interest income (included in "Other revenue")	(308)	(754)
Depreciation of property, plant and equipment and right-of- use assets (charged to "Cost of services and goods sold" and "Administrative and other operating expenses")	8,201	6,215
Charge of loss allowance of trade receivables, net	–	1,397
Gain on early termination of lease contracts	(3)	(481)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

6. INCOME TAX EXPENSES

The major components of income tax expenses in the condensed consolidated statement of profit or loss and other comprehensive income are:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Current tax		
The Mainland China Enterprise Income Tax ("Mainland China EIT")		
– Current year	3,882	9,462
– Under-provision in respect of prior year	1,362	1,654
– Withholding tax	–	2,127
Malaysia corporate income tax ("Malaysia CIT")	49	26
	5,293	13,269
Deferred tax		
Origination and reversal of temporary differences	6,893	5,729
	12,186	18,998

The Company is incorporated in Bermuda and is exempted from income tax. The Company's subsidiaries established in the British Virgin Islands and Samoa are exempted from income tax of the respective jurisdictions.

Under the Law of the Mainland China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiaries is 25% for both six months ended 30 September 2025 and 2024.

Pursuant to the EIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Mainland China subsequent to 1 January 2008. The Group applied a lower withholding tax rate of 5% under the tax treaty between Mainland China and Hong Kong.

In March 2018, the two-tiered profits tax rates regime was signed into law of Hong Kong, under which the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5% for the six months ended 30 September 2025 and 2024. The profits of corporations in the Group not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% of the estimated assessable profits for the six months ended 30 September 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

6. INCOME TAX EXPENSES (Continued)

Malaysia CIT is calculated at the rate of 24% of the estimated assessable profits of the Group's entities in Malaysia arising from Malaysia during the six months ended 30 September 2025 and 2024. During the six months ended 30 September 2025 and 2024, Malaysia incorporated entities with paid-up capital of Malaysia Ringgit ("RM") 2.5 million or less and gross business income of not more than RM50 million enjoy tax rate of 15% on the first RM150,000 and 17% on the next RM450,000 and remaining balance of the estimated assessable profits at the standard rate of 24%.

Singapore corporate income tax ("Singapore CIT") is calculated at the rate of 17% of the estimated assessable profits of the Group's entity in Singapore arising from Singapore.

During the six months ended 30 September 2025 and 2024, Singapore incorporated companies can enjoy 75% tax exemption on the first Singapore Dollars ("S\$") 10,000 of normal taxable income and a further 50% tax exemption on the next S\$190,000 of normal taxable income.

The UK corporate income tax (the "UK CIT") is calculated at a statutory rate of 25% of the estimated assessable profits of the Group's entities in the UK arising from the UK during the six months ended 30 September 2025 (30 September 2024: 25%). During the six months ended 30 September 2025 and 2024, the Group's entity established in the UK is subject to a 19% small profits rate of corporation tax introduced for companies whose profits do not exceed Great British Pound 50,000.

For the six months ended 30 September 2025, Hong Kong Profits Tax, Singapore CIT and the UK CIT (30 September 2024: Hong Kong Profits Tax, Singapore CIT and the UK CIT) have not been provided for in the condensed consolidated interim financial information as there was either loss for taxation purpose or no assessable profits being derived from Hong Kong, Singapore and the UK (30 September 2024: Hong Kong, Singapore and the UK), respectively.

7. INTERIM DIVIDEND

No dividends were paid, declared or proposed during the six months ended 30 September 2025 and 2024. The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 September 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company for the period is based on the following data:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
(Loss)/Profit		
(Loss)/Profit for the purpose of basic (loss)/earnings per share ((Loss)/Profit for the period attributable to owners of the Company)	(3,375)	47,334
Weighted average number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	765,373,584	765,373,584

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

8. (LOSS)/EARNINGS PER SHARE (Continued)

(b) **Diluted (loss)/earnings per share**

The calculation of the diluted (loss)/earnings per share attributable to the owners of the Company for the period is based on the following data:

(i) **(Loss)/Profit for the period attributable to owners of the Company**

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
(Loss)/Profit for the period attributable to owners of the Company	(3,375)	47,334
Loss on fair value change of convertible bond designated as financial liabilities at FVPL	31,725	10,128
Exchange gain on convertible bond designated as financial liabilities at FVPL	(4,214)	(6,626)
	24,136	50,836

(ii) **Weighted average number of ordinary shares**

	Six months ended 30 September	
	2025 Number of shares (unaudited)	2024 Number of shares (unaudited)
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	765,373,584	765,373,584
Effect of conversion of convertible bond designated as financial liabilities at FVPL	1,000,000,000	1,000,000,000
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	1,765,373,584	1,765,373,584

For the six months ended 30 September 2025, the Company's outstanding convertible bond had an anti-dilutive effect to the basic loss per share calculation, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore, the basic and diluted loss per share for the six months ended 30 September 2025 were the same.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

9. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Leasehold land and buildings	Leasehold improvements	Plant and machinery	Furniture, equipment and motor vehicles	Construction-in-progress	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cost							
As at 1 April 2025 (audited)	5,665	80,447	319	110,298	12,949	113	209,791
Exchange realignment	55	1,562	-	3,182	197	2	4,998
Additions	2,991	8,661	527	2,550	200	466	15,395
Disposals	-	-	(319)	(1,271)	(38)	-	(1,628)
Early termination of lease	(302)	-	-	-	-	-	(302)
Written off upon expiration of lease	(2,509)	-	-	-	-	-	(2,509)
As at 30 September 2025 (unaudited)	5,900	90,670	527	114,759	13,308	581	225,745
Accumulated depreciation and impairment losses							
As at 1 April 2025 (audited)	4,115	16,547	319	44,193	10,586	-	75,670
Exchange realignment	29	334	-	1,105	146	-	1,614
Charge for the period	782	1,869	85	5,047	418	-	8,201
Written back upon disposal	-	-	(319)	(1,268)	(36)	-	(1,623)
Early termination of lease	(290)	-	-	-	-	-	(290)
Written back upon expiration of lease	(2,509)	-	-	-	-	-	(2,509)
As at 30 September 2025 (unaudited)	2,127	18,660	85	49,077	11,114	-	81,063
Net carrying amount							
As at 30 September 2025 (unaudited)	3,773	72,010	442	65,682	2,194	581	144,682
As at 31 March 2025 (audited)	1,550	63,990	-	66,105	2,363	113	134,121

10. INTANGIBLE ASSETS

During the six months ended 30 September 2025, the Group incurred capital expenditure in respect of stripping activities with cost of approximately HK\$35,366,000 (30 September 2024: approximately HK\$53,368,000).

During the six months ended 30 September 2025 and 2024, no impairment loss was made on the intangible assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

11. GOODWILL

	Coal Mining CGU	Renewable Energy CGU	IT Services CGU	Total
	HK\$'000 (Note (a))	HK\$'000 (Note (b))	HK\$'000 (Note (c))	
Cost				
As at 1 April 2025 (audited) and 30 September 2025 (unaudited)	37,469	4,229	24,148	65,846
Accumulated impairment losses				
As at 1 April 2025 (audited) and 30 September 2025 (unaudited)	37,469	–	24,148	61,617
Net carrying amount				
As at 30 September 2025 (unaudited)	–	4,229	–	4,229
As at 31 March 2025 (audited)	–	4,229	–	4,229

11(a) Coal Mining CGU

The goodwill arising on acquisition of Kaiyuan Company and its subsidiary was fully impaired during the year ended 31 March 2011.

11(b) Renewable Energy CGU

The goodwill arising from the acquisition of 90% equity interests in NEFIN Leasing Technologies Limited and its subsidiary on 8 October 2018 was included in the cash generating units engaged in renewable energy solutions (the “Renewable Energy CGU”).

As at 30 September 2025, the directors of the Company assessed the recoverable amount of the Renewable Energy CGU with reference to value-in-use (“VIU”) calculations using cash flow projections based on financial budgets and forecasts covering a five-year period and extrapolation of cash flows beyond such period conducted by ValQuest Advisory (Hong Kong) Limited (“ValQuest”), an independent professional valuer. In the view of the directors of the Company, they are not aware of any material change in the key assumptions in determining the recoverable amount of the Renewable Energy CGU as at 30 September 2025 as compared with 31 March 2025.

As at 30 September 2025, the recoverable amount of the Renewable Energy CGU is higher than its carrying amount. Accordingly, there was no impairment on the goodwill during the six months ended 30 September 2025.

11(c) IT Services CGU

The goodwill arising from the acquisition of 80.86% equity interests in Harbour Group Holdings Limited and its subsidiaries on 23 April 2019 was included in the cash generating units engaged in IT Services (the “IT Services CGU”). The goodwill was fully impaired during the year ended 31 March 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

12. TRADE AND OTHER RECEIVABLES

	Note	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Trade receivables			
From third parties		5,519	5,977
Loss allowance		(2,344)	(2,344)
	12(a)	3,175	3,633
Other receivables			
Prepayments, deposits and other receivables		3,413	3,795
Other taxes receivables		87	115
Prepayments for acquisition of property, plant and equipment		9,558	626
		13,058	4,536
		16,233	8,169
Analysed by:			
Non-current		9,558	626
Current		6,675	7,543
		16,233	8,169

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

12. TRADE AND OTHER RECEIVABLES (Continued)

12(a) Trade receivables

The Group's sales to coal customers are largely done on payment in advance basis. For certain well-established customers, the Group allows an average credit period of 90 days.

The Group grants credit period up to 60 days from the date of issuance of invoice to its customers from renewable energy business segment and IT Services business segment.

Ageing analysis

At the end of reporting period, the ageing analysis of the trade receivables (presented based on the invoice date), net of loss allowances was as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Within 30 days	2,516	2,910
31-60 days	330	362
61-90 days	329	361
91-365 days	–	11
Over 1 year	2,344	2,333
Less: Loss allowance	5,519 (2,344)	5,977 (2,344)
	3,175	3,633

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

13. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables (presented based on invoice date) is as follows:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Within 90 days	31,143	29,562
91-180 days	6,308	5,144
181-365 days	221	12,700
Over 1 year	391	715
Trade payables	38,063	48,121
Contract liabilities	10,179	8,269
Government levies payable		
– Economic development fees in coal resources areas	25,809	25,317
Accrued expenses	3,786	5,029
Other taxes payable	12,251	8,074
Other payables	18,255	13,209
Total trade and other payables	108,343	108,019

The average credit period of purchases of goods is up to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

14. INTEREST-BEARING BORROWINGS

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Current portion		
Interest-bearing borrowings	15,884	–

As at 30 September 2025, the interest-bearing borrowings were repayable within one year since their inception and secured by the mining right with carrying amount of approximately HK\$86,071,000. The effective interest rates on the interest-bearing borrowings were 3.6% per annum. All the interest-bearing borrowings were denominated in RMB.

As at 30 September 2025, the Group has a banking facility for liquidity loan of RMB50,000,000 (equivalent to approximately HK\$54,741,000) (31 March 2025: Nil), of which RMB14,508,000 (equivalent to approximately HK\$15,884,000) (31 March 2025: Nil) of the banking facility has been utilised.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

15. LEASE LIABILITIES

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Carrying amount of right-of-use assets (Note 9)		
Leased properties	3,773	1,550
Lease liabilities		
Current	1,502	602
Non-current	2,199	963
	3,701	1,565

In addition to the information disclosed in Note 9, the Group had the following amounts relating to leases during the six months ended 30 September 2025 and 2024:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Depreciation charge of right-of-use assets		
Leased properties	782	433

The total cash outflow for leases for the six months ended 30 September 2025 was approximately HK\$1,146,000 (30 September 2024: approximately HK\$780,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

15. LEASE LIABILITIES (Continued)

Commitments under leases

As at 31 March 2025, the Group was committed to lease contracts in relation to leased properties that have not yet commenced. The related lease payments that were not paid and not reflected in the measurement of lease liabilities were approximately HK\$2,645,000. There was no such commitments as at 30 September 2025.

Lease liabilities:

	Lease payments		Present value of lease payments	
	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Amount payable:				
Within one year	1,677	651	1,502	602
More than one year, but not exceeding two years	1,677	694	1,592	669
More than two years, but not exceeding five years	618	297	607	294
	3,972	1,642	3,701	1,565
Less: future finance charges	(271)	(77)	-	-
Total lease liabilities	3,701	1,565	3,701	1,565

16. SHARE CAPITAL

	Number of ordinary shares of HK\$0.10 each	Amount HK\$'000
Ordinary shares		
Authorised:		
Balance as at 1 April 2024 (audited), 31 March 2025 (audited), 1 April 2025 (audited) and 30 September 2025 (unaudited)	5,000,000,000	500,000
Issued and fully paid:		
Balance as at 1 April 2024 (audited), 31 March 2025 (audited), 1 April 2025 (audited) and 30 September 2025 (unaudited)	765,373,584	76,537

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

17. CONVERTIBLE BOND

On 14 March 2008, the Company issued zero-coupon convertible bond with an aggregate principal amount of HK\$200,000,000 to Ascent Goal simultaneously upon completion of the issue and allotment of 400,000,000 ordinary shares of HK\$0.1 each. The bond was denominated in HK\$ and entitled the holders to convert them into ordinary shares of the Company at any time between the date of issue of the bond and its settlement date on 13 March 2011 in multiples of HK\$1,000,000 at a conversion price HK\$0.20 (subject to adjustments) per share. The shares to be issued and allotted upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue. If the convertible bond has not been converted, the Company should repay the principal amount of the outstanding convertible bond to Ascent Goal at 13 March 2011.

During the year ended 31 March 2011, following the change of functional currency from HK\$ to RMB, the directors of the Company are of the view that the convertible bond upon extension of maturity date ("Convertible Bond") was no longer convertible at a fixed for fixed relationship. Accordingly, the Convertible Bond was designated as a financial liability at FVPL in the consolidated statement of financial position.

In prior years, the Company entered into five deeds of amendments with Ascent Goal to extend the maturity date of the convertible bond for 36 months and the conversion period was accordingly extended for 36 months from 13 March 2023 (5th date of extension) to 13 March 2026 (5th extended maturity date) (the "5th Extension"). Apart from the extensions of the maturity date and the conversion period, all terms of the convertible bond remain unchanged from the original terms ("5th extended Convertible Bond").

The 5th Extension was considered to be a substantial modification of terms of the previous convertible bond ("4th extended Convertible Bond") as the discounted present value of the cash flows of the 5th extended Convertible Bond was more than 10% different from the discounted present value of the outstanding 4th extended Convertible Bond prior to the extension of maturity date. As such, the 4th extended Convertible Bond was derecognised and the 5th extended Convertible Bond was recognised.

The 5th extended Convertible Bond was valued by the directors of the Company with reference to valuation reports issued by ValQuest as at 30 September 2025 and 31 March 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

17. CONVERTIBLE BOND (Continued)

The movements of the 5th extended Convertible Bond for the period/year are set out below:

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Balance at beginning of the reporting period	205,948	208,149
Loss/(Gain) on fair value change charged/(credited) to the profit or loss	31,725	(11,145)
Loss on fair value change arising from change in Convertible Bond's credit risk charged to other comprehensive income	–	8,944
(Gain)/Loss on translation of 5th extended Convertible Bond denominated in a foreign currency into the functional currency	(4,214)	1,249
Exchange adjustment arising on translation of functional currency to presentation currency and recorded in other comprehensive income	4,214	(1,249)
Balance at end of the reporting period	237,673	205,948
Analysed for reporting as:		
Current liabilities	237,673	205,948
Difference between carrying amount and maturity amount:		
5th extended Convertible Bond at fair value	237,673	205,948
Amount payable on maturity	(200,000)	(200,000)
	37,673	5,948

None of the 5th extended Convertible Bond had been converted into ordinary shares of the Company during the six months ended 30 September 2025 and the year ended 31 March 2025.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 30 September 2025 and 31 March 2025.

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 (lowest level): unobservable inputs for the asset or liability.

The Group engaged an independent professional valuer to perform valuation of financial instruments which are categorised into Level 2 and Level 3 of the fair value hierarchy. Valuation reports with analysis of changes in fair value measurement are prepared by the independent professional valuer at each interim and annual reporting date, and are reviewed and approved by the financial controller. Discussion of the valuation process and results with the financial controller is held twice a year to coincide with the reporting dates.

	Fair value as at 30 September 2025 HK\$'000	Unaudited		
		Fair value measurements as at 30 September 2025 categorised into	Level 1 HK\$'000	Level 2 HK\$'000
Recurring fair value measurements				
Financial liabilities designated as at FVPL:				
Convertible bond designated as financial liabilities at FVPL	237,673	-	-	237,673
 Audited				
	Fair value as at 31 March 2025 HK\$'000	Fair value measurements as at 31 March 2025 categorised into		
		Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements				
Financial liabilities designated as at FVPL:				
Convertible bond designated as financial liabilities at FVPL	205,948	-	-	205,948

During the six months ended 30 September 2025 and year ended 31 March 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

Information about Level 3 fair value measurements

The fair value of the Convertible Bond is determined with reference to fair value of the liability component and conversion option component, calculated by using discounted cash flows and binomial model, respectively. The assumptions adopted for the valuation of the Convertible Bond are as follows:

- (i) The estimation of risk free rate has made reference to the yield of Exchange Fund Bill with same duration as the Convertible Bond;
- (ii) The estimation of volatility for the underlying share price has considered the historical price movements of the Company;
- (iii) The discount rate was determined based on the Company's credit rating and comparable corporate bonds with similar maturity and credit risk for which the range of comparable yield to maturity as of date of valuation was determined and the average has been adopted; and
- (iv) The estimation of dividend yield is based on historical dividend payment of the Company.

Major parameters adopted in the calculation of the fair value are summarised below:

	As at 30 September 2025 (unaudited)	As at 31 March 2025 (audited)
Stock price	HK\$0.228	HK\$0.140
Exercise price	HK\$0.20	HK\$0.20
Risk free rate	3.02%	3.04%
Discount rate	10.47%	9.92%
Dividend yield	0%	0%
Time to expiration	0.45 years	0.95 years
Stock price volatility	42.95%	68.00%

The significant unobservable input used in the fair value measurement is expected stock price volatility. The fair value measurement is positively correlated to the expected stock price volatility. If the expected stock price volatility has been 10% (31 March 2025: 10%) higher with all other variables held constant, the Group's pre-tax profit for the six months ended 30 September 2025 would decrease by approximately HK\$5,021,000 (31 March 2025: approximately HK\$6,175,000). If the expected stock price volatility has been 10% (31 March 2025: 10%) lower with all other variables held constant, the Group's pre-tax profit for the six months ended 30 September 2025 would increase by approximately HK\$4,110,000 (31 March 2025: HK\$4,947,000).

Reconciliation of Level 3 fair value measurements

The movements during the reporting periods in the balances of financial liabilities of Level 3 fair value measurements are set out in Note 17 to the condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

For the six months ended 30 September 2025

19. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the condensed consolidated interim financial information, the Group had the following transactions with related parties.

Compensation of key management personnel

The remuneration of the directors of the Company and other members of key management for the six months ended 30 September 2025 and 2024 were as follows:

	Six months ended 30 September	
	2025 HK\$'000 (unaudited)	2024 HK\$'000 (unaudited)
Salaries, bonus, allowances and other short-term employee benefits	7,967	12,294
Contributions to defined contribution retirement plans	86	142
	8,053	12,436

The remuneration of the directors of the Company was determined by the remuneration committee having regard to the performance of individuals and the market trends.

20. CAPITAL EXPENDITURE COMMITMENTS

	30 September 2025 HK\$'000 (unaudited)	31 March 2025 HK\$'000 (audited)
Contracted but not provided net of deposit paid for acquisition of property, plant and equipment	24,631	4,399

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

For the six months ended 30 September 2025 (the “Reporting Period”), the Group was engaged in three business segments, (1) coal mining business; (2) renewable energy business and (3) IT Services (as defined below) business. Our main business is coal mining and sales of coal in Xinjiang Uygur Autonomous Region (“Xinjiang”) of the People’s Republic of China (the “Mainland China”). Xinjiang is remote from major industrial cities in the Mainland China, and hence coal produced in Xinjiang is mainly consumed locally due to the logistic and the transportation costs. On 8 October 2018, we completed the acquisition of NEFIN Leasing Technologies Limited and its wholly owned subsidiary, NEFIN Technologies (Malaysia) Sdn. Bhd. (together the “NEFIN Group”) which is principally engaged in renewable energy solutions in Malaysia. We further allocated resources into the solar energy projects since then so as to enable higher efficiency together with the existing solar assets. Since the onset of the COVID-19 pandemic and the sustained global economic challenges, the adverse global business climate has significantly reduced demand for IT services, resulting in a drastic decline in revenue for this segment. In response to these market conditions, the Group has implemented stringent cost control measures, including the reduction of operational scale and the discontinuation of loss-making business lines. As part of these efforts to optimize the business portfolio and focus on long-term sustainability, the Group has recently made the decision to further downsize the IT Services segment, which included staff reductions and operational cutbacks. These actions are consistent with the Board’s commitment to managing the Group’s resources prudently and enhancing overall financial performance and shareholder value.

Revenue

The Group recorded a revenue of approximately HK\$193,652,000 for the Reporting Period (2024: approximately HK\$178,204,000). It represents an increase of approximately HK\$15,448,000 or approximately 8.67% as compared with the previous corresponding period.

Coal Mining Business

During the Reporting Period, revenue of approximately HK\$191,690,000 of the coal mining business increased by approximately HK\$17,784,000 or approximately 10.23% as compared to approximately HK\$173,906,000 in the previous corresponding period. The increase in revenue was mainly due to the increase in sales volumes of coal during the Reporting Period. The Group sold approximately 2,179,834 tonnes (2024: approximately 1,391,693 tonnes) of coal during the Reporting Period, increased by 788,141 tonnes or approximately 56.63% compared to that in the previous corresponding period. The revenue increase was due to the net effect of the increase in sales volumes and the decrease in average selling prices per ton by approximately HK\$37.02, or approximately 29.63%, to approximately HK\$87.94 per ton during the Reporting Period (2024: approximately HK\$124.96 per ton), with the decline in average selling price primarily attributable to keen local market competition.

Renewable Energy Business

During the Reporting Period, the renewable energy business recorded a revenue of approximately HK\$1,962,000 (2024: approximately HK\$1,814,000). The slight increase in revenue of approximately HK\$148,000 or approximately 8.16% of the renewable energy business was mainly due to the effect of exchange rate during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS OVERVIEW (Continued)

IT Services Business

During the Reporting Period, the IT Services business contributed no revenue (2024: approximately HK\$2,484,000), as the sustained adverse global economic climate led to significant challenges for the segment, resulting in a drastic revenue decrease of approximately HK\$2,484,000 or 100% compared with the previous corresponding period, as the Group undertook a comprehensive downsizing of the IT Services business through streamlining operations, reducing staff, and non-performing service lines to control costs and mitigate further losses.

Cost of services and goods sold

Coal Mining Business

The cost of sales of the coal mining business for the Reporting Period was approximately HK\$117,350,000 (2024: approximately HK\$78,595,000). The cost mainly comprises direct labor cost, cost for explosive works, depreciation, amortisation and cost of services and materials, etc. The increase in cost of sales during the Reporting Period was mainly a result of the increase in sales volumes and increase of production cost and local resource related levies during the Reporting Period.

Renewable Energy Business

During the Reporting Period, the cost of services of the renewable energy business is approximately HK\$1,020,000 (2024: approximately HK\$924,000). There is no material change in the cost of services during the Reporting Period as compared with the previous corresponding period.

IT Services Business

During the Reporting Period, the cost of services and goods sold of the IT Services business is nil (2024: approximately HK\$2,514,000). The decrease in cost of sales was in line with the decrease of revenue to nil during the Reporting Period as compared with the previous corresponding period.

Gross profit/loss

The gross profit of the Group for the Reporting Period was approximately HK\$75,282,000 (2024: gross profit of approximately HK\$96,171,000). The gross profit decreased by approximately HK\$20,889,000 or approximately 21.72% and the gross profit margin is approximately 38.87% for the Reporting Period (2024: approximately 53.97%) as the coal mining business faced fierce local market competition that pressured average selling prices. Coal mining business contributed gross profit of approximately HK\$74,340,000 (2024: approximately HK\$95,311,000), IT Services business, having downsized in response to sustained adverse market conditions, contributed no gross profit (2024: gross loss of approximately HK\$30,000) and renewable energy business contributed gross profit of approximately HK\$942,000 (2024: approximately HK\$890,000).

Other revenue

The Group's other revenue for the Reporting Period was approximately HK\$1,141,000 (2024: approximately HK\$1,408,000), representing an decrease of approximately HK\$267,000 or approximately 18.96% as compared with the previous corresponding period. This is mainly due to the lower bank interest income of approximately HK\$308,000 (2024: approximately HK\$754,000) during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS OVERVIEW (Continued)

Administrative and other operating expenses

The Group's administrative and other operating expenses for the Reporting Period was approximately HK\$24,899,000 (2024: approximately HK\$32,372,000), representing a decrease of approximately HK\$7,473,000 or approximately 23.08% as compared with the previous corresponding period. This was mainly due to the effect of the decrease in salaries, bonus and allowances of approximately HK\$3,708,000 during the Reporting Period.

Loss/profit for the Reporting Period

Loss of the Group for the Reporting Period was approximately HK\$3,441,000, representing a decrease of profit of approximately HK\$50,584,000 during the Reporting Period. Such turnaround from profit to loss was mainly due to the net effect of the following:

- (a) loss on fair value change of convertible bond designated as financial liabilities at fair value through profit or loss ("FVPL") of approximately HK\$31,725,000 (2024: approximately HK\$10,128,000);
- (b) the net exchange loss of approximately HK\$915,000 (2024: net exchange gain of approximately HK\$14,538,000);
- (c) the decrease of other revenue by approximately HK\$267,000;
- (d) the decrease of gross profit by approximately HK\$20,889,000;
- (e) the increase of selling and distribution expenses by approximately HK\$6,757,000;
- (f) the decrease of administrative and other operating expenses by approximately HK\$7,473,000;
- (g) the decrease of finance costs by approximately HK\$94,000; and
- (h) the income tax expenses of approximately HK\$12,186,000 (2024: approximately HK\$18,998,000).

Change in fair value of convertible bond designated as financial liabilities at FVPL

The zero coupon convertible bond (the "Convertible Bond") of the Company in the principal amount of HK\$200,000,000 was issued on 14 March 2008 with a conversion price of HK\$0.20 per share (subject to adjustments) and maturity date of 17 March 2011 (details of which were set out in the announcements of the Company dated 28 January 2008 and 14 March 2008).

The maturity date of the Convertible Bond was then extended to 13 March 2014, 13 March 2017, 13 March 2020, 13 March 2023 and further extended to 13 March 2026 (details of which were respectively set out in the circulars of the Company dated 21 February 2011, 13 February 2014, 17 February 2017, 24 February 2020 and 16 November 2022 and announcements of the Company dated 11 March 2011, 10 March 2014, 7 March 2017, 11 March 2020 and 9 December 2022).

As at the date of this interim report, the outstanding principal amount of the Convertible Bond is HK\$200,000,000.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS OVERVIEW (Continued)

Loss/profit for the Reporting Period (Continued)

Change in fair value of convertible bond designated as financial liabilities at FVPL (Continued)

The Company conducted valuation for the fair value of the Convertible Bond every financial year after its issuance in compliance with the relevant accounting policies. The Company has engaged ValQuest Advisory (Hong Kong) Limited as its independent professional valuer for the purpose of assessing the fair value of the Convertible Bond as at 30 September 2025. In assessing the fair value of the Convertible Bond, the binomial option pricing model was adopted and factors including stock price of the Company, specific terms and structure of the Convertible Bond, trading conditions and liquidity of the Convertible Bond, and ancillary effects associated with the exercise or conversion and partial conversion of the Convertible Bond were taken into account. The credit rating of our Company is estimated to be B (31 March 2025: B) on 30 September 2025 with reference to Moody's Rating Methodology – Mining, where Corporate Bond with issuer credit rating of B (31 March 2025: B) and similar time to maturity were selected, the discount rate is approximately 10.47% (31 March 2025: approximately 9.92%).

The fair values of the Convertible Bond were approximately HK\$237,673,000 and approximately HK\$205,948,000 as at 30 September 2025 and 31 March 2025, respectively. The amounts were assessed and reviewed by the directors of the Company (the "Directors") and reviewed by the auditor of the Company. According to the relevant accounting policies, the increase in fair value of the Convertible Bond represents an increase in liabilities of the Company. The amount of the change in fair value of the Convertible Bond of approximately HK\$31,725,000 was derived by taking the difference between the fair value of the Convertible Bond as at 30 September 2025 and 31 March 2025. The change in fair value of the Convertible Bond was mainly due to the change in the stock price and stock price volatility of the Company during the Reporting Period. The closing stock prices of the Company were HK\$0.228 and HK\$0.140 as at 30 September 2025 and 31 March 2025, respectively, and the expected volatility of the stock price of the Company was approximately 42.95% and approximately 68.00% based on the historical stock price volatility of the Company for the six months ended 30 September 2025 and for the year ended 31 March 2025, respectively.

SEGMENT INFORMATION

Business segment

Information reported to the executive directors, being identified as the chief operating decision makers (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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

- (1) Coal mining business segment: mining and sales of coal mine in the Xinjiang of the Mainland China;
- (2) Renewable energy business segment: provision of service for renewable energy solutions in Malaysia; and
- (3) IT Services business segment: provision of IT Services in Hong Kong, Singapore, Malaysia and the UK.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

SEGMENT INFORMATION (Continued)

Segment revenue and results

Segment revenue represents revenue derived from (i) coal mining business, (ii) renewable energy business and (iii) IT Services business.

(i) Coal Mining Business

Coal mining is the major business of the Group at present. It contributed a revenue of approximately HK\$191,690,000 for the Reporting Period (2024: approximately HK\$173,906,000), representing an increase of approximately HK\$17,784,000 or approximately 10.23% as compared with the previous corresponding period.

Sales and Production of Coals

During the Reporting Period, the Group sold approximately 2,179,834 tonnes of coals (2024: approximately 1,391,693 tonnes) with total sales income of approximately HK\$191,690,000 (2024: approximately HK\$173,906,000). Details of sales of coals in tonnes are listed in the below table:

	Six months ended 30 September	
	2025	2024
Sales of coals	2,179,834 tonnes	1,391,693 tonnes

Coal Sales (tonnes) and Percentage of Coal Sales

	Coal Sales (tonnes)	Coal Sales in %
Mixed Coal	1,558,574	71.50
Slack Coal	621,260	28.50
Total	2,179,834	100.00

(ii) Renewable Energy Business

Service income from renewable energy business contributed a revenue of approximately HK\$1,962,000 for the Reporting Period (2024: approximately HK\$1,814,000).

(iii) IT Services Business

IT Services business contributed no revenue for the Reporting Period (2024: approximately HK\$2,484,000).

Reserves and Resources

The Group owns a mining right located in Xinjiang. The estimated remaining reserve in Kaiyuan Open Pit Coal Mine (the “Kaiyuan Mine”) (excluding the Enlarged Kaiyuan Mine (as defined in “Major Events”)) was approximately 5.11 million tonnes as at 31 March 2020.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

SEGMENT INFORMATION (Continued)

Reserves and Resources (Continued)

On 2 December 2019, a transfer agreement was officially passed by Department of Natural Resources of Xinjiang Uygur Autonomous Region* (新疆維吾爾自治區自然資源廳) of the Mainland China (the "Xinjiang Natural Resources Department") to Mulei County Kai Yuan Coal Company Limited* (木壘縣凱源煤炭有限責任公司) ("Kaiyuan Company"), an indirect wholly-owned subsidiary of the Company. According to the competent person's report and valuation report of the Enlarged Kaiyuan Mine dated 19 August 2020, the probable reserve in the Enlarged Kaiyuan Mine was approximately 63.48 million tonnes as at the date of acquisition of the Enlarged Kaiyuan Mine.

During the Reporting Period, approximately 2.03 million tonnes of coal was extracted (2024: approximately 1.39 million tonnes).

Total approximate reserve of the mine in Xinjiang as at 30 September 2025 is equivalent to 58.43 million tonnes (i.e. the sum of the estimated remaining coal reserve in Kaiyuan Mine including the Enlarged Kaiyuan Mine) (31 March 2025: approximately 60.46 million tonnes).

Coal Reserve as at 30 September 2025 = Coal Reserve as at 31 March 2025 – Amount of coal extracted by the Group during the period from 1 April 2025 to 30 September 2025.

Geographical segment

The geographical location of customers is determined based on the location where the goods are delivered, or services are rendered. The Group's revenue and results from operations are mainly derived from activities in the Mainland China, Hong Kong, Singapore, the UK and Malaysia. Activities outside these five locations are insignificant. The principal assets of the Group are located in the Mainland China, Hong Kong and Malaysia.

MAJOR EVENTS

Acquisition of the New Mining Right of the Enlarged Kaiyuan Mine

As disclosed in the announcements of the Company dated 11 November 2011, 21 March 2012, 15 June 2012, 21 March 2014, 15 August 2017, 28 March 2018, 14 December 2018, 31 December 2018, 15 May 2019, 31 May 2019, 4 November 2019 and 15 November 2019, the Group negotiated with the Xinjiang Natural Resources Department regarding the Optimization and Upgrading Plan[#] relating to the Kaiyuan Mine (i.e. the operating coal mine of the Group in Xinjiang), in particular, to increase the mining area of the Kaiyuan Mine and obtain the corresponding new mining right.

As announced by the Company on 6 December 2019 and 16 March 2020,

- (i) Kaiyuan Company as the transferee and Xinjiang Natural Resources Department as the transferor entered into the transfer agreement (the "Transfer Agreement") dated 2 December 2019, pursuant to which Kaiyuan Company acquired the new mining right (the "New Mining Right") of the Kaiyuan Mine with an enlarged mining area (including the original mining area of approximately 1.1596 km²) of 4.1123 km² in Xinjiang (the "Enlarged Kaiyuan Mine") for 30 years from August 2019 to August 2049 from the Xinjiang Natural Resources Department to conduct mining activities at the Enlarged Kaiyuan Mine at a consideration of Renminbi ("RMB") 160,978,000 (the "Acquisition");

* English translation for identification purpose only.

"Optimization and Upgrading Plan" was previously referred to as "Management Restructuring Plan" in the announcement of the Company dated 11 November 2011 and, in the announcements, notices, circulars, interim reports and annual reports of the Company thereafter.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

MAJOR EVENTS (Continued)

Acquisition of the New Mining Right of the Enlarged Kaiyuan Mine (Continued)

- (ii) the estimated coal resources of the Enlarged Kaiyuan Mine are 41.6433 million tonnes for the mining life of 30 years under the Transfer Agreement;
- (iii) the new mining permit (the "New Mining Permit") in respect of the New Mining Right with mining term of 1 year from 21 December 2018 to 21 December 2019 regarding the New Mining Right was granted to Kaiyuan Company on 3 November 2018, which has been renewed for two years from 21 December 2019 to 21 December 2021. On 10 October 2021, the New Mining Right has been further renewed for ten years from 11 October 2021 to 11 October 2031;
- (iv) Kaiyuan Company has the right to apply for the renewal of New Mining Permit for the remaining period of the New Mining Right under the Transfer Agreement;
- (v) the consideration of RMB160,978,000 shall be settled in cash and paid by Kaiyuan Company to the Xinjiang Natural Resources Department in fifteen instalments: (a) the first instalment in an amount of RMB32,200,000 was paid by Kaiyuan Company; (b) the second to fourteenth instalments in an amount of RMB9,200,000 each shall be paid before 20 November of every year from 2020 to 2032; and (c) the last instalment in an amount of RMB9,178,000 shall be paid before 20 November 2033;
- (vi) the Acquisition constituted a very substantial acquisition for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and further information on the Acquisition was disclosed in the circular dated 19 August 2020; and
- (vii) as part of the Transfer Agreement, Kaiyuan Company is required to pay a supplemental resources fee of RMB76,502,500 (the "Resources Fee") to the Xinjiang Natural Resources Department for 19.8 million tonnes of coal of Kaiyuan Mine, which represented the difference between the accumulated output of 23.65 million tonnes of the Kaiyuan Mine at the end of 2017 and the output of 3.8819 million tonnes (Resources Fee of such output had been paid by Kaiyuan Company to the Xinjiang Natural Resources Department) and recognised in the profit or loss for the year ended 31 March 2020. Based on the advice given by the legal adviser of the Company as to the laws of the Mainland China, other than the payment of the Resources Fee, Kaiyuan Company will not be subject to any fees relating to the original Kaiyuan Mine pursuant to the terms of the Transfer Agreement.

The Testing, Checking and Verification of the 900,000 Tonnes/Year Expansion Project and the subsequent increase of production capacity to 4,000,000 Tonnes/Year

Since 2010, Kaiyuan Company had been applying for the expansion project to upgrade the coal mine capacity to 900,000 tonnes/year. Due to the time constraints of planning, policies, and other procedures, the Kaiyuan Mine's expansion project experienced several years' time to obtain approval from the local authorities. After the project approval, Kaiyuan Company still needed to undergo the process of obtaining the mining permit and other relevant licences and documentations in order to complete the project. In late 2019, the 900,000 tonnes/year New Mining Permit with mining term of 1 year from 21 December 2018 to 21 December 2019 was obtained.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

MAJOR EVENTS (Continued)

The Testing, Checking and Verification of the 900,000 Tonnes/Year Expansion Project and the subsequent increase of production capacity to 4,000,000 Tonnes/Year (Continued)

References are made to the announcements of the Company dated 11 November 2011, 12 March 2012, 21 March 2012, 15 June 2012, 21 March 2014, 28 March 2018, 14 December 2018, 31 December 2018, 15 May 2019, 31 May 2019, 4 November 2019 and 15 November 2019, respectively (collectively, the "Announcements").

In late 2019, Kaiyuan Company had been granted the New Mining Permit in respect of the Kaiyuan Extended Area Mining Right for the Kaiyuan Mine with an enlarged mining area (including the original mining area) from the original mining area of approximately 1.1596 km² (the "Original Kaiyuan Mine") to 4.1123 km² (the "Enlarged Kaiyuan Mine"). The New Mining Permit covered a mining area of approximately 4.1123 km² with designed capacity of 900,000 tonnes/year, representing ten times of the designed annual capacity of 90,000 tonnes of the Original Kaiyuan Mine.

Kaiyuan Company then started to build the necessary facilities to cater for the increased mining capacities. All facilities built needed to be checked, tested and approved by the relevant government authorities and their experts. All building, checking and testing processes were slowed down during the Covid-19 period, but eventually the final checking and testing processes were done and completed in late 2023.

After completing the design, the construction of the 900,000 tonnes/year expansion project started in early 2021. From June to November 2022, the project officially entered the trial operation phase of the 900,000 tonnes/year expansion project. Since the construction period, testing, checking and verification were conducted by experts, which were filed to the local government authorities, and relevant opinion letters and certificates were issued, implying steps forward to the completion of expansion project. In September 2023, a specialized checking of the documents was conducted by a group of experts, and it successfully passed the expert group's evaluation. At the same time, a comprehensive completion testing, checking and verification of the 900,000 tonnes/year expansion project was conducted by a group of experts, and a completion verification opinion letter for the project was issued. In October and November 2023, the Changji Emergency Bureau and Autonomous Region Emergency Department ("Changji EBARED")* (昌吉州應急局及自治區應急廳) organized experts to perform the inspection of the application for the Work Safety Permit and it was successfully approved. The Changji EBARED agreed to issue the Work Safety Permit, the final permit required to complete 900,000 tonnes/year expansion plan.

During the Financial Year 2024/25, Kaiyuan Company has been permitted by local government industry and energy competent department to gradually increase its production capacity at the Enlarged Kaiyuan Mine from 900,000 tonnes per annum to 4,000,000 tonnes per annum, while its mining area remains approximately 4.112 km² (References could be made to the announcement of the Company dated 7 March 2025).

The Kaiyuan Mine is a coal mine operating in compliance with local rules and regulations, with complete documentation and permits, which has laid a solid foundation for the Group's sustainable development. Achieving the newly approved production capacity mentioned above would require a phased approach, with substantial ongoing capital investment into equipment, machinery and facilities to support the progressive expansion of mining operations.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

PROSPECTS

The Group actively proceeded with the Optimization and Upgrading Plan since 2011 in relation to the New Mining Right of the Enlarged Kaiyuan Mine. The Acquisition enlarged the Group's coal resources and allowed the Group to enhance the development of its sales operations of Kaiyuan Mine in the future. The Directors consider that the transaction is in line with the Group's strategy to expand the coal mining business of the Group. On 10 October 2021, Kaiyuan Company successfully renewed and received the renewed New Mining Permit issued by the Xinjiang Natural Resources Department, pursuant to which the term of the mining right of the Enlarged Kaiyuan Mine is renewed for a period of 10 years from 11 October 2021 to 11 October 2031.

After Kaiyuan Company's achievement in obtaining complete documentation and permits including the New Mining Permit and the Work Safety Permit in 2019 and 2023 respectively, looking ahead, we will strive to further increase production capacity, maintain financial stability, and continue to ensure proper compliance and governance at the same time. In the coming years, there will be (i) a reasonable expected amount of expenditure in capital assets, in particular for the new plants, machines and facilities for the continuous environmental protection works and potential future capacity upgrades and sustainable development and (ii) reasonable expenditure for works required by the Safety Bureau to maintain safety standard of our coal mine. Sources of funding are expected to come primarily from the coal sales revenue and external banking facilities of the Group if necessary.

While the Group has previously explored new markets and developed its business coverage in technological and renewable energy sectors, the Group is now placing strategic emphasis on strengthening and expanding its core coal mining business, which remains the primary focus for driving sustainable growth and value creation.

Due to the sustained adverse global economic climate, we have faced a difficult business environment that has negatively impacted our IT Services business. In response, the Group maintains limited resources in this segment to save staff and operating expenses, while the directors would firstly consider the profitability of each IT project and seek opportunity in this market occasionally. Adopting this approach aligns with our commitment to optimizing our service offerings and focusing resources on areas that best support our long-term business goals.

The Board will use its best endeavors to manage the Group's business portfolio with a view to improving the Group's financial performance and enhance shareholders' value.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as otherwise disclosed, there were neither significant investments held as at 30 September 2025 nor material acquisitions and disposals of subsidiaries during the Reporting Period.

Save as otherwise disclosed, the Group does not have any future plan for material investments. There will, however, be a reasonable expected amount of expenditure in capital assets, in particular for the new plants and machines for the environmental protection remedial works. Sources of funding are expected to come primarily from the coal sales revenue and also external banking facilities of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the Group had:

- net current liabilities and net assets of approximately HK\$74,189,000 and approximately HK\$247,723,000, respectively (31 March 2025: net current liabilities and net assets of approximately HK\$58,290,000 and approximately HK\$240,643,000, respectively).
- cash and cash equivalents of approximately HK\$282,336,000 (31 March 2025: approximately HK\$248,219,000) and the bank balances and cash were the major components of the Group's current assets of approximately HK\$296,283,000 (31 March 2025: approximately HK\$266,894,000). All the cash and cash equivalents are denominated in Hong Kong dollars ("HK\$"), Malaysian Ringgit ("MYR"), Singapore Dollars ("S\$"), Great Britain Pound ("GBP"), United States Dollars ("US\$") and RMB (31 March 2025: HK\$, MYR, S\$, GBP, US\$ and RMB).
- current liabilities of approximately HK\$370,472,000 (31 March 2025: approximately HK\$325,184,000) which comprised Convertible Bond of approximately HK\$237,673,000 (31 March 2025: approximately HK\$205,948,800), trade and other payables of approximately HK\$108,343,000 (31 March 2025: approximately HK\$108,019,000), interest-bearing borrowings of approximately HK\$15,884,000 (31 March 2025: Nil) and tax payables of approximately HK\$1,883,000 (31 March 2025: approximately HK\$5,730,000).
- non-current liabilities of approximately HK\$89,580,000 (31 March 2025: approximately HK\$77,496,000) which comprised non-current portion payable related to mining right payables of approximately HK\$60,838,000 (31 March 2025: approximately HK\$57,297,000).

The Group's gearing ratio was approximately 1.31 (31 March 2025: approximately 1.12). The computation is based on total debt (Convertible Bond, mining right payables, interest-bearing borrowings and lease liabilities) divided by total equity.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares.

As at 30 September 2025, there were 765,373,584 (31 March 2025: 765,373,584) ordinary shares of the Company in issue.

Zero coupon convertible bonds of the Company with an aggregate principal amount of HK\$200,000,000 were issued on 14 March 2008 the maturity date of which was approved to be further extended for 36 months to 13 March 2026 by the shareholders of the Company on 9 December 2022.

CHARGES ON GROUP'S ASSETS

As at 30 September 2025, the Group had pledged its mining right with carrying amount of approximately HK\$86,071,000 (31 March 2025: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in RMB, HK\$ and MYR and incurs costs in RMB, HK\$ and MYR. The Group is exposed to foreign exchange risk based on fluctuations of exchange rates of HK\$ and MYR against RMB. The currency exchange risk for the Reporting Period is mainly derived from the exchange difference on convertible bond designated as financial liabilities at FVPL, which is a result from the depreciation of RMB against HK\$. In order to minimise the foreign currency risk exposure between these two currencies, the Group maintained cash balances in both currencies that are sufficient to meet several months' operating cash flows requirements of the Group.

TREASURY POLICIES

Apart from the issuance of Convertible Bond at their face value of HK\$200,000,000 (31 March 2025: Convertible Bond at face value of HK\$200,000,000), the Group finances its operation mainly by internal generated resources.

CONTINGENT LIABILITIES

As at 30 September 2025, the Group did not have any material contingent liabilities (31 March 2025: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group had 162 employees (30 September 2024: 149; 31 March 2025: 148) spreading amongst Hong Kong, Malaysia, Singapore, the UK and the Mainland China. Total staff costs (excluding Directors' emoluments) for the Reporting Period amounted to approximately HK\$17,749,000 (for the six months ending 30 September 2024: approximately HK\$17,333,000; for the year ended 31 March 2025: approximately HK\$41,418,000). Employment relationship has been well maintained by the Group with its employees. The Group has adopted an extensive training policy for its employees.

Remuneration policy of the Company is reviewed regularly, making reference to market conditions and performance of the Company and individual staff (including the Directors).

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Reporting Period (2024: Nil).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, none of the directors or chief executives of the Company, had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or were deemed to have taken under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for those disclosed under the headings "Share Option Scheme" below, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors (including their spouses and children under the age of 18) to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTION SCHEME

The Group has not adopted any share option scheme after the expiration of the old share option scheme on 27 August 2013. There was no outstanding share option under the share option scheme as at 30 September 2025.

OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2025, the following persons (other than directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long positions in shares or underlying shares of the Company

Name of shareholder	Notes	Nature of interest	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Approximate percentage of the total number of issued shares of the Company in issue (Note 5)
Ascent Goal Investments Limited ("Ascent Goal")	1,4	Beneficial owner	569,616,589	1,000,000,000	1,569,616,589	205.08%
CSIL Limited ("CSIL")	2,4	Interests of controlled corporation	569,616,589	1,000,000,000	1,569,616,589	205.08%
New Bright International Development Limited ("New Bright")	2,4	Interests of controlled corporation	569,616,589	1,000,000,000	1,569,616,589	205.08%
Ms. Fung Yuen Kwan Veronica	3,4	Interests of controlled corporation	569,616,589	1,000,000,000	1,569,616,589	205.08%

Notes:

1. Ascent Goal was directly interested in 569,616,589 shares and further 1,000,000,000 underlying shares which may be fully allotted and issued if the Convertible Bond are converted at the conversion price of HK\$0.20 per share. These 1,569,616,589 shares were held by Ascent Goal directly as beneficial owner. It includes (i) interests in 569,616,589 shares and (ii) the Convertible Bond giving rise to an interest in 1,000,000,000 underlying shares.
2. Since Ascent Goal is a wholly-owned subsidiary of CSIL which is beneficially owned as to 70% by New Bright, the interests of Ascent Goal is deemed to be the interests of CSIL and in turn the interests of New Bright under the SFO.
3. Ms. Fung Yuen Kwan Veronica is deemed to have interests in the shares and underlying shares through her 70% interests in New Bright.

OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(Continued)*

Long positions in shares or underlying shares of the Company *(Continued)*

4. The 569,616,589 shares and 1,000,000,000 underlying shares under the Convertible Bond represent approximately 74.42% and approximately 130.66% of the total number of issued shares of the Company respectively, thus the total of 569,616,589 shares and 1,000,000,000 underlying shares represent approximately 205.08% of the total number of issued shares of the Company. The conversion rights attaching to the Convertible Bond will not be exercised and the Company will not issue the conversion shares if, immediately following the conversion, the Company would be unable to meet the public float requirement under the Listing Rules.
5. The approximate percentage of shareholdings is based on 765,373,584 shares as at 30 September 2025, not the enlarged number of issued shares of the Company upon full conversion of the Convertible Bond.

Save as disclosed above, the Directors are not aware of any other persons who, as at 30 September 2025, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions set out in the Corporate Governance Code (the "Code") contained in Part 2 of Appendix C1 to the Listing Rules during the Reporting Period, save for the deviation from code provision C.2.1 as disclosed below:

Code provision C.2.1 of the Code stipulates that the roles of chairman and chief executive (the "CE") should be separate and should not be performed by the same individual. During the Reporting Period, the Company did not have any officer with CE title. Mr. Kwan Man Fai, the chairman and managing Director, also carried out the responsibility of CE during the Reporting Period. In view of the size of operation of the Group, the Board considered that this structure is more suitable for the Company as it can promote the efficient formulation and implementation of the Company's strategies.

CHANGE IN DIRECTOR'S INFORMATION

Changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the publication of the annual report of the Company for the year ended 31 March 2025 are set out below:

1. The service agreement of the executive Director, Mr. Li Chun Fung, entered into with the Company expired on 16 September 2025 and his service agreement had been extended for one year commencing on 17 September 2025;
2. The service agreement of the independent non-executive Director, Mr. Pak Wai Keung Martin, entered into with the Company expired on 18 September 2025 and his service agreement had been extended for one year commencing on 19 September 2025;

OTHER INFORMATION *(Continued)*

CHANGE IN DIRECTOR'S INFORMATION *(Continued)*

3. The service agreement of the executive Director, Mr. Wong Sze Wai, entered into with the Company expired on 19 November 2025 and his service agreement had been extended for one year commencing on 20 November 2025;
4. The service agreement of the executive Director, Mr. Kwan Man Fai, entered into with the Company expired on 25 September 2025 and his service agreement had been extended for one year commencing on 26 September 2025; and
5. The service agreement of the executive Director, Ms. Tong Yuk Ying Angel, entered into with the Company expired on 30 September 2025 and her service agreement had been extended for one year commencing on 1 October 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry made by the Company, that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Pak Wai Keung Martin as the chairman of the Audit Committee, Dr. Wong Man Hin Raymond and Mr. Chan Yiu Fai Youdey. The Audit Committee together with the management and external auditor of the Company have reviewed the accounting principles and practices adopted by the Group and discussed and reviewed the unaudited condensed consolidated interim financial information of the Group for the Reporting Period. The review was conducted by the external auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By Order of the Board

Kwan Man Fai
Chairman and Managing Director

Hong Kong, 20 November 2025