



2025 INTERIM REPORT



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

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1142)

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Liu Wai Shing Peter (*Chairman*)
(appointed on 10 October 2025)
Mr. Lee Jaeseong (*Chairman*) (resigned on 10 October 2025)
Mr. Im Jonghak
Ms. Sun Meng (appointed as non-executive Director
on 4 November 2024 and re-designated
as executive Director on 15 July 2025)

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Wong Ngar Lai

AUTHORISED REPRESENTATIVES

Mr. Im Jonghak (appointed on 10 October 2025)
Mr. Lee Jaeseong (resigned on 10 October 2025)
Ms. Wong Ngar Lai

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUDITOR

Prism Hong Kong Limited

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation
Limited

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 603-605, 6th Floor
AIA Central
1 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HKEX STOCK CODE

1142

WEBSITE

<https://enp.aconnect.com.hk/>

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of E&P Global Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2025 (the “**Reporting Period**”) together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4	220,693	240,825
Cost of sales		(217,393)	(237,302)
Gross profit		3,300	3,523
Other income		66	72
Other gains and losses, net	6	(1,310,110)	(84,506)
Selling and distribution costs		(1,752)	(1,896)
Administrative expenses		(7,586)	(4,460)
Finance costs	7	(97,892)	(4,990)
Loss before income tax	8	(1,413,974)	(92,257)
Income tax (expense) credit	9	(201)	796
Loss for the period		(1,414,175)	(91,461)
(Loss) profit for the period attributable to:			
Owners of the Company		(1,411,420)	(93,873)
Non-controlling interests		(2,755)	2,412
Loss for the period		(1,414,175)	(91,461)
Other comprehensive income (expense) for the period:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of financial statements of foreign operations		27,178	(26,888)
Total comprehensive expense for the period		(1,386,997)	(118,349)
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(1,384,087)	(120,905)
Non-controlling interests		(2,910)	2,556
		(1,386,997)	(118,349)
Loss per share			
Basic (HK\$)	11	(0.38)	(0.65)
Diluted (HK\$)	11	(0.38)	(0.65)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

Notes	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)	
ASSETS			
Non-current assets			
Property, plant and equipment	12	17,640	15,639
Right-of-use assets		8,379	41
Investment property		27,411	26,011
Intangible assets	13	—	—
Exploration and evaluation assets	14	—	1,423,165
Rental deposits		1,246	189
		54,676	1,465,045
Current assets			
Inventories		5	5
Trade receivables	15	3,815	1,927
Other receivables		7,085	7,095
Amount due from a director	16	319	—
Cash and cash equivalents		3,040	2,443
		14,264	11,470
LIABILITIES			
Current liabilities			
Trade payables	17	9,183	7,887
Other payables		8,296	8,497
Contract liabilities		1,054	516
Interest-bearing borrowings	18	—	73,099
Amounts due to shareholders	19	—	4,926
Amount due to a director	16	—	229
Purchase consideration payable for additional acquisition		3,338	3,338
Lease liabilities		2,142	58
Income tax payable		—	39
		24,013	98,589
Net current liabilities		(9,749)	(87,119)
Total assets less current liabilities		44,927	1,377,926

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 liabilities			
Amounts due to shareholders	19	164,978	146,836
Amount due to a related party	20	13,900	15,312
Interest-bearing borrowings	18	75,310	—
Other payables		21,241	16,838
Convertible notes payables	21	—	3,170,231
Provision for close down, restoration and environmental costs		1,461	1,434
Lease liabilities		5,298	—
Deferred tax liabilities		4,852	5,433
		287,040	3,356,084
NET LIABILITIES		(242,113)	(1,978,158)
CAPITAL AND RESERVES			
Share capital	22	126,372	1,450
Reserves		(328,494)	(1,942,527)
Equity attributable to owners of the Company		(202,122)	(1,941,077)
Non-controlling interests		(39,991)	(37,081)
CAPITAL DEFICIENCIES		(242,113)	(1,978,158)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

Attributable to owners of the Company											
Note	Share capital	Share premium	Translation reserve	Other reserve	share option reserve	Capital reserve	Accumulated losses	Sub-total	Non-controlling interests	Total equity	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
As at 1 April 2024 (Audited)	72,509	1,956,517	(101,099)	322,366	47	23,936	(3,988,995)	(1,714,719)	(36,083)	(1,750,802)	
(Loss) profit for the period	—	—	—	—	—	—	(93,873)	(93,873)	2,412	(91,461)	
Other comprehensive (expense) income for the period	—	—	(27,032)	—	—	—	—	(27,032)	144	(26,888)	
Total comprehensive (expense) income for the period	—	—	(27,032)	—	—	—	(93,873)	(120,905)	2,556	(118,349)	
As at 30 September 2024 (Unaudited)	72,509	1,956,517	(128,131)	322,366	47	23,936	(4,082,868)	(1,835,624)	(33,527)	(1,869,151)	
As at 1 April 2025 (Audited)	1,450	1,956,517	1,588	322,366	47	23,936	(4,246,981)	(1,941,077)	(37,081)	(1,978,158)	
Loss for the period	—	—	—	—	—	—	(1,411,420)	(1,411,420)	(2,755)	(1,414,175)	
Other comprehensive income (expense) for the period	—	—	27,333	—	—	—	—	27,333	(155)	27,178	
Total comprehensive income (expense) for the period	—	—	27,333	—	—	—	(1,411,420)	(1,384,087)	(2,910)	(1,386,997)	
Conversion of convertible notes	21	124,922	2,998,120	—	—	—	—	—	3,123,042	—	3,123,042
As at 30 September 2025 (Unaudited)	126,372	4,954,637	28,921	322,366	47	23,936	(5,658,401)	(202,122)	(39,991)	(242,113)	

Notes:

- At the end of reporting period, capital reserve of the Group represented: (i) the amount of interest charged on amount due to a shareholder of the Company that was waived as a result of early partial settlement on the principal loan due to the shareholder, which was accounted for as capital contributions from an equity participant of the Company for the prior periods; and (ii) the difference between the carrying amount of the prior year promissory notes discharged and the fair value of the new ordinary shares of the Company issued as consideration for their early partial settlements. This difference was accounted for as a contribution from an equity participant of the Company for the prior period.
- Other reserve represented the excess of the share of the carrying value of the subsidiary's net assets acquired from the non-controlling interests of a subsidiary over the fair value of the consideration paid on the completion date of the acquisition and the subsequent adjustment to the consideration recognised by the Group upon fulfillment of certain conditions.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Operating activities		
Cash (used in) from operating activities	(6,243)	4,256
Income tax paid	(946)	(212)
Net cash (used in) from operating activities	(7,189)	4,044
Investing activities		
Purchase of property, plant and equipment	(2,080)	(405)
Interest received	46	47
Net cash used in investing activities	(2,034)	(358)
Financing activities		
Repayment of lease liabilities	(2,348)	(468)
Proceeds from borrowings	5,630	573
Loans received from shareholders	6,896	1,550
Loans (repayment to) received from a director	(548)	81
Net cash from financing activities	9,630	1,736
Net increase in cash and cash equivalents	407	5,422
Cash and cash equivalents at beginning of period	2,443	228
Effect of foreign exchange rate changes	190	112
Cash and cash equivalents at end of period	3,040	5,762

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

The Company engages in investment holding. The principal activities of its principal subsidiaries are engaged in trading of diesel, gasoline and other products in the Republic of Korea (“**Korea**”), trading of coal in the People’s Republic of China (the “**PRC**”). As at 31 March 2025, the Group also held mining and exploration rights of coal mines in the Russia Federation (“**Russia**”)

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Going concern assumptions

As at 30 September 2025, the Group’s current liabilities exceeded its current assets by approximately HK\$9,749,000 (31 March 2025: HK\$87,119,000) and there were capital deficiencies of approximately HK\$242,113,000 (31 March 2025: HK\$1,978,158,000). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

As set out in Note 21, during the six months ended 30 September 2025, the outstanding convertible notes issued on 17 March 2025 in an aggregate principal amount of US\$400,390,000, or HK\$3,123,042,000 equivalent have been fully converted. The Group’s non-current liabilities has reduced from approximately HK\$3,356,084,000 as at 31 March 2025 to approximately HK\$287,040,000 as at 30 September 2025.

In addition, the Directors of the Company continue to exercise cost control in administrative and other expenses by further streamlining the Group’s operations to further improve the operating and financial position of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(Continued)*

Going concern assumptions *(Continued)*

The Group has also obtained funding and financial support from the following parties:

- (i) As set out in Note 18, the lenders have agreed not to demand for repayment for the amount due before 31 December 2026.
- (ii) As set out in Note 19, with regard to amounts due to shareholders, the shareholders agreed not to demand for repayment of the amount due before 31 December 2026.
- (iii) As set out in Note 20, with regard to amount due to a related party, the related party agreed not to demand for repayment of the amount due before 31 December 2026.
- (iv) The Company has obtained loan facilities sufficient to support the continual normal operation of the Group for at least 12 months after the period end date.

On 27 November 2025, the Company entered into a placing agreement for the placing of up to 1,368,000,000 new Shares at a placing price of HK\$0.34 per placing Share (the “**Placing**”). Assuming 1,368,000,000 new Shares are fully placed, the gross proceeds from the Placing is approximately HK\$465,120,000, which may significantly improve the financial position of the Company. There is no guarantee that 1,368,000,000 new Shares will be fully subscribed or the listing approval for the new Shares will be granted. Completion of the Placing is subject to the satisfaction of the condition precedent as set out in the placing agreement, the Placing may or may not proceed. Please refer to the announcement of the Company dated 28 November 2025 for further details of the Placing.

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The condensed consolidated financial statements have been prepared on the historical cost basis, as modified for certain financial instruments and investment property, which are carried at fair value.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKAS 21

Lack of Exchangeability

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and impact of the amended HKFRS is described below:

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

4. REVENUE

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

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
Sales of diesel	175,075	188,540
Sales of gasoline	41,932	49,168
Sales of others	3,686	3,117
	220,693	240,825

5. SEGMENT INFORMATION

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION *(Continued)*

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

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

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

Segment revenue and results

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

For the six months ended 30 September 2025 (unaudited)

	Mining HK\$'000	Trading HK\$'000	Total HK\$'000
Segment revenue	—	220,693	220,693
Segment loss	(1,452,206)	(271)	(1,452,477)
Unallocated corporate income			136,395
Unallocated finance costs			(97,892)
Loss before income tax			(1,413,974)

For the six months ended 30 September 2024 (unaudited)

	Mining HK\$'000	Trading HK\$'000	Total HK\$'000
Segment revenue	—	240,825	240,825
Segment (loss) profit	(132,168)	781	(131,387)
Unallocated corporate expenses			44,120
Unallocated finance costs			(4,990)
Loss before income tax			(92,257)

There were no inter-segment sales for both periods.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

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

Segment assets

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Mining	14,930	1,438,162
Trading	39,219	36,759
Total segment assets	54,149	1,474,921
Corporate and other assets	14,791	1,594
Total assets	68,940	1,476,515

Segment liabilities

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Mining	45,511	45,715
Trading	44,216	40,472
Total segment liabilities	89,727	86,187
Corporate and other liabilities	221,326	3,368,486
Total liabilities	311,053	3,454,673

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION *(Continued)*

Other segment information

The following table presents revenue, results and certain assets, liabilities and expenditure information for the Group's reportable segments for the six months ended 30 September 2025 and 2024.

For the six months ended 30 September 2025 (Unaudited)

	Mining HK\$'000	Trading HK\$'000	Consolidated total HK\$'000
Amounts included in the measure of segment profit or loss or segments assets:			
Depreciation of property, plant and equipment	—	(293)	(293)
Depreciation of right-of-use assets	(53)	—	(53)
Impairment loss on exploration and evaluation assets	(1,450,288)	—	(1,450,288)
Impairment loss on trade and other receivables	—	(114)	(114)

For the six months ended 30 September 2024 (Unaudited)

	Mining HK\$'000	Trading HK\$'000	Consolidated total HK\$'000
Amounts included in the measure of segment profit or loss or segments assets:			
Additions to non-current assets	—	405	405
Depreciation of property, plant and equipment	(1)	(119)	(120)
Depreciation of right-of-use assets	(347)	(268)	(615)
Impairment loss on exploration and evaluation assets	(131,072)	—	(131,072)
Reversal of impairment loss on trade and other receivables	—	57	57

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. SEGMENT INFORMATION *(Continued)*

Geographical information

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

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

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

Revenue from external customers

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Korea	220,693	240,825

Non-current assets

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Russia	14,228	1,437,125
Korea	28,933	27,731
	43,161	1,464,856

Non-current assets excluded rental deposits.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. OTHER GAINS AND LOSSES, NET

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Impairment loss on exploration and evaluation assets (Note 14)	(1,450,288)	(131,072)
(Impairment loss) reversal of impairment on trade and other receivables	(114)	57
Waiver of interest charged on convertible notes (Note 21)	103,020	—
Gain on conversion of convertible notes (Note 21)	37,272	—
Gain from write-off of interest-bearing borrowings	—	46,097
Others	—	412
	(1,310,110)	(84,506)

7. FINANCE COSTS

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest on:		
— Loan from third parties	1,071	1,523
— Loan from shareholders	3,228	3,056
— Loan from a director	—	65
— Loan from a related party	323	330
— Lease liabilities	167	16
— Convertible notes payable (Note 21)	93,103	—
	97,892	4,990

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. LOSS BEFORE INCOME TAX

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Employee benefits expenses		
Directors' emoluments	608	390
Salaries and wages	579	990
Pension fund contribution	30	85
	1,217	1,465
Depreciation		
— Property, plant and equipment	439	120
— Right-of-use assets	1,398	615
Auditor's remuneration	169	326
Cost of inventories recognised as an expense	217,393	237,302

9. INCOME TAX (EXPENSE) CREDIT

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Korea corporation tax		
— current period	—	207
— under-provision prior years	(905)	—
Deferred taxation	704	589
	(201)	796

Notes:

- (a) No Hong Kong profits tax and Russia profits tax have been provided for the periods ended 30 September 2025 and 2024 as the Hong Kong and Russia subsidiaries of the Group have no assessable profits subject to Hong Kong profits tax and Russia profits tax purposes in the current and prior periods.
- (b) Taxation for the Korean subsidiary is similarly charged at the appropriate current rates of 20% of taxation ruling in the relevant country.

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. LOSS PER SHARE

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

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Loss Loss attributable to owners of the Company, used in the basic and diluted loss per share	1,411,420	93,873
Number of shares Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	3,738,002,242	145,017,062

During the six months ended 30 September 2025, there were no dilutive potential ordinary shares. Therefore, the diluted loss per share was the same as basic loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group acquired certain property, plant and equipment of approximately HK\$2,080,000 (six months ended 30 September 2024: HK\$405,000).

The Directors of the Company are of the opinion that property, plant and equipment are not impaired compared with their recoverable amounts for both periods.

13. INTANGIBLE ASSETS

Mining rights

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

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

Intangible asset	Location
Mining right Lapichevskaya Mine	Industrial area, Kemerovo district, Kemerovo region, 650906, Russia

The Group renewed the mining right for a term expiring on 1 January 2029 on 15 April 2025, but the mining right was subsequently been revoked by the authority on 22 April 2025. The Group has been actively taking measures to pursue legal remedies to protect its mining right, the legal proceedings are still on-going. Please refer to Note 14 for more details.

In view of the mining right being revoked, the intangible assets (in relation to the mining rights of Lot 1 and Lot 1 Extension of the Group's Russian coal mines) were written off. As the mining right has been fully amortised in prior year, the write-off of the mining right did not affect the Group's profit or loss for the six months ended 30 September 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. EXPLORATION AND EVALUATION ASSETS

	Total HK\$'000
Cost	
At 1 April 2024 (Audited)	3,634,450
Exchange realignments	1,946
	<hr/>
At 31 March 2025 and 1 April 2025 (Audited)	3,636,396
Exchange realignments	448
	<hr/>
At 30 September 2025 (Unaudited)	3,636,844
Accumulated impairment loss	
At 1 April 2024 (Audited)	1,526,844
Impairment loss	786,775
Exchange realignments	(100,388)
	<hr/>
At 31 March 2025 and 1 April 2025 (Audited)	2,213,231
Impairment loss (<i>Note 6</i>)	1,450,288
Exchange realignments	(26,675)
	<hr/>
At 30 September 2025 (Unaudited)	3,636,844
Carrying values	
At 30 September 2025 (Unaudited)	—
	<hr/>
At 31 March 2025 (Audited)	1,423,165

Exploration and evaluation assets are considerations paid for the acquisition of the exploration and mining rights located adjacent to the Lapichevskaya Mine.

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

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

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

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

* The translations are for references only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. EXPLORATION AND EVALUATION ASSETS *(Continued)*

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

On 3 October 2025, the Board (other than Mr. Lee Jaeseong) first became aware of the Revocation Decision. Upon learning of the Revocation Decision by the Board, the Board has been rigorously defending and protecting the Group’s legitimate interests in relation to the License.

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

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

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

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

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

While the Group’s legal proceedings (including but not limited to the Judicial Challenge and other potential appeal or actions to be initiated by the Company) are still ongoing and the final outcome is uncertain, the Directors of the Company has made the prudent decision to fully impair the carrying value of the exploration and evaluation assets in the view that if the License could not be further extended (or be revoked lawfully by the competent authority), the Group will have to terminate the mining plan, as a result, the exploration and development assets would have no future economic benefits, thus an impairment loss on exploration and evaluation assets of approximately HK\$1,450,288,000 (31 March 2025: HK\$786,775,000) has been made. However, in the event that the Revocation Decision is reversed in the future, it may result in a reversal of impairment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. TRADE RECEIVABLES

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

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
0 to 90 days	3,788	1,915
91 to 180 days	2	7
181 to 365 days	25	5
	3,815	1,927

16. AMOUNT DUE FROM (TO) A DIRECTOR

As at 30 September 2025, the amount due from a director amounting to approximately HK\$319,000 was unsecured and interest free (31 March 2025: amount due to a director of approximately HK\$229,000 was unsecured, interest free and repayment on demand).

17. TRADE PAYABLES

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
0-90 days	9,183	7,887

The average credit period on purchase of goods is from 30 days to 365 days. The Group has financial risk management policies or plans for its payables with respect to the credit timeframe.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. INTEREST-BEARING BORROWINGS

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Other loan 1 (Note a)	17,404	17,404
Other loan 2 (Note b)	3,000	3,000
Other loan 3 (Note c)	2,809	2,379
Other loan 4 (Note 19(d))	—	3,400
Other loan 5 (Note d)	15,600	15,600
Other loan 6 (Note e)	31,297	31,316
Other loan 7 (Note f)	5,200	—
	75,310	73,099
Carrying amount of repayable within one year and amounts shown under current liabilities	—	73,099
Amounts shown under non-current liabilities	75,310	—
	75,310	73,099

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Within one year	—	73,099
After one year but within two years	75,310	—
	75,310	73,099
Less: Amounts shown under non-current liabilities	(75,310)	—
Amounts shown under current liabilities	—	73,099
Less: The carrying amount of other borrowing that is repayable on demand due to loan defaults	—	—
Amounts shown under current liabilities	—	73,099
For the other borrowing that is repayable within one year or on demand	—	73,099

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

18. INTEREST-BEARING BORROWINGS *(Continued)*

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

	30 September 2025 (Unaudited)	31 March 2025 (Audited)
Effective interest rate:		
Fixed-rate borrowings	0%-10%	4.6%-10%

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

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
HK\$	11,489	9,259
US\$	63,821	63,840
	75,310	73,099

Notes:

- (a) As at 30 September 2025, the aggregate amount of approximately HK\$17,404,000 (31 March 2025: approximately HK\$17,404,000) was unsecured, bearing interest at 5% per annum and repayment on demand. The lender had agreed to extend the repayment date to 31 December 2026.
- (b) As at 30 September 2025, the aggregate amount of approximately HK\$3,000,000 (31 March 2025: approximately HK\$3,000,000) was unsecured, bearing interest at 5% per annum and repayment on demand. The lender had agreed to extend the repayment date to 31 December 2026.
- (c) As at 30 September 2025, borrowings with an aggregate amount of approximately HK\$2,809,000 (31 March 2025: HK\$2,379,000) was unsecured, bearing interest at 10% per annum and repayable on 31 December 2026.
- (d) As at 30 September 2025, borrowings with an aggregate amount of approximately HK\$15,600,000 (31 March 2025: HK\$15,600,000) was unsecured, interest free and repayable on 31 December 2026.
- (e) As at 30 September 2025, borrowings with an aggregate amount of approximately HK\$31,297,000 (31 March 2025: HK\$31,316,000) was unsecured, bearing interest at 8% per annum and repayable on 31 December 2026.
- (f) As at 30 September 2025, borrowings with an aggregate amount of approximately HK\$5,200,000 (31 March 2025: Nil) was unsecured, bearing interest at 10% per annum and repayable on 31 December 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

19. AMOUNTS DUE TO SHAREHOLDERS

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Shareholder's loan 1 (Note a)	149,757	146,836
Shareholder's loan 2 (Note b)	4,926	4,926
Shareholder's loan 3 (Note c)	4,650	—
Shareholder's loan 4 (Note d)	5,645	—
	164,978	151,762
Carrying amount of repayable within one year and amounts shown under current liabilities	—	4,926
Amounts shown under non-current liabilities	164,978	146,836
	164,978	151,762

Notes:

- (a) As at 30 September 2025, the aggregate amount of approximately HK\$149,757,000 (31 March 2025: approximately HK\$146,836,000) was bearing interest at 5%-6% (31 March 2025: 5%-6%) per annum. The shareholder had agreed to extend the repayment date to 31 December 2026.
- (b) As at 30 September 2025, the amount due to a shareholder totaling approximately HK\$4,926,000 (31 March 2025: approximately HK\$4,926,000), which was unsecured and interest free (31 March 2025: 0%-8% per annum) and repayable on 31 December 2026.
- (c) As at 30 September 2025, borrowings with an aggregate amount of approximately HK\$4,650,000 (31 March 2025: Nil) was unsecured, bearing interest at 10% per annum and repayable on 31 December 2026.
- (d) As at 30 September 2025, borrowings with an aggregate amount of approximately HK\$5,645,000 (31 March 2025: interest-bearing borrowings of HK\$3,400,000 and the lender subsequently became a shareholder of the Company during the six months ended 30 September 2025) was unsecured, bearing interest at 10% per annum and repayable on 31 December 2026.

20. AMOUNT DUE TO A RELATED PARTY

As at 30 September 2025, a principal amount of KRW2,500 million (equivalent to approximately HK\$13,900,000) (31 March 2025: KRW2,500 million (equivalent to approximately HK\$13,190,000)) was obtained from a related party, which was unsecured, bearing interest at 4.6% (31 March 2025: 4.6%) per annum. The lender had agreed to extend the repayment date to 31 December 2026.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. CONVERTIBLE NOTES PAYABLES

Convertible notes

In April 2013, the Third Convertible Note with a principal amount of US\$443,070,000 (equivalents to approximately HK\$3,455,946,000) was issued to Cordia in accordance with the terms of the Acquisition Agreement.

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

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. CONVERTIBLE NOTES PAYABLES *(Continued)*

Convertible notes *(Continued)*

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. CONVERTIBLE NOTES PAYABLES *(Continued)*

Convertible notes *(Continued)*

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. CONVERTIBLE NOTES PAYABLES *(Continued)*

Convertible notes *(Continued)*

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

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

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

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

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

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

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

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

21. CONVERTIBLE NOTES PAYABLES *(Continued)*

Convertible notes *(Continued)*

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

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

Movement of the different components of the convertible notes

	Liabilities component HK\$'000	Derivative component HK\$'000	Total HK\$'000
As at 31 March 2024 (Audited)	3,591,498	—	3,591,498
Settlement during the year	(3,123,042)	—	(3,123,042)
Waiver of interest charged	(468,456)	—	(468,456)
Issue of the convertibles notes	3,160,314	—	3,160,314
Imputed interest charged during the year	9,917	—	9,917
As at 31 March 2025 and 1 April 2025 (Audited)	3,170,231	—	3,170,231
Conversion of the convertible notes	(3,123,042)	—	(3,123,042)
Waiver of interest charged <i>(Note 6)</i>	(103,020)	—	(103,020)
Imputed interest charged during the period <i>(Note 7)</i>	93,103	—	93,103
Gain on conversion of convertible notes <i>(Note 6)</i>	(37,272)	—	(37,272)
As at 30 September 2025 (Unaudited)	—	—	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. SHARE CAPITAL

	Nominal value per share HK\$	Number of shares	Amount HK\$'000
Authorised:			
At 31 March 2024 and 1 April 2024	0.50	2,000,000,000	1,000,000
Share sub-division (<i>Note (ii)</i>)	N/A	98,000,000,000	—
 At 31 March 2025, 1 April 2025 and 30 September 2025			
	0.01	100,000,000,000	1,000,000
 Issued:			
At 31 March 2024 and 1 April 2024	0.50	145,017,062	72,509
Capital reduction (<i>Note (i)</i>)	N/A	—	(71,059)
At 31 March 2025 and 1 April 2025	0.01	145,017,062	1,450
Conversion of convertible notes (<i>Note 21</i>)	0.01	12,492,168,000	124,922
At 30 September 2025	0.01	12,637,185,062	126,372

Notes:

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

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

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

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

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

23. CAPITAL COMMITMENTS

There was no capital expenditure contracted for but not provided in condensed consolidated financial statements as at 30 September 2025 and 31 March 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

24. RELATED PARTY TRANSACTIONS

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

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

Name of Company/ individual	Relationship	Nature of transactions	Six months ended 30 September	
			2025 HK'000 (Unaudited)	2024 HK'000 (Unaudited)
Wayside Holdings Limited (Note 19(c))	Shareholder	Interest expenses thereto	59	—
Mr. Chen William Hon Lam (Note 19(d))	Shareholder	Interest expenses thereto	249	—
Space Hong Kong Enterprise Limited (Note 19(a))	Shareholder	Interest expenses thereto	2,920	2,765
Cordia Global Limited	Shareholder	Interest expenses thereto	—	202
First Glory Limited	Shareholder	Interest expenses thereto	—	89
Mr. Im Jonghak	Director	Interest expenses thereto	—	65
EH Energy Limited (Note 20)	Related party	Interest expenses thereto	323	330

(b) Compensation of key management personnel of the Group:

	Six months ended 30 September	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Directors' remuneration		
— Executive directors	380	180
— Independent non-executive directors	228	210
	608	390

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS

(i) The Company/its Subsidiary as the Defendant

Legal Proceedings Taken By Former Shareholders of a Russian Subsidiary

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

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

The Group and the Second Claimant entered into an amicable agreement dated 11 July 2013 to settle the Second Claim by three instalments. In February 2014, US\$100,000 (equivalent to approximately HK\$780,000) was paid. The Second Claimant threatened to foreclose the registered capital of Lapi as the Group delayed in settlement of the remaining outstanding amount of the Second Claim. As of 30 September 2023, the outstanding amount of the Second Claim was US\$188,600 (equivalent to approximately HK\$1,471,000), which had been fully provided for since 31 March 2013.

The Group and the Third Claimant entered into an amicable agreement dated 13 May 2013 to settle the Third Claim by three instalments. In February 2014, US\$100,000 (equivalent to approximately HK\$780,000) was paid. The Third Claimant also threatened to foreclose the shareholdings in Lapi as the Group delayed in settlement of the remaining outstanding amount of the Third Claim. As of 30 September 2023, the outstanding amount of the Third Claim was US\$238,000 (equivalent to approximately HK\$1,856,000), which had also been fully provided for since 31 March 2013.

HCA 672 of 2013

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

HCA 672 of 2013 *(Continued)*

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

HCA 584 of 2016

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

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 584 of 2016.

HCA 1195 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 1195 of 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

HCA 1618 of 2016

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

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

The Company is in the process of liaising with the Trustee. As the Trustee has no objection to discontinue the legal action, the Company will proceed to discontinue such legal action.

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 1618 of 2016.

HCA 2380 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 2380 of 2016.

HCA 2397 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 2397 of 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

HCA 2633 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 2633 of 2016.

HCA 3148 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 3148 of 2016.

HCA 3160 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 3160 of 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

HCA 3190 of 2016

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 3190 of 2016.

HCA 47 of 2017

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 47 of 2017.

HCMP 701 of 2017

As announced by the Company on 16 May 2017, the Company received on 2 May 2017 originating summons issued by Kim Sungho, Cho Seong Woo, Kim Kyungsoo, Lim Hang Young and Joung Jong Hyun (as the plaintiffs) in the High Court of Hong Kong under action number HCMP 701 of 2017 on 27 March 2017 to certain parties, including the Company and Grandvest International Limited (a subsidiary of the Company). The plaintiffs were seeking Court orders for the Company to produce to them, *inter alia*, information about the new technical report issued to the Company on 11 August 2016.

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

The solicitors acting for the Company and Grandvest International Limited is in the process of liaising with the Official Receiver. If the Official Receiver indicates not to proceed with the legal action, the solicitors will ask the Official Receiver to discontinue such legal action.

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCMP 701 of 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

HCA 814 of 2017

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 814 of 2017.

HCA 1050 of 2017

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

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

It was by consent ordered that the litigation be wholly discontinued and no order as to costs for the application for the discontinuance of HCA 1050 of 2017.

HCA 1521 of 2017

As announced by the Company on 10 July 2017, the Company received a writ of summons issued by Lim Hang Young (as plaintiff) in the Court of First Instance of the High Court of Hong Kong under action number HCA 1521 of 2017 on 28 June 2017 to certain parties, including the Company. The plaintiff was seeking various declaratory reliefs against the defendants in respect of, inter alia, the Third Convertible Note issued by the Company.

The Company take out a summons to strike out such legal action.

Fourth Party Notices in Relation to HCA 51 of 2017

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

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

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

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

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

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

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

HCA 706 of 2010 (Civil Proceedings Taken by the Company Against Three Former Directors of the Company) and HCMP 762 of 2017 (Related Intended Appeal Action by Cheung Keng Ching and Chou Mei)

As set out in the Company's announcement dated 25 November 2008, *inter alia*, the Securities and Futures Commission commenced proceedings in the High Court of Hong Kong to seek a disqualification order and a compensation order against three former executive Directors of the Company (namely, Cheung Keng Ching, Chou Mei and Lau Ka Man Kevin) in entering into certain transactions during the period between late 2002 and late 2005 for and on behalf of the Group. The financial impacts on the Group in relation to these transactions had already been provided for and reflected in the previous financial results of the Group and they shall have no further adverse effects on the existing financial position of the Group.

As set out in the Company's announcement dated 22 March 2010, the judgment of the High Court of Hong Kong delivered on 18 March 2010, *inter alia*, (i) directed the Company to commence civil proceedings against these three former executive Directors of the Company to recover loss attributable to their mis-management of the Company in entering into certain transactions for and on behalf of the Group during the period between late 2002 and late 2005; and (ii) ordered that any settlement of this civil action by the Company should be subject to the Court's approval.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

(ii) The Company as the Plaintiff

HCA 706 of 2010 (Civil Proceedings Taken by the Company Against Three Former Directors of the Company) and HCMP 762 of 2017 (Related Intended Appeal Action by Cheung Keng Ching and Chou Mei) *(Continued)*

On 15 April 2010, the Company commenced civil proceedings (HCA 706 of 2010) against these three former executive Directors of the Company to claim damages in the total sum of approximately HK\$18,980,000. Mediation was conducted with a view to settling the matter as required under the Civil Justice Reform. Although it was the opinion from the Senior Counsel that an amicable settlement would be preferred for the purposes of saving time and costs, no settlement arrangement had been reached. The Company proceeded further with the action against these three former Directors of the Company. All the pleadings were filed, and discovery was completed with the witness statements of the parties duly exchanged. A trial judge was assigned for the case on 25 March 2014. As a result of the solicitors ceasing to act for the Company from 9 February 2015, the hearing on the case management conference originally fixed on 11 February 2015 was adjourned pending an application by the Company to act in person or the Company's engagement of new solicitors.

On 27 April 2015, the Company finalized the engagement of new solicitors to act for the Company so as to further proceed with the case.

Upon the hearing on 30 July 2015, the Company would file a summons for application to amend the Indorsement of Claim and Statement of Claim. Hearing on the application of the Company to obtain leave to amend the Indorsement of Claim and Statement of Claim was held on 26 January 2017 with reserved judgment, and the related judgment was handed down on 10 February 2017, pursuant to which leave be granted to the Company to amend the Indorsement of Claim and Statement of Claim. Accordingly, the Amended Indorsement of Claim and Amended Statement of Claim had been filed.

The application of Cheung Keng Ching (as the 1st defendant) and Chou Mei (as the 2nd defendant) for leave to appeal against the Ruling dated 10 February 2017 (regarding leave be granted to the Company to amend the Indorsement of Claim and Statement of Claim) was dismissed by the Court on 17 March 2017.

On 31 March 2017, the Company was informed by the legal adviser of Cheung Keng Ching (as the 1st defendant) and Chou Mei (as the 2nd defendant) on an intended appeal action under HCMP 762 of 2017 for leave to appeal against the Ruling dated 10 February 2017 and also the Ruling dated 17 March 2017. At a court hearing in the Court of Appeal held on 14 June 2017, the application for leave to appeal under HCMP 762 of 2017 was dismissed by the Court with costs payable by Cheung Keng Ching and Chou Mei to the Company.

On 10 October 2017, upon the application by the Company, the Court ordered that, *inter alia*, the case management conference hearing on HCA 706 of 2010 be fixed and heard on 24 April 2018.

An order was made by the Court on the 24 April 2018 case management conference hearing that (i) the case be referred to the Listing Judge for further direction; and (ii) all parties be at the liberty to arrange the second mediation before the next case management conference.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

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

HCA 706 of 2010 (Civil Proceedings Taken by the Company Against Three Former Directors of the Company) and HCMP 762 of 2017 (Related Intended Appeal Action by Cheung Keng Ching and Chou Mei) *(Continued)*

Second mediation was conducted on 18 September 2018, but no settlement arrangement could be reached. The case management conference hearing was scheduled on 8 May 2019. Upon subsequent hearings, the case management conference hearing was adjourned to 15 August 2019 and further adjourned to 3 January 2020. Eventually, the pre-trial review hearing has been fixed to be heard on 26 April 2022 and the trial hearing has been fixed to be heard for 11 days commencing on 5 July 2022.

The trial hearing eventually commenced on 11 July 2022 (delayed for 6 days as a result of the 1st defendant, Cheung Keng Ching, had been contracting COVID-19) and was concluded on 19 July 2022. The Judge reserved judgment. The judgment was originally expected to be handed down by early January 2023. Subsequently, the Judge indicated that he would issue the judgement by mid-July 2023.

The Judge eventually issued the judgement dated 18 July 2023, pursuant to which the claim of the Company against the three defendants (Cheung Keng Ching, Chou Mei and Lau Ka Man Kevin) was dismissed and the Judge made an order nisi that there be no order as to costs of this legal action.

(iii) The Group as the Plaintiff

HCA 1016 of 2016

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

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

HCA 51 of 2017

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

25. LITIGATIONS *(Continued)*

(iii) The Group as the Plaintiff *(Continued)*

HCA 51 of 2017 *(Continued)*

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

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

Proceedings against the decision of the Federal Agency

On 19 May 2025, the Licensee lodged the Review Application to the Russian Court to review the Revocation Decision. On 25 August 2025 the Review Application was heard. On 8 September 2025, the Russian Court made the Ruling, i.e. it did not accept the Review Application on the ground that the requisite pre-trial dispute resolution procedures had not been followed by the Licensee.

On 6 October 2025 (Moscow time), the Licensee filed the Appeal with the Moscow Court. On 17 November 2025 (Moscow time), the Russian Court made the Appeal Ruling, i.e. the Ruling shall be upheld.

No substantive decision was made by the Russian Court as to the merits of the Review Application.

Proceedings against the decision of the Federal Agency and the Ministry

On 10 October 2025 (Moscow time), the Licensee, filed the Judicial Challenge with the Russian Court, seeking, amongst others, an interim relief for suspending the enforcement of the Revocation until the Judicial Challenge is resolved.

26. EVENTS AFTER THE REPORTING PERIOD

(i) Placing of new shares under general mandate

On 27 November 2025, the Company entered into a placing agreement for the placing of up to 1,368,000,000 new Shares at a placing price of HK\$0.34 per placing share. Assuming 1,368,000,000 new Shares are fully placed, the gross proceeds from the said placing is approximately HK\$465,120,000. Completion of the said placing agreement is subject to the satisfaction of the condition precedent as set out in the placing agreement, the said placing may or may not proceed. Please refer to the announcement of the Company dated 28 November 2025 for further details.

(ii) Ongoing proceedings in relation to the Revocation Decision

The legal proceedings regarding the Revocation Decision are still ongoing (e.g. the Judicial Challenge) and the outcome of the Revocation Decision/Appeal Decision may be reversed by the competent authority. Furthermore, no substantive decision has been made by the Russian Court as to the merits of the Review Application. The Company has been monitoring the situation of the License, the Appeal Ruling and the Judicial Challenge closely.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

For the six months ended 30 September 2025, the Group recorded a total turnover of approximately HK\$220.69 million (2024: approximately HK\$240.83 million), representing a decrease of approximately 8.36% as compared to last corresponding period. The Group's total turnover composed of sales of diesel of approximately HK\$175.08 million (2024: approximately HK\$188.54 million), sales of gasoline of approximately HK\$41.93 million (2024: approximately HK\$49.17 million) and sales of other related petroleum products and services of approximately HK\$3.69 million (2024: approximately HK\$3.12 million). In terms of product mix, sales of diesel, sales of gasoline and sales of other related petroleum products and services accounted for approximately 79.33% (2024: 78.30%), 19.00% (2024: 20.40%) and 1.67% (2024: 1.30%), respectively, of total turnover of the Group. The decrease in turnover was mainly due to the decline in sales of diesel and gasoline to the Group's certain top customers for the Reporting Period.

Other Gains and Losses

During the Reporting Period, other gains and losses is approximately loss of HK\$1,310.11 million (2024: approximately of HK\$84.51 million). The loss was mainly due to impairment loss on exploration and evaluation assets of approximately HK\$1,450.29 million (2024: approximately HK\$131.07 million) and offset by gain from waiver of interest charged on convertible notes and gain on conversion of the convertible notes of approximately HK\$103.02 million (2024: Nil) and HK\$37.27 million (2024: Nil) respectively.

Selling and Distribution Costs

During the Reporting Period, the selling and distribution costs decreased to approximately HK\$1.75 million (2024: approximately HK\$1.90 million), which was in line with the decline in revenue.

Administrative Expenses

During the Reporting Period, total administrative expenses amounted to approximately HK\$7.59 million (2024: approximately HK\$4.46 million). The increase in administrative expenses was primarily attributed to the depreciation on right-of-use assets arising from the lease of new head office during the Reporting Period and the increase in legal and professional fees incurred in relation to the conversion of convertible notes.

Finance Costs

During the Reporting Period, total finance costs amounted to approximately HK\$97.89 million (2024: approximately HK\$4.99 million). The increase in finance costs was mainly attributable to the interest of the convertible notes during the Reporting Period.

Loss before Income Tax

For the six months ended 30 September 2025, the loss before income tax of the Group was approximately HK\$1,413.97 million (2024: approximately HK\$92.26 million), representing an increase of approximately HK\$1,321.71 million, which was mainly attributable to the combined effects of impairment loss on exploration and evaluation assets of approximately HK\$1,450.29 million (2024: approximately HK\$131.07 million) and the gain on conversion of convertible notes of approximately HK\$37.27 million (2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Trading

For the Reporting Period, the trading business of diesel, gasoline and related petroleum products and services in Korea was the prime contributor to the Group's turnover. Petroleum and liquefied natural gas are the major industries in the energy market and play an influential role in the global economy as the world's primary fuel sources. During the Reporting Period, military confrontation between Israel and Hamas, the persistent Russia-Ukraine military conflict, and the economic downturn affected the oil prices.

Despite such unprecedented global issues, the Group continued to stabilise and strengthen the business by (i) ensuring a stable supply at petrol stations; (ii) minimising the lead time and costs through direct delivery from oil refineries to petrol stations; (iii) offering exceptional customer service to foster longterm relationships and strengthen customer loyalty; and (iv) enhancing the strategies for inventory management and storage.

Coal Mining

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

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

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

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

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

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

Impairment loss on exploration and evaluation assets

As disclosed in the annual report of the Company for the year ended 31 March 2025, as at 31 March 2025, the exploration and evaluation assets had a carrying value of approximately HK\$1,423.17 million, and an impairment loss of approximately HK\$786.78 million was recorded in relation to the exploration and evaluation assets during the year ended 31 March 2025. The said impairment represented 53.29% of the Company's consolidated total assets as at 31 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

In recognising the impairment loss for the year ended 31 March 2025, the Board has considered the valuation report prepared by an independent professionally qualified valuer to determine the recoverable amount of the exploration and evaluation asset which is the higher of the asset's fair value less costs to sell and its value in use. Given the then development status of the exploration and evaluation asset, the Directors determined the fair value less costs of disposal to be its recoverable amount. The recoverable amount is derived by using a DCF analysis, which estimates the value of a business enterprise based on the present value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) that reflects the time value of money and the risks associated with the cash flows.

The DCF analysis has incorporated assumptions that a typical market participant would use in estimating the exploration and evaluation asset's fair value. Major assumptions include the followings:

- operations and businesses will not be materially affected or interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of the Group, including but not limited to the occurrence of natural disasters or catastrophes (such as floods and typhoons), epidemics or serious accidents;
- the estimations/representations made by the relevant personnel with regard to the valuations are complete, accurate and reliable;
- the public and statistical information were obtained from sources are deemed to be reputable, accurate and reliable;
- there would be no major changes in the existing political, legal, fiscal and economic conditions in Russia;
- there would be no substantial fluctuation in the economic outlook and specific industry outlook affecting the continuity of the businesses of the Licensee; and
- the License will obtain all necessary permits, license and approvals to carry out its business and operation.

Notwithstanding the Group is seeking legal advice and taking measures regarding the Appeal Ruling and will rigorously defend and protect its legitimate interests, including but not limited to lodging further appeal against the Appeal Ruling and the Judicial Challenge, having considered (i) the Ruling; (ii) the Appeal Ruling; (iii) the prospect of further appealing against the Appeal Ruling and the Judicial Challenge and the uncertainty thereof; (iv) legal advice to the Company in relation to the Judicial Challenge; (v) that if the License could not be further extended (or be revoked lawfully by the competent authority), the Group will have to terminate the mining plan, as a result, the exploration and development assets would have no future economic benefits, the Board has made the prudent decision to fully impair the carrying value of the exploration and evaluation assets, and an impairment loss on exploration and evaluation assets of approximately HK\$1,450,288,000 has been made during the Reporting Period.

Geographical

For the period under review, Korea was the Group's sole market segment which accounted for 100.00% (2024: 100.00%) of the total revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking forward, the broader economic landscape is expected to face ongoing intricacies and obstacles, shaped by evolving monetary policies from central banks, including recent easing measures by the US Federal Reserve and prospects for further adjustments. Lingering geopolitical instabilities, such as the protracted situations in Ukraine and the Middle East — involving the Israel-Gaza situation along with wider regional engagements — continue to unsettle global markets. Furthermore, economic conditions in China remain under strain, supported by governmental stimulus yet hindered by intensifying trade barriers, amid heightened frictions in US-China relations driven by recent policy shifts from the incumbent administration, which could impose additional pressures on consumer spending.

These elements are likely to cultivate a fluctuating and ambiguous international economic climate, susceptible to barriers in trade and protective policies. Such an environment may hinder the Group's activities in diesel and gasoline trading, while also influencing coal pricing dynamics due to varying levels of demand for associated commodities.

In response, the Group intends to prioritize its established operations in energy commodities trading, including scaling up diesel and gasoline dealings in Korea through enhanced sourcing and partnerships, alongside bolstering coal trading capabilities in the PRC via investments in logistics and processing infrastructure, and exploring related areas like petrochemicals. At the same time, to adapt to shifting energy trends, the Company plans to investigate opportunities in sustainable sectors, such as renewable sources including solar or wind, while allocating resources to address ongoing legal matters concerning its historical exploration interests in Russia.

Trading

The Group's energy commodities trading business in Korea has been facing challenges due to (i) the global transition from traditional fossil fuel to renewable energy; and (ii) increasing popularity of electric vehicles and the consequential decline in demand for diesel and gasoline as transport fuels.

According to a report published by the International Energy Agency Bioenergy Technology Collaboration Programme in 2024, diesel (fossil and bio) remains the primary transport fuel in Korea, representing 54% of transport fuel consumption, with gasoline ranks second in Korea, accounting for 30% of transport fuels. This indicates that there is still a significant market presence and growth potential for the Group's energy commodities trading business in Korea.

The Group intends to expand the business operation in Korea by allocating approximately HK\$40 million of the proceeds upon the completion of the placing for 1,368,000,000 news shares of the Company pursuant to the placing agreement dated 27 November 2025 to (i) scale up the existing operations in Korea; (ii) enhance its bargaining power over the upstream suppliers and downstream petrol/gasoline stations; and (iii) procure petrol/gasoline from overseas suppliers with greater price advantage.

Coal Mining

As at the date of this report, the legal proceedings regarding the Revocation Decision are still ongoing (e.g. the Judicial Challenge) and the outcome of the Revocation Decision/Appeal Decision may be reversed by the competent authority in the future.

Notwithstanding the Revocation Decision and the Appeal Ruling, the Group will continue to (i) liaise with the local stakeholders in Russia (e.g. competent authority, occupants in the neighborhood, etc.); and (ii) monitor the general development of mining regulations in Russia. In the event the Revocation Decision is overturned by a competent authority in the future, the Company will re-examine the feasibility, legality and economics of the existing development plan for the Lapichevskaya Mine and make appropriate adjustments if necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

Conversion of Convertible Notes

During the Reporting Period, the financial position of the Group has been strengthened with the full conversion of the convertible notes issued on 17 March 2025 in an aggregate principal amount of US\$400,390,000 or HK\$3,123,042,000 equivalent. Please refer to the details set out in Note 21 to the condensed consolidated financial statements in this report.

The conversion of the convertible notes has enhanced the equity base of the Company, reduced the overall gearing of the Group and considerably improved the financial position of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the Group had net current liabilities of HK\$9.75 million (31 March 2025: HK\$87.12 million). The Group's current ratio, being a ratio of current assets to current liabilities, was 59.40% (31 March 2025: 11.63%) and the Group's gearing ratio, being a ratio of total interest-bearing borrowings to total assets, was 109.24% (31 March 2025: 4.95%).

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

The Company will endeavour to enhance the Group's financial strength to address the net current liabilities as at 30 September 2025. Cost control measures have been implemented to monitor daily operational and administrative expenses. The Directors will continue to review the Group's financial resources with caution, seeking opportunities for financing from financial institutions and equity funding. They will also closely monitor market conditions and take prompt action when such opportunities arise.

During the Reporting Period, the outstanding convertible notes issued on 17 March 2025 in an aggregate principal amount of US\$400,390,000, or HK\$3,123,042,000 equivalent have been fully converted. Such that, the non-current liabilities of the Group has been significantly reduced, the gearing of the Group has been improved and the equity base of the Company has been strengthened.

Please refer to the circular of the Company dated 6 June 2025 and the announcements of the Company dated 30 June 2025 and 3 October 2025 for the details of conversion of the convertible notes.

In addition to the above measure to improve the liquidity of the Group, the Company also explores way to improve its overall financial position.

CAPITAL STRUCTURE

As at 30 September 2025, the authorised share capital of the Company was HK\$1,000,000,000 (31 March 2025: HK\$1,000,000,000) divided into 100,000,000,000 Shares (31 March 2025: 100,000,000,000 Shares) with par value of HK\$0.01 each (31 March 2025: HK\$0.01 each).

During the Reporting Period, the convertible notes issued on 17 March 2025 for an aggregate principal amount of US\$400,390,000 or HK\$3,123,042,000 equivalent were fully converted and the Company has issued and allotted 12,492,168,000 new Shares. As at 30 September 2025, the issued share capital was approximately HK\$126.37 million (31 March 2025: approximately HK\$1.45 million). For more details, please refer to Note 22 to the condensed consolidated financial statements in this report.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

The Group's turnover, expenses, assets and liabilities are denominated in Hong Kong Dollars ("HK\$"), United States Dollars ("US\$"), Russia Rubles ("RUB") and Korea Won ("KRW"). The exchange rates of US\$ against HK\$ remained relatively stable during the period under review. Certain expenses of the Group are dominated in RUB and KRW which fluctuated in a relatively greater spread in the period. Therefore, the Shareholders should be aware that the exchange rate volatility of RUB and KRW against HK\$ may have favourable or adverse effects on the operating results of the Group.

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

LITIGATIONS

During the Reporting Period and up to the date of this report, the Group has been involved in a number of legal proceedings. Details of the litigations are set out in Note 25 to the condensed consolidated financial statements in this report.

CAPITAL COMMITMENTS

As at 30 September 2025, the Group had no significant capital commitments (31 March 2025: Nil).

PLEDGE OF ASSETS

The Group had not pledged any of its assets for bank facilities as at 30 September 2025 and 31 March 2025.

MATERIAL ACQUISITION AND DISPOSALS

The Group was neither involved in any significant investments, nor any material acquisitions and disposals of any subsidiaries or joint venture company during the Reporting Period.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 September 2025, the Group had approximately 12 (31 March 2025: 15) staff in Hong Kong, Russia and Korea. Remuneration policy is reviewed by the Directors periodically and is determined with reference to industry practice, company performance, and individual qualifications and performance. Remuneration packages comprised salary, commissions and bonuses based on individual performance. Employees benefit plans provided by the Group include provident fund scheme, medical insurance and subsidized trainings and seminars.

OTHER INFORMATION

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

As at 30 September 2025, none of the Directors or any of their associates or chief executives of the Company (as defined in the Listing Rules) had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which are required to be notified to the Company and the Stock Exchange pursuant to SFO (including interests which they are taken or deemed to have under SFO) or which are, pursuant to Section 352 of the SFO, entered in the register referred to therein or, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

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

As at 30 September 2025, the register of interests in shares and short positions required to be kept by the Company under Section 336 of the SFO showed that the following persons (other than the Directors or chief executives of the Company) had disclosed to the Stock Exchange and/or the Company an interest of 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company.

Long position in Shares

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of shareholding
A Mark Limited (Note 1)	Beneficial Owner	1,481,844,000	11.73%
Ocean Resources Int'l Investment Group Limited (Note 1)	Trustee	2,187,042,000	17.31%
Wayside Holdings Limited (Note 1)	Trustee	4,040,322,000	31.97%
Chen William Hon Lam (Note 1)	Interested in Controlled Corporation	7,709,208,000	61.00%

Note:

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

Save as disclosed above, as at 30 September 2025, no other party was recorded in the register of interests in shares and short positions kept pursuant to Section 336 of SFO as having an interest in 5% or more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

CORPORATE GOVERNANCE

During the Reporting Period, the Company had complied with the code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules.

At all material times, Mr. Lee Jaeseong ("**Mr. Lee**"), a former Chairman of the Board and executive Director, was primarily responsible for overseeing the management of the Russian subsidiary of the Company (the "**Licensee**"). Notwithstanding the delegation of the supervisory role of the management of the Licensee to Mr. Lee, the Board actively monitored the status of the Licensee and its mining license (the "**License**"), and made disclosures in relation to the Licensee in accordance with applicable rules and regulations based on information available to them after making reasonable enquiry with Mr. Lee.

The License was renewed on 15 April 2025 and was subsequently revoked on 22 April 2025 (the "**Revocation Decision**"). Mr. Lee first became aware of the Revocation Decision in about August 2025. However, due to the personal judgment of Mr. Lee, Mr. Lee did not immediately disclose the Revocation Decision to the other members of the Board. Upon learning about the Revocation Decision on 3 October 2025, the Board immediately resolved to publish an announcement disclosing the details of the Revocation Decision on 6 October 2025.

The unintentional delay in disclosure of the Revocation Decision caused non-compliance by the Company with the Listing Rules and/or other applicable regulations. The Directors reiterate that they have no intention for such non-compliance and the non-compliance was solely due to the reasons as stated above, and legal and regulatory compliance has long been an important culture of the Group and that it has always treated compliance with the Listing Rules and other applicable regulations as a top priority. The Group has been maintaining regular communications with, and seeking advice from, its professional advisers since the Listing on different aspects of Listing Rules compliance, but has unfortunately and regrettably not done so on this occasion on a timely basis.

The Board considered that the non-disclosure incident was due to the fact that human judgment in decision-making can be faulty and that breakdowns in internal controls can occur because of human failures due to simple errors or mistakes. Going forward, to prevent the recurrence of similar incidents, the Board has resolved to effect changes the organizational structure of the Group to enhance the corporate governance of the Group, and is in the course of engaging an internal control consultant to conduct a review of the Company's reporting mechanism for material information and its compliance with Listing Rules and other applicable regulations, and will implement corresponding rectifications based on the recommendations in the internal control report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries, the Company has obtained confirmation from the Directors that they have complied with the required standards as set out in the Model Code during the Reporting Period.

OTHER INFORMATION

CHANGE IN THE INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the date of the annual report of the Company for the year ended 31 March 2025 are set out below:

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

Mr. Lee Jaeseong resigned as an executive Director, chairman of the Board, chairman of the nomination committee of the Company (the “**Nomination Committee**”) and the authorised representative of the Company with effect from 10 October 2025.

Mr. Liu Wai Shing Peter, the executive Director, was appointed as the chairman of the Board and the chairman of the Nomination Committee with effect from 10 October 2025.

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

DIRECTOR'S INTERESTS IN CONTRACTS

No contracts of significance to which any holding company, subsidiaries was a party and in which a Director or the Director had a material interest, whether directly or indirectly, subsisted as the end of the period or at any time during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consisted of three independent non-executive Directors, namely Mr. Wong Wei Hua Derek (chairman of Audit Committee), Ms. Chen Dai and Mr. Kim Sung Rae.

The major functions of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control of the Group. The Audit Committee had reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2025.

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

Hong Kong, 28 November 2025

Note: Should there be any discrepancies with the Chinese version of the report, the English version will prevail.