



# 2021

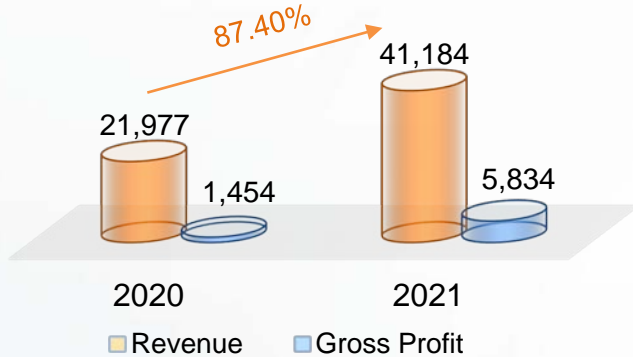
## Annual Results

March 2022



# Operational Update

## Revenue/ Gross Profit (HK\$ million)



(HK\$ million)	2020	2021
Revenue	21,977	41,184
Gross Profit	1,454	5,834
Gross Profit Margin	6.62%	14.17%

Product	2020			2021		
	Volume ('000 tonnes)	Amount (HK\$ million)	As % of Total Revenue	Volume ('000 tonnes)	Amount (HK\$ million)	As % of Total Revenue
Coal	18,890	18,248	83.03%	17,502	36,107	87.67%
Petrochemical	433	2,052	9.34%	419	3,008	7.30%
Integrated Supply Chain Services	-	973	4.43%	-	982	2.38%
Iron Ore	393	330	1.50%	690	865	2.10%
Nonferrous Metals	16	327	1.49%	2	51	0.12%
Coke	3	6	0.03%	32	112	0.27%
Others	-	42	0.19%	-	59	0.14%
<b>Total</b>	<b>19,735</b>	<b>21,977</b>	<b>100%</b>	<b>18,646</b>	<b>41,184</b>	<b>100%</b>

- The Company's recorded revenue of HK\$41,184 million, a 87.40% increase compared to HK\$ 21,977 million in 2020. Due to impact of the COVID-19 and coal import policy change, the Company 1) sold Australian coking coal to new international market outside China and quickly established business connections with suppliers in the United States and Canada; 2) achieved breakthrough in Mongolia coal import from a new border crossing and seized market share; 3) growth in domestic coking coal business volume; 4) rise of the average selling price of coking coal due to changes in supply and demand, the revenue of the Company increased significantly
- The gross profit margin increased to 14.17% from 6.62% in 2020. This was mainly due to strong demand in the coking coal market and rise in coking coal price, resulting in an increased profit per ton

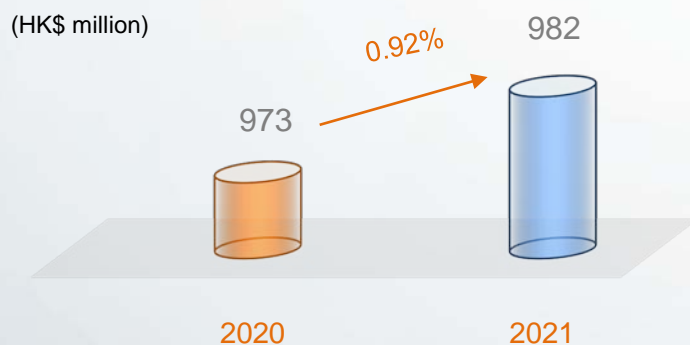
## A – Supply Chain Trading

Product	Volume ('000 tonnes)	Amount (HK\$mn)	As % of Total Revenue	Gross Margin
Coal	17,502	36,107	87.67%	15.35%
Oil and Petrochemical	419	3,008	7.30%	0.43%
Iron Ore	690	865	2.10%	-5.77%
Nonferrous Metals	2	51	0.12%	0.33%
Coke	32	112	0.27%	3.12%
<b>Total</b>	<b>18,646</b>	<b>40,143</b>	<b>97.47%</b>	<b>13.72%</b>

In 2021, gross margin\* for supply chain trading sector was 13.72%.

Country	Amount (HK\$mn)	As % of Total Revenue
PRC (including Hong Kong, Macau and Taiwan)	33,731	81.90%
South Korea	1,920	4.66%
India	1,619	3.93%
Vietnam	859	2.09%
Japan	806	1.96%
Malaysia	237	0.57%
Germany	224	0.54%
Others	747	1.81%
<b>Total</b>	<b>40,143</b>	<b>97.47%</b>

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



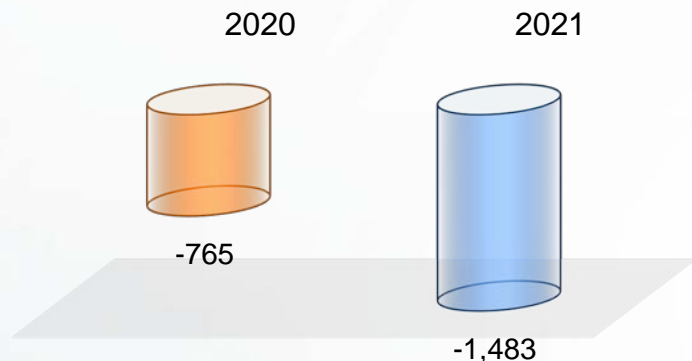
In 2021, the revenue of the supply chain integrated services segment increased slightly, increasing by 0.92% to HK\$982 million from HK\$973 million in the same period of 2020. Mainly due to the impact of the COVID-19 in Mongolia, the total trade volume decreased, the unit price increased, and comprehensive services increased slightly.

In 2021, gross margin\* for integrated supply chain services sector was 12.21%.

\* The gross profit of the above business is revenue minus cost of sales minus distribution expenses..



## Operating Expense (HK\$ million)



(HK\$ million)	2020	2021
Distribution Cost	(68)	(155)
Administrative Expenses	(555)	(1,488)
Other Operating Expenses, Net	(143)	160
Total Operating Expenses (Excluding Reversal of Impairment of Long-term Assets)	(765)	(1,483)
As % of Total Revenue	-3.48%	-3.60%

- In 2021, the total operating expenses was HK\$1,483 million, accounting for 3.60% of total revenue as compared to 3.48% in 2020. The increase was mainly due to the increase in administrative expenses
- The slight increase in distribution expenses was mainly due to the increase in volume of domestic coking coal business. The increase in administrative expenses was mainly due to the advance of approximately HK\$1,076 million in bonuses for 2021, an increase of approximately HK\$887 million year-on-year. Other net operating income is mainly due to futures earnings about HK\$184 million

(HK\$ million)	2020	2021
Finance Income	50	23
Finance Costs	(228)	(222)
Net Finance Costs	(177)	(200)
As % of Total Revenue	-0.81%	-0.48%

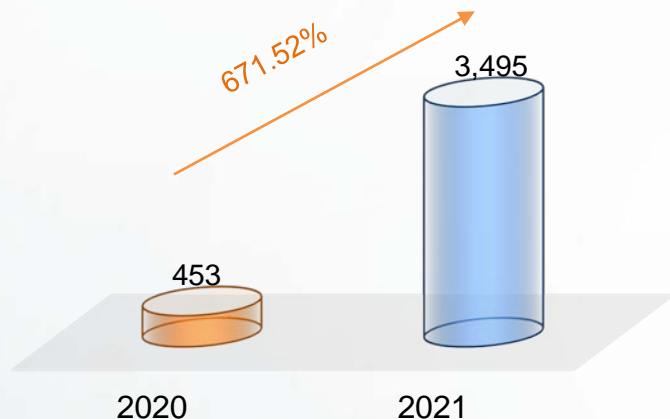
- Compared with 2020, finance income decreased by 54.00%, finance costs increased by 2.63% and net finance costs increased by 12.99% in 2021. The increase was mainly due to the fair value of warrants of approximately HK\$63 million accounted as finance cost, the fair value of warrants increased as the Company's share price increased as well as the maturity date approaches

## Finance Income/ Costs (HK\$ million)





## Net Profit (HK\$ million)



## 2021 Final Dividend

(HK\$'000)

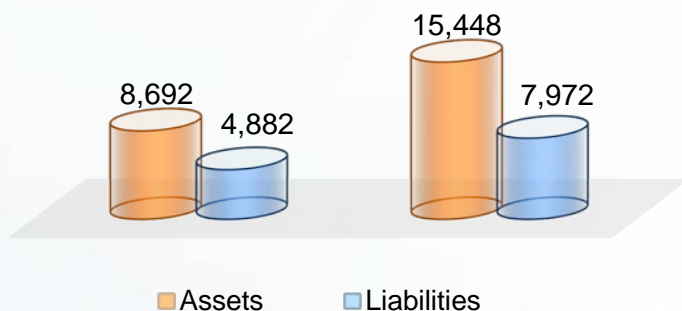
Profit Attributable to Shareholders	3,462,244
Profit Attributable to Shareholders*25%	865,561
Total Number of Shares (as of March 29, 2022)	2,867,922,962
Final Dividend per Share	HK\$0.302

(HK\$ million/HK\$)	2020	2021
Net Profit	453	3,495
Profit Attributable to Shareholders	462	3,462
Basic EPS	0.152	1.151
Diluted EPS	0.152	1.128

- The Company posted a net profit of HK\$3,495 million in 2021, representing a 671.52% increase compared to HK\$453 million in 2020. The increase in gross profit was mainly due to strong coal demand in the coal market and rise in coal price, resulting in an increased profit per ton
- Basic EPS was HK\$1.151 and Diluted EPS was HK\$1.128 as of December 31, 2021
- It is proposed to pay a dividend of HK\$0.302 per share or approximately HK\$866 million in cash for the full year of 2021 at 25% of the profit to equity shareholders. The dividend plan will be submitted to the company's general meeting of shareholders for voting and approval



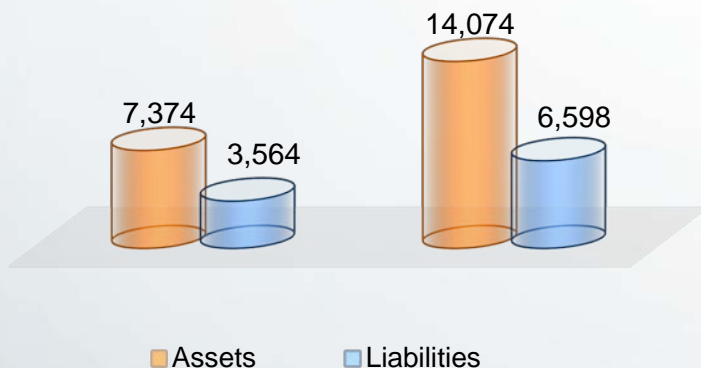
## Assets/Liabilities (HK\$ million)



(HK\$ million)	2020/12/31	2021/12/31
Assets	8,692	15,448
Liabilities	4,882	7,972
Total Equity	3,811	7,476
Gearing Ratio	56.16%	51.60%

- As at December 31, 2021, the Company's gearing ratio decreased from 56.16 % to 51.60%
- In 2021, the Company's assets increased by 77.73% compared to the end of 2020, mainly due to the increase in bank deposits (HK\$3,259 million), coal inventory (HK\$2,402 million) and the increase in trade receivables; Liabilities increased by 63.29%, mainly due to the increase in income tax payable, transactional financial liabilities and accounts receivable in advance

## Adjusted Assets/Liabilities (HK\$ million)

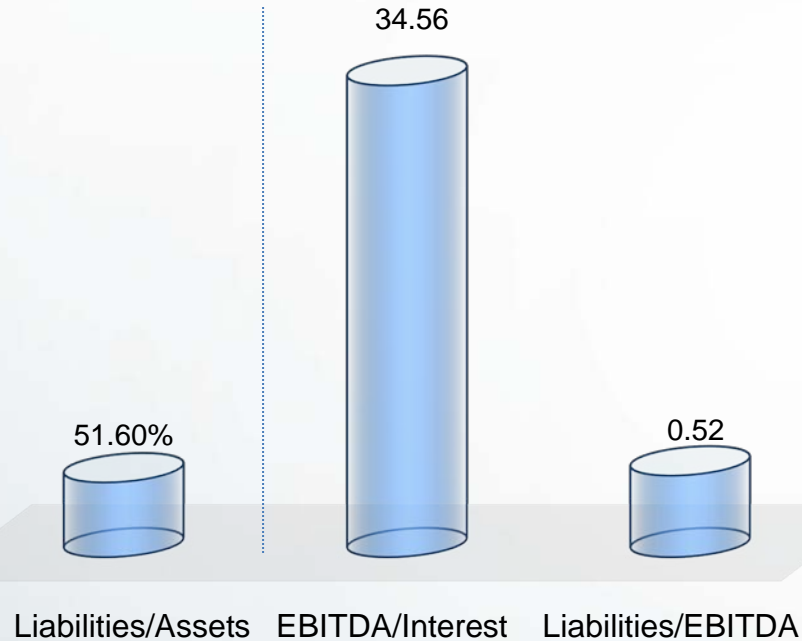


(HK\$ million)	Adj.2020/12/31	Adj.2021/12/31
Assets	7,374	14,074
Liabilities	3,564	6,598
D/A Ratio	48.32%	46.88%

- After receiving bank acceptance bills and letters of credit, the Company discounts or pledges such bills to against loans from banks. According to accounting standards, assets and liabilities will increase at the same time. However, such bills and letters of credit discounted pledge loans are based on bank credit, and there is no substantial risk
- Excluding the impact of the accounting and loans pledged with full amount bank deposits, the Company's adjusted total assets and liabilities were shown as the above. The Company's adjusted gearing ratio at was 46.88%, debt level remains stable



## Liabilities and Liquidity

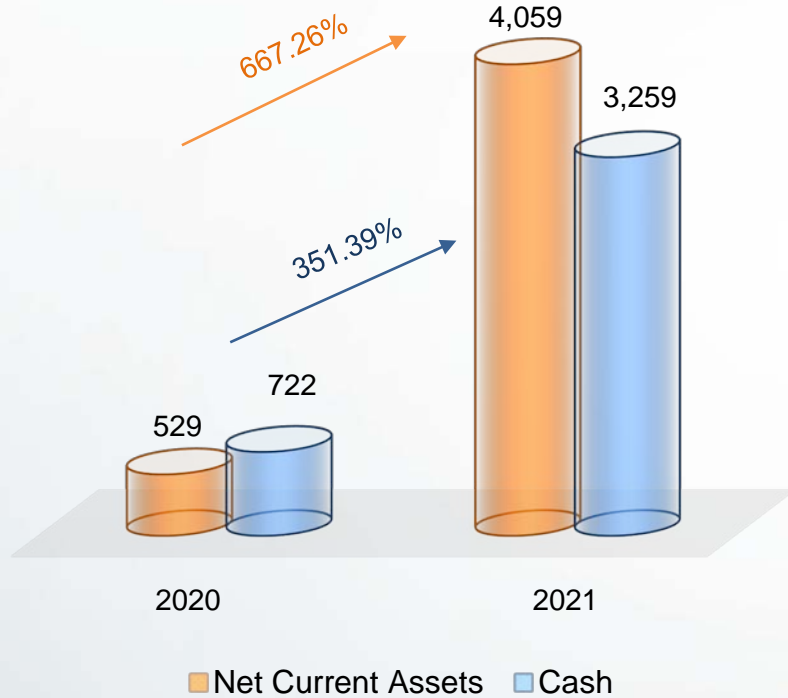


	2020	2021
Liabilities/Assets	56.16%	51.60%
Adj. Liabilities/Assets	48.32%	46.88%
EBITDA/Interest	4.78	34.56
Liabilities/EBITDA	2.42	0.52

- As at December 31 2021, the Company's gearing ratio was 51.60%, EBITDA/Interest was 34.56, and Liabilities/EBITDA was 0.52
- In 2021, the Company's debt and liquidity indicators have improved. EBITDA/Interest increased from 4.78 in 2020 to 34.56, mainly due to the strong market demand in 2021 which results in the increase in coal prices and the increase in profit per ton. The Company's profitability has increased substantially



## Current Assets and Cash (HK\$ million)

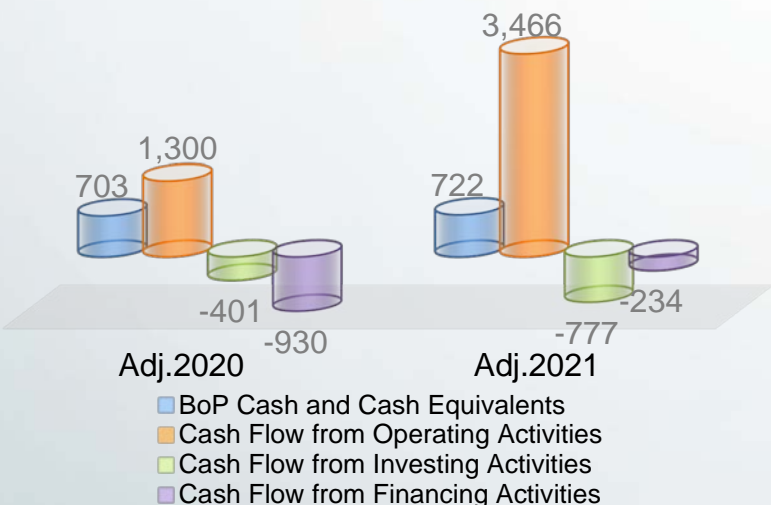
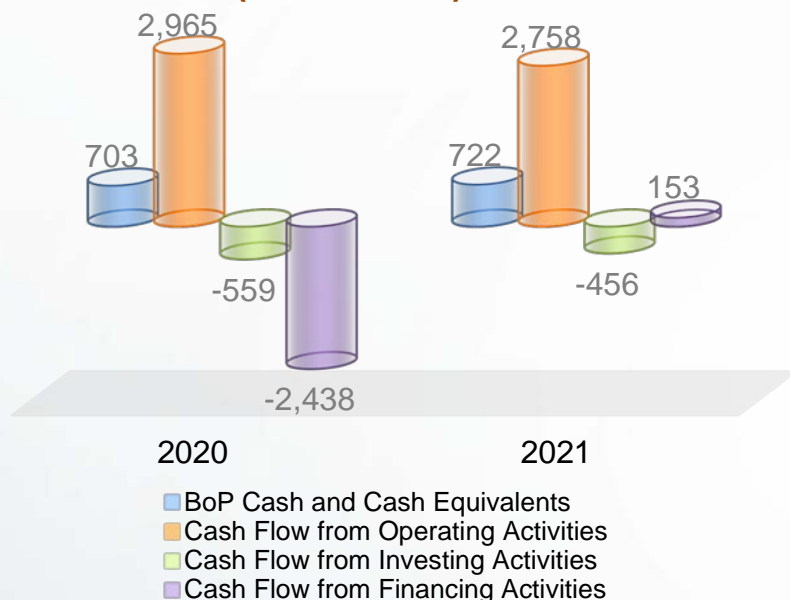


(HK\$ million)	2020/12/31	2021/12/31
Current Assets	5,012	11,522
Current Liabilities	4,483	7,463
Net Current Asset	529	4,059
Cash and Cash Equivalents	722	3,259
Current Ratio	1.12	1.54
Cash Ratio	16.11%	43.67%

- As at December 31, 2021, compared with the end of 2020 the company's current assets increased by 129.89%, current liabilities increased by 66.48%, and net current assets increased by 667.26%. The Company's current ratio was 1.54, slight increase compared to the end of 2020, and cash ratio increased by 171.06%. This was mainly due to an increase in the Company's profitability and liquidity in 2021



## Cash Flow (HK\$ million)



(HK\$ million)	2020	2021
Cash and cash equivalents at 1 January	703	722
Cash Flow from Operating Activities	2,965	2,758
Cash Flow from Investing Activities	(559)	(456)
Cash Flow from Financing Activities	(2,438)	153
Impact of Change in Foreign Exchange Rates	50	83
Cash and cash equivalents at 31 December	722	3,259

- In 2021, operating cash inflow was approximately HK\$2,758million, mainly due to cash profit of HK\$4,713million and net cash outflow of HK\$1,749 million from changes in working capital. Changes in working capital include an increase of HK\$1,720 million in inventories and an increase of HK\$2,083 million in accounts receivable
- The cash outflow from investing activities was HK\$456 million. This outflow was mainly due to the combined factors to a mix of factors, such as cash outflow of HK\$647 millions from investment in logistics assets, increased in the use of restricted funds, gains on financial derivatives and dividends received from associates
- Cash inflow from financing activities was HK\$153 million, mainly because of cash inflow of bills discounted loans due of approximately HK\$345 million and contribution from non-controlling interests of HK\$332million

(HK\$ million)	Adj.2020	Adj.2021
Cash and cash equivalents at 1 January	703	722
Cash Flow from Operating Activities	1,300	3,466
Cash Flow from Investing Activities	(401)	(777)
Cash Flow from Financing Activities	(930)	(234)
Impact of Change in Foreign Exchange Rates	50	83
Cash and cash equivalents at 31 December	722	3,259

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



Thank You!