

T h e m e

Theme International Holdings Limited

(Incorporated in Bermuda with limited liability) (Stock Code: 990)



2024

ANNUAL REPORT



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Corporate Information

Directors

Executive Directors

Mr. Jiang Jiang (*Chief Executive Officer*)

Mr. Wu Lei (*Chief Financial Officer*)

Non-Executive Director

Mr. Ding Lin

Mr. Kang Jian

Mr. Wang Zhenhui (Note 1)

Independent Non-Executive Directors

Mr. Liu Song

Ms. Chan Lai Ping

Mr. Wong Hok Bun Mario (Note 3)

Ms. Kent Shun Ming (Note 2)

Audit Committee

Mr. Wong Hok Bun Mario (*Chairman*) (Note 3)

Mr. Ding Lin

Ms. Chan Lai Ping

Ms. Kent Shun Ming (Note 2)

Remuneration Committee

Mr. Wong Hok Bun Mario (*Chairman*) (Note 3)

Mr. Liu Song

Ms. Chan Lai Ping

Ms. Kent Shun Ming (Note 2)

Nomination Committee

Mr. Wong Hok Bun Mario (*Chairman*) (Note 3)

Mr. Liu Song

Ms. Chan Lai Ping

Ms. Kent Shun Ming (Note 2)

Note:

(1) Resigned on 31 December 2024

(2) Resigned on 31 October 2024

(3) Appointed on 6 December 2024

Corporate Information

Authorised Representatives

Mr. Wu Lei
Mr. Ho Yui Pang

Company Secretary

Mr. Ho Yui Pang (*FCPA, ACS*)

Auditor

ZHONGHUI ANDA CPA Limited
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay, Kowloon
Hong Kong

Legal Advisers on Bermuda Law

Conyers Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong

Legal Advisers on Hong Kong Law

Li & Partners
22/F, World Wide House
Central, Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Head Office & Principal Place of Business in Hong Kong

Unit 3401—03, 34/F., China Merchants Tower, Shun Tak Centre
168—200 Connaught Road Central
Sheung Wan
Hong Kong



Corporate Information

Principal Bankers

Bank of China (Hong Kong) Limited
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited
ING Bank N.V.
DBS Bank Limited
CIMB Bank Berhad
Industrial Bank Co. Ltd.
Industrial and Commercial Bank of China Limited
Bank of Communications Co., Ltd.
China Zheshang Bank Co., Ltd.

Principal Share Registrar in Bermuda

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Branch Share Registrar & Transfer Agent in Hong Kong

Computershare Hong Kong Investor Services Limited
Shops 1712—1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

Stock Code

990

Website

www.990.com.hk

Directors' Statement

On behalf of the Board (the “**Board**”) of Directors (the “**Director(s)**”) of Theme International Holdings Limited (the “**Company**”) and its subsidiaries (collectively as the “**Group**”), I am delighted to announce that, for the year ended 31 December 2024 (the “**Year**”), the Group’s net profit was approximately Hong Kong dollars (“**HK\$**”) 371,921,000, as compared to the net profit of approximately HK\$1,382,081,000 for the year ended 31 December 2023 (the “**Corresponding Year**”).

The distribution and trading business has recorded a segment profit before interest and tax of approximately HK\$170,994,000 in the Year, compared to approximately HK\$1,087,072,000 in the Corresponding Year. The financial service business has recorded a segment profit before interest and tax of approximately HK\$252,881,000 in the Year, compared to approximately HK\$320,538,000 in the Corresponding Year.

Gross profit of the Group also decreased to approximately HK\$1,032,514,000 in the Year from approximately HK\$1,780,649,000 in the Corresponding Year. The decrease in gross profit was attributable to the decrease in gross profits from commodity trading activities, because of the sluggish market.

The Group continuously explores new business opportunities that can deliver synergistic advantages to its physical commodities trading operations. Since the end of 2017, the Group successfully operationalised its commodity derivatives related financial services, including but not limited to trading and clearing of derivatives contracts in global markets, inter-dealer broking services for over-the-counter commodities, structured trade finance operations, and fund management.

In 2024, the financial services segment of the Group delivered results. In December 2020, the Monetary Authority of Singapore approved the registration of a subsidiary of the Group as a Registered Fund Management Company. The subsidiary was subsequently transitioned to a Licensed Fund Management Company in July 2024. Besides existing regulated licences in Hong Kong, the Group has obtained Capital Market Services (CMS) License from the Monetary Authority of Singapore in Singapore in October 2021 to offer inter-dealer broking services and Global Clearing Services as well as Contract for Differences (CFDs) offerings in Singapore. The Group’s financial services, including clearing, inter-dealer broking services and spot leveraged foreign exchange trading, also continued to expand and contribute profits to the Group.

As both distribution, trading, and processing business and financial services business are people-oriented business, the Group continued to invest heavily in human capital. The Group’s headcount has increased from 384 at 31 December 2023 to 399 at 31 December 2024 with employees located across Hong Kong, Singapore, the PRC and the United Kingdom. The Group believes best people can bring value to the Group and will continue to invest in human capital in future.



Directors' Statement

At last, I would like to take this opportunity to express my deepest gratitude to all the shareholders, my fellow directors, management team and staff to the Group for their support and contributions to the Group throughout the Year.

Wu Lei

Executive Director

Hong Kong, 31 March 2025

Management Discussion and Analysis

Theme International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in (i) distribution, trading and processing of bulk commodities and related products in Hong Kong, Singapore and the PRC; and (ii) provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore.

Financial and Business Review

Revenue, profit for the year and basic earnings per share of the Group for the years ended 31 December 2024 and 2023 are summarised as follows:

	Revenue		Profit for the year		Basic earnings per share	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024	2023
From operations	40,913,965	55,376,948	371,921	1,382,081	HK2.20 cents	HK8.91 cents

The Group recorded a total revenue of approximately HK\$40,913,965,000 (2023: approximately HK\$55,376,948,000) for the year ended 31 December 2024 (the “**Year**”) representing a decrease of approximately 26% over the year ended 31 December 2023 (the “**Corresponding Year**”). Further analysis of the Group’s revenue in the Year and Corresponding Year is as follows:

	2024 Revenue HK\$'000	2023 Revenue HK\$'000
<i>Products</i>		
Iron Ore	18,072,990	18,508,971
Silver and gold ingots	11,819,066	25,337,910
Other commodities and processing income (Note)	10,129,691	10,679,481
Distribution, trading and processing	40,021,747	54,526,362
Financial Services	892,218	850,586
	40,913,965	55,376,948

Note: Other commodities mainly represent steel products, nickel ore, chrome ore and chemical products, etc.

The distribution, trading and processing business contributed to the majority of the Group’s revenue in the Year. Iron ore trading represented the main commodity product of the distribution, trading and processing business. During the Year, we also have other commodities trading such as silver and gold ingots, chrome ore, nickel ore, steel products and chemical products. Revenue from the distribution, trading and processing business decreased from approximately HK\$54,526,362,000 in the Corresponding Year to approximately HK\$40,021,747,000 in the Year. The decrease was mainly due to the decrease in trading volumes of both silver and gold ingots, which ceased operations in the second half of the Year.

Management Discussion and Analysis

During the Year, the Group recorded revenues from the provision of financial services approximately HK\$892,218,000 (2023: approximately HK\$850,586,000). The financial services business continued to expand steadily during the Year.

Gross profit of the Group also decreased to approximately HK\$1,032,514,000 in the Year from approximately HK\$1,780,649,000 in the Corresponding Year. The decrease in gross profit was attributable to the decrease in gross profits from commodity trading activities, because of the sluggish market.

Other losses of approximately HK\$135,648,000 (2023: other gains of approximately HK\$197,622,000) were incurred during the Year. During the Year, the provision for the losses due to the suspected misappropriation of funds in the SG subsidiary was approximately HK\$167,462,000 (2023: nil). Exchange losses amounted to approximately HK\$93,028,000 (2023: HK\$56,680,000). The exchange loss arose mostly from the fluctuation of USD/RMB exchange rate. Cargoes sold by Shanghai trading desk were denominated in RMB. Such losses were partly set off by interest income. During the Year, interest income on bank deposits totaled approximately HK\$99,481,000 (2023: approximately HK\$103,780,000). Besides, gains on financial assets at fair value via profits and loss decreased from approximately HK\$117,060,000 during the Corresponding Year to approximately HK\$1,818,000 during the Year. Such gains in the Corresponding Year were mainly attributable to the fair value gains on the existing shares of Green Estee Pte. Ltd., when it became associate of the Company during the Corresponding Year.

Selling and distribution expenses of approximately HK\$95,695,000 (2023: approximately HK\$91,250,000) were incurred during the Year, mainly attributable to the charges paid when importing cargoes into China.

During the Year, administrative expenses remained steady at approximately HK\$390,860,000 (2023: approximately HK\$373,042,000).

Finance costs of approximately HK\$20,310,000 (2023: approximately HK\$28,321,000) were incurred during the Year for the factoring of the Group's trade receivables and for the settlement of interests arising from outstanding trust receipt loans.

Share of profits of associates totaling HK\$45,718,000 (2023: HK\$36,507,000) was recorded during the Year. It arose from the share of profits of associates of 連雲港恆鑫通礦業有限公司, Green Estee Pte. Ltd. and 山東能源集團榮暉國際貿易有限公司. The increase was mainly due to the increase in the share of profits of Green Estee Pte. Ltd. during the Year.

Income tax expense decreased to approximately HK\$63,798,000 in the Year from approximately HK\$140,084,000 in the Corresponding Year, which was in line with the decrease in profits.

The net profit for the Year was approximately HK\$371,921,000 in the Year, as compared to approximately HK\$1,382,081,000 in the Corresponding Year. The decrease in net profits for the Year was mainly due to the reduction of the profits margin in the distribution and trading segment, the decrease of the gain on fair value changes of financial assets at fair value through profit or loss, and the provision for the losses due to the suspected misappropriation of funds in a Singapore subsidiary, as mentioned above.

The Group recorded a basic earnings per share of approximately HK2.20 cents in the Year as compared to a basic earnings per share of approximately HK8.91 cents in the Corresponding Year.

Management Discussion and Analysis

Future Prospects

The Group will focus on the continuing development of the financial services business and the distribution, trading and processing business in 2025.

(i) **Financial Services Business**

The principal activities of the Company includes the provision of a wide range of financial services, including market access and clearing of listed derivatives across all global and onshore Chinese derivatives exchanges, provision of margin financing and money lending business in Hong Kong and Singapore.

– *Money Lending*

The Group carried out money lending business in Hong Kong through Asia Develop Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, which has a money lender's licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

Target customers include corporate customers in Hong Kong, with target loans mainly denominated in Hong Kong dollars for a period of one year in general but could be extended to mutual agreement. The loans are usually secured by collaterals or backed by guarantee.

– *Securities and Derivatives Dealing & Clearing*

The Securities and Futures Commission of Hong Kong has granted to the Group licences to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Group has also secured the Capital Market Services License ("**CMS**") from the Monetary Authority of Singapore in October 2021 to provide clearing services, inter-dealer broking services and to offer contract for differences products in Singapore. In addition, the Group has attained the license to provide voice inter-dealer brokerage services from the UK Financial Conduct Authority ("**FCA**") in July 2022.

– *Assets Management and Fund Management*

In December 2020, the Monetary Authority of Singapore approved the registration of a subsidiary of the Group as a Registered Fund Management Company. The subsidiary was subsequently transitioned to a Licensed Fund Management Company in July 2024. The Licensed Fund Management Company manages collective investment funds that focus on trading listed derivatives and other capital market products. Its investors comprise accredited investors, and the Company plans to expand its offerings by launching additional funds to further diversify investment opportunities.

Management Discussion and Analysis

The derivatives arm of the Group — BPI Financial Group Ltd (“**BPI**”) commenced its operations in late 2017. BPI offers market access, clearing services, and inter dealer brokerage in OTC commodity derivatives. BPI’s subsidiaries hold various regulatory licences in key financial hubs.

Its Hong Kong subsidiary holds a Type 2 licence issued by the Securities and Futures Commission. Its Singapore subsidiary holds a CMS licence from the Monetary Authority of Singapore. BPI’s subsidiary in UK holds a licence from the FCA to provide brokerage service in derivatives. In July 2024, the Singapore subsidiary secured approval from MAS to offer spot leveraged foreign exchange products. The Singapore subsidiary also was approved as a Derivatives Trading and Clearing Member of the Singapore Exchange (“**SGX**”) in January 2024.

BPI’s business comprises of three primary business lines - (a) Global Markets and Clearing Services, (b) Interdealer Broking, and (c) Spot Leveraged Foreign Exchange.

BPI has grown from strength to strength each year since inception in 2017. BPI has achieved significant market share in clearing of international iron ore derivatives, thermal and coking coal, Shanghai sour crude oil, and internationally traded crude oil contracts. In recognition of the Group’s growth and gravitas within listed commodity derivatives, the Singapore subsidiary was awarded the SGX Most Active Commodities Futures Broker of the Year award in 2024.

The Group’s integrated offering comprising of OTC derivatives brokering, listed derivatives market access, clearing, provision of spot leveraged foreign exchange, and hedging solutions is a compelling one-stop-shop model that serves as a differentiating factor.

This benefits customers by saving the hassle of multiple brokerage relationships, increases transaction finality by enabling trades to clear faster while optimizing transaction costs.

(ii) Distribution, Trading and Processing Business

In 2024, the market in China remained stable. The Group continues to focus on its development and expansion in Hong Kong, Singapore and China.

The Group has acquired chemical trading companies in Singapore in 2022, to expand its business horizon and supplement its trading business. The Group will actively seek other acquisition opportunities in future.

SUSPECTED BREACH OF FIDUCIARY DUTIES AND MISAPPROPRIATION OF FUNDS

As disclosed in the announcement of the Company dated 9 August 2024, the management of the Company has discovered and reported to the board of directors (the “**Board**”) of the Company that a director (also acting as the chief executive officer) and certain employees of an indirect non-wholly owned subsidiary of the Company in Singapore (the “**SG Subsidiary**”), are suspected to have breached fiduciary duties and misappropriated certain funds of the SG Subsidiary, which is mainly engaged in trade facilitation services of physical gold and silver. Based on the information currently available to the Company, the Company made provisions of approximately HK\$167 million for the year ended 31 December 2024 (the “**Suspected Misappropriation**”).

Management Discussion and Analysis

The Company has already reported the Suspected Misappropriation to the Singapore Police on 19 July 2024 and began legal proceedings against the suspected director, certain employees and certain counterparties. The suspected director and certain employees of the SG Subsidiary have been terminated from employment. The Board have engaged legal professionals to conduct an investigation on the incident and to assist the Company to recover the Suspected Misappropriation. In addition, the SG Subsidiary has been instructed to cease all operations pending conclusion of the investigation. The Board has conducted a review on how to enhance the internal control systems and procedures.

To the best knowledge, information and belief of the Board, its current assessment is that the Suspected Misappropriation does not impact the day-to-day operations of the Group and would not have a material adverse effect on its cash flow, financial position and business operations. The Board will continue to reassess the impact of the Suspected Misappropriation on the financial position and business operations of the Group from time to time.

For further details, please refer to the section titled “The Management’s Position, View and Assessment on the Qualified Opinion” below.

The Board will make further announcements to update the shareholders and potential investors of the Company on this matter as and when appropriate.

FUND RAISING ACTIVITIES

The Company has not conducted any equity fund raising activities for the year ended 31 December 2024 and the period immediately prior to the date of this annual report.

SIGNIFICANT EVENTS

Save for the events as disclosed in the sections titled “Material Acquisitions and Disposals” and “Suspected Breach of Fiduciary Duties and Misappropriation of Funds”, and disclosed elsewhere in the annual report, the Directors are not aware of any significant events that have taken place during the year ended 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

On 14 March 2025, Bright Point Trading Pte. Ltd. (“**BPT**”) (as tenant) and Green Estee Pte. Ltd. (“**Green Estee**”) (as landlord) have entered into the 2025-2027 tenancy agreement for the leasing of the new premise for a term of two years commencing from 16 March 2025 to 15 March 2027, at the aggregate consideration of approximately S\$1,759,492 (equivalent to approximately HK\$10,240,245). Also, on the same date, BPT (as assignor), Bright Point International Futures (SG) Pte. Ltd. (“**BPI**”) (as assignee) and Prosperity Steel United Singapore Ptd. Ltd. (“**PSU**”) (as landlord) have entered into the assignment agreement in relation to the assignment of the remaining term of the 2022-2025 tenancy agreement 1 (being 16 March 2025 to 15 August 2025 (both days inclusive)) from BPT to BPI. The rent and service charge payable by BPI to PSU under the assignment agreement shall remain the same as that paid by BPT to PSU under the 2022-2025 tenancy agreement 1. For details, please refer to the announcement of the Company dated 14 March 2025.

Management Discussion and Analysis

Save that, the Directors are not aware of any events that have taken place subsequent to 31 December 2024 and up to the date of this annual report.

CHARGES ON ASSETS

Save for the restricted deposits of approximately HK\$582,129,000 (2023: approximately HK\$277,248,000), which were restricted for securing banking facilities granted to the Group, none of the Group's assets was charged or subject to encumbrance as at 31 December 2024.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2023, the Company entered into the call option agreement ("**Call Option Agreement**") with Green Esteel Pte. Ltd. ("**Green Esteel**"), pursuant to which Green Esteel has granted the call option to the Company to subscribe up to 120,000,000 ordinary shares of Green Esteel ("**Call Option**"). The Call Option is exercisable in whole or in parts at any time during the exercise period at the option price of US\$1.00 per the option share. In December 2023, the Company notified Green Esteel by giving a notice in writing pursuant to the Call Option Agreement to exercise the Call Option. The transaction in relation to the approval of the exercise of Call Option and the transactions contemplated has been passed by independent shareholders at the special general meeting dated 25 March 2024. The subscription of 120,000,000 ordinary shares of Green Esteel at the consideration of US\$120,000,000 (approximately HK\$936,000,000) was completed during the year ended 31 December 2024.

For details, please refer to the announcements of the Company dated 5 May 2023, 28 July 2023, 18 December 2023, 22 December 2023 and 25 March 2024, and the Circulars of the Company dated 30 June 2023 and 7 March 2024.

During the year ended 31 December 2024, the Company, entered into the joint venture agreement with Shandong Energy Group Company Limited ("**Shandong Energy**") for the establishment of a joint venture. Pursuant to the joint venture agreement, the Joint Venture shall be, after its formation, owned as to 51% by Shandong Energy and 49% by the Company. The registered capital of the joint venture is expected to be HK\$800 million. Shandong Energy will contribute a total amount of HK\$408 million, and the Company will contribute a total amount of HK\$392 million. For details, please refer to the announcement of the Company dated 22 July 2024.

Saved as disclosed above, during the year ended 31 December 2024, there is no material acquisition or disposal of subsidiaries, associates and joint ventures, which requires disclosures under the Listing Rules.

Management Discussion and Analysis

SIGNIFICANT INVESTMENT

As at 31 December 2024, the Group had interest in associate of Green Steel Pte. Ltd. (“**Green Steel**”), of approximately HK\$1,842 million. The Board considers that investments with net book value accounting for more than 5% of the Group’s total assets as 31 December 2024 as significant investments.

Details of the investment as at 31 December 2024, are as follows:

Company name	As at 31 December 2024				For the year ended 31 December 2024		
	Number of shares held	Proportion to the total issued share capital for the stocks	Original investment HK\$'000	Net book value HK\$'000	Proportion to the total assets of the Group	Share of profits of associate HK\$'000	Dividends received HK\$'000
Green Steel	150,000,000	20.4%	1,170,000	1,841,806	9.7%	35,474	—

Green Steel is an investment holding company and is also involved in the trading of iron ore and hot briquetted iron. Its major investments include a controlling interest in:

- (i) BRC Asia Limited (SGX: BEC), a listed company in Singapore with principal activities in the prefabrication, trading, manufacturing, and sale of steel products;
- (ii) Antara Steel Mills Sdn. Bhd., a company engaged in the production of hot briquetted iron;
- (iii) Eden Flame Sdn. Bhd., a company engaged in the manufacture and sale of steel and related products;
- (iv) HG Metal Manufacturing Limited (SGX: BTG), a listed company in Singapore with principal activities in the trading of steel products and investment holding; and
- (v) Southern Steel Berhad (KL: SSTEEL), a listed company in Malaysia with principal activities as an investment holding company and involvement in the manufacturing, sale, and trading of steel bars and related products.

For the year ended 31 December 2024, the Group recognised share of profits of associate of Green Steel of approximately HK\$35,474,000.

Investing in associate of Green Steel is a strategic choice designed to foster enduring partnerships that promote mutual growth. Our intention is to maintain this investment for the long term, with the goal of generating sustainable value over time.

Management Discussion and Analysis

PRINCIPAL RISKS AND UNCERTAINTIES

Commodities price risk

The Group's revenue and profit for the year were affected by fluctuations in the commodities price as our goods are sold at the market prices and such fluctuation is beyond our control. The considerable fluctuation of commodities price would lead to the Group's instability in operating results, especially in the event of a significant drop in commodities price which would have an adverse impact to the Group's operating results.

Exposure to fluctuation in exchange rates

The Group conducts its distribution and trading business in United States Dollars ("US\$") and Renminbi ("RMB"). Foreign currency exposure to US\$ is minimal, as the Hong Kong Dollars ("HK\$") is pegged to the US\$. The Group is exposed to fluctuation of transactions denominated in RMB. The Group monitors its exposure to foreign currency exchange risk on an ongoing basis.

Counterparty credit and performance risk

The Group continuously monitors the credit quality of our counterparties and seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions including making extensive use of credit enhancement products, such as letter of credit.

Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its assets and liabilities and cash flows. Floating rate debt which is predominantly used to fund fast turning working capital is primarily based on US\$ LIBOR plus an appropriate premium. Accordingly, prevailing market interest rates are continuously factored into transactional pricing and terms.

Legal, regulatory and compliance risk

Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation the Group may suffer as a result of our failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to our business activities. This risk also includes contractual and commercial risk such as the risk that a counterparty's performance obligations will be unenforceable. In today's environment of rapid and possibly transformational regulatory change, the Group also view regulatory change as a component of legal, regulatory and compliance risk.

The financial services industry is subject to extensive regulation, which is undergoing major changes that will impact our business.

The Group oversees potential compliance risks, such as insider dealing, money laundering, on a regular basis. With the support of external professional advisers where appropriate, the Group monitors whether and the extent to which additional regulatory requirements apply as a result of the growth or expansion of our operations in financial services business.

Management Discussion and Analysis

Like other major financial services firms, the Group is subject to extensive regulations, which significantly affect the way the Group do business and can restrict the scope of our existing businesses and limit our ability to expand our product offerings and pursue certain investments. The Group is and will continue to be subject to a more complex regulatory framework, and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

Price risk

The Group's financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative instruments are measured at fair value at the end of reporting period. Therefore, the Group is exposed to equity security and forward contract price risk. The Group manages this exposure by maintaining a portfolio of investments with different risk profiles.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's net current assets were approximately HK\$4,560,652,000 (2023: approximately HK\$6,407,573,000), and its net assets were approximately HK\$7,236,287,000 (2023: approximately HK\$7,269,828,000). As at 31 December 2024, the Group had outstanding loans and other borrowings of approximately HK\$142,930,000 (2023: approximately HK\$4,337,000).

As at 31 December 2024, the current ratio (defined as current assets divided by current liabilities) was approximately 1.39 (2023: approximately 1.71) and the gearing ratio (defined as loans and other borrowings divided by net assets) was 0.02 (2023: 0.0006).

As at 31 December 2024, the Group had an undrawn banking letter of credit limit totalling approximately US\$603,752,000, equivalent to approximately HK\$4,709,266,000 (2023: US\$428,403,000, equivalent to approximately HK\$3,341,543,000).

CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

The capital expenditure of the Group for the Year was approximately HK\$11,882,000 (2023: approximately HK\$14,284,000) for addition of property, plant and equipment.

As at 31 December 2024, the Group had no material capital expenditure commitments (2023: Nil).

As at 31 December 2024, the Group had no material capital commitments (2023: Nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except as disclosed in this annual report, as at 31 December 2024, the Group does not have any other plans for material investments or capital assets.

Management Discussion and Analysis

HUMAN RESOURCES

As at 31 December 2024, the Group had 399 employees in total (2023: 384), consisting of 12 employees in Hong Kong, 135 employees in Singapore, 249 employees in the PRC and 3 employees in the United Kingdom. The remuneration committee of the Company and the Directors reviewed remuneration policies regularly. The structure of the remuneration packages would take into account the level and composition of pay and the general market conditions in the respective countries and businesses. Other than the competitive remuneration package offered to the employees, share options may also be granted to selected employees based on the Group's performance.

CAPITAL STRUCTURE AND EQUITY FUND RAISING

As at 31 December 2024, the Group had equity attributable to owners of the Company of approximately HK\$6,115,522,000 (2023: approximately HK\$6,198,499,000). During the year ended 31 December 2024 and up to the date of this annual report, the Company did not carry out other equity fund raising activities.

EXPLANATION OF THE QUALIFIED OPINION

The Company's auditor, ZHONGHUI ANDA CPA Limited the ("**Auditor**"), issued the qualified opinion ("**Qualified Opinion**") on the consolidated financial statements of the Group.

Details and impact of the qualified opinion on the Group's consolidated financial position

Insufficient accounting records relating to the Suspected Misappropriation of the SG Subsidiary during the year ended 31 December 2024

The qualification and impact was detailed in the section "Qualified Opinion" of the independent auditor's report on pages 94 to 99.

The management's position, view and assessment on the qualified opinion

The Qualified Opinion of the Auditor is a result of the insufficient accounting records relating to suspected breach of fiduciary duties and suspected misappropriation of certain funds ("**Suspected Misappropriation**") by a director (also acting as the chief executive officer) and certain employees of an indirect non-wholly owned subsidiary of the Company in Singapore (the "**SG Subsidiary**") during the year ended 31 December 2024. For details, please refer to the announcement of the Company dated 9 August 2024.

Management Discussion and Analysis

The Group has terminated the employment of the suspected director and certain employees, and ceased all operations of the SG Subsidiary since the discovery of the Suspected Misappropriation. The Group has engaged legal professionals to conduct an investigation on the Suspected Misappropriation and began legal proceedings against the suspected director, certain employees and certain counterparties of the SG Subsidiary. The Group has also reported the Suspected Misappropriation to the Singapore Police on 19 July 2024.

Despite recovery actions taken, the investigations and legal proceedings are still in the early stages and on-going, and it remains unclear the expected time of which they would conclude. The Company will make timely announcements to update the Shareholders on material developments in the legal proceedings as and when appropriate.

Accordingly, the Group considered that the outstanding balances which would be recovered would depend on the outcome of the legal proceedings and has made provisions of approximately HK\$167 million as a result of the Suspected Misappropriation for the year ended 31 December 2024 in the consolidated profit or loss. The management believes that such amount will be adequate in reflecting the loss arising from the Suspected Misappropriation.

The management understood that the Qualified Opinion expressed by the Auditor is due to the ongoing investigation which resulted in it only being able to carry out limited audit procedures as mentioned above.

The management have taken all reasonable steps and used their best endeavours to facilitate the Auditors in carrying out audit procedures of the SG Subsidiary, by obtaining confirmations and arranging interviews and providing access to the accounting books, records and supporting documents, as well as facilitating other audit procedures to address the audit requirements. However, the Auditor was still unable to obtain sufficient appropriate audit evidence to ascertain certain financial information of the SG Subsidiary, including the timing, nature and extent of the Suspected Misappropriation, and the completeness, accuracy and existence of the financial information of the SG Subsidiary for the financial years ending 31 December 2023 and 2024.

The following audit works/supporting documents had been proposed/requested by the Auditor during the FY2024 regarding the Suspected Misappropriation:

- 1) Arrangement of direct confirmations to various customers, suppliers and banks of the SG Subsidiary on a sampling basis;
- 2) Underlying supporting documents such as agreements, invoices, delivery documents, bank payment slips, minutes, etc. of the SG Subsidiary on a sampling basis;
- 3) Supporting documents regarding procedures, findings and conclusion of the investigation and legal proceedings in relation to the Suspected Misappropriation; and
- 4) Interview arrangement with lawyers, the internal control reviewer and relevant parties on understanding the scope of their work, the timing, nature and extent of the Suspected Misappropriation and the related financial impact on the Group.

Management Discussion and Analysis

The management has endeavored to provide currently available information as requested by the Auditor. As stated in the announcement of the Company dated 31 March 2025, investigations into the Suspected Misappropriation and legal proceedings arising from the same are on-going. As a result, the Auditor was unable to obtain sufficient appropriate audit evidence as listed above to ascertain the financial information of the SG Subsidiary, and there were no other satisfactory audit procedures that the Auditor could adopt to verify the matters as stated in the qualified opinion of the Auditor's report.

Given that the Suspected Misappropriation took place over numerous transactions throughout the financial years ending 31 December 2023 and 2024, the investigation and legal proceedings regarding the Suspected Misappropriation are still in progress. Nonetheless, the SG Subsidiary is in the midst of collating the information/supporting documents requested by the Auditor, and is in the process of engaging the services of accounting professionals in Singapore to support the investigation and legal proceedings. Once the investigations are completed, it is expected that the information/supporting documents requested by the Auditor will become available to the Auditor.

The Company places great importance on effective internal control systems, and is committed to avoiding the re-occurrence of a similar Audit Issue. In light of the Suspected Misappropriation and to enhance the internal control of the Company, the Company has commissioned an internal control review of the SG Subsidiary by RSM SG Corporate Advisory Pte. Ltd. ("**RSM Advisory**"), the Singapore branch of a reputable global audit firm.

The Company has considered the findings and has adopted and implemented the recommendations of RSM Advisory. For details, please refer to (M) Key Findings of the Internal Control Review of the SG Subsidiary involved in the Suspected Misappropriation in the Corporate Governance Report.

Management's position and basis on major judgmental areas

The management understood the Qualified Opinion expressed by the Auditor and the limitations of the Auditor's audit procedures are due to the uncertainties of the pending investigation and legal proceedings. The major judgmental areas mainly relate to the provision of information and audit evidence regarding the SG Subsidiary, including the timing, nature and extent of the Suspected Misappropriation, the completeness, accuracy and existence of the financial information of the SG Subsidiary for the financial years ending 31 December 2023 and 2024.

While the Auditor considers that the audit procedures, including (i) direct confirmation arrangements with customers, suppliers and banks of the SG Subsidiary; (ii) interviews with relevant parties; and (iii) obtaining the results of the investigation and legal proceedings regarding the Suspected Misappropriation, are needed to ascertain the completeness, accuracy and existence of the financial information of the SG Subsidiary, the management (as advised by the Legal Professionals), considers that the provision of information as requested by the Auditor may likely hinder the ongoing investigation and the legal proceedings against the suspected director, certain employees and certain counterparties of the SG Subsidiary for the reasons mentioned above. It will also affect the recovery of existing legal claims against certain counterparties.

Accordingly, the management considers that it is in the best interests of the Company to await the conclusion and outcome of the investigation and legal proceedings, before resuming the gathering of audit evidence, which shall be promptly provided to the Auditor once made available.

Management Discussion and Analysis

The audit committee's view on the qualified opinion

The Audit Committee has discussed with the Auditor and the management their position and basis of assessment regarding the Qualified Opinion.

The Audit Committee reviewed the audit qualifications and understood that the Auditor was unable to obtain sufficient appropriate audit evidence in relation to the SG Subsidiary due to the ongoing investigation of the Suspected Misappropriation. It also understood the judgement of the Auditor that they need to carry out certain audit procedures, including direct confirmation arrangement with customers and suppliers of the SG Subsidiary, interview with relevant parties and obtaining the results of the investigation and legal proceedings regarding the Suspected Misappropriation, to ascertain the completeness, accuracy and existence of the financial information of the SG Subsidiary.

The Audit Committee also reviewed and understood the position of the management for the limitations of the provision of audit evidence, given that the investigations and legal proceedings are still in progress. Accordingly, as advised by the Legal Professionals, the provision of audit information as requested by the Auditor may hinder the ongoing investigation and the legal proceedings against the suspected director, certain employees and certain counterparties of the SG Subsidiary, as well as affecting the recovery of existing legal claims against certain counterparties.

The Audit Committee has reviewed that facts and circumstances that formed the basis of the management's assessment regarding the Qualified Opinion, and agreed with its position and basis. The Audit Committee has also considered the Auditors' rationale and understood their consideration in arriving at the Qualified Opinion. Based on the above circumstances, the Audit Committee concurred with the view of the Company's Auditor and the management.

Action plan to address the qualified opinion

The management has endeavored to address the Qualified Opinion in the Group's consolidated financial statements by considering various solutions, such as to expedite the investigation process and legal proceedings, and the possible disposal and the liquidation of the SG Subsidiary, to remove the Qualified Opinion. The Company is also in the process of engaging the services of accounting professionals in Singapore to support the investigation and legal proceedings, including forensically reviewing the reconstructed books to determine the losses suffered by the SG Subsidiary. It is noted that the preliminary investigation result to support the legal proceedings will be available in 2025 at the earliest.

However, as advised by the Legal Professionals, since the investigation and legal proceedings are still in progress, it is not feasible to dispose of the SG Subsidiary at the moment, since the disposal of the SG Subsidiary may affect the investigation, legal proceedings, as well as the recovery of any future claims.



Management Discussion and Analysis

After discussions with the Auditor, provided that the investigation and legal proceedings are finalised and/or the SG Subsidiary is disposed of during the year ending 31 December 2025 such that the Auditor can then be provided with sufficient appropriate audit evidence to ascertain the financial information of the SG Subsidiary, it is expected that the Qualified Opinion will be removed from the Group's consolidated financial statements for the year ending 31 December 2026, as the financial information of the SG Subsidiary would also affect the comparative figures in its consolidated financial statements for the year ending 31 December 2025.

Nonetheless, the management notes that the removal of Qualified Opinion is dependent on a few factors, including the progress of the investigation, legal proceedings and the process of disposal of the SG Subsidiary (if any). The board of directors (including the Audit Committee) have assessed and agreed on the plans and measures taken by the management to resolve the Audit Issue. Nevertheless, they also note that the removal of Qualified Opinion is subject to the aforementioned uncertainty.

The Auditor acknowledges the Company's plans and measures, and highlights that the uncertainties surrounding the plans and measures and the lack of sufficient evidence at this stage currently limit their ability to assess the effectiveness of the plan and measures.

Directors' Report

The Board submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2024.

Principal Activities and Business Review

Theme International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in (i) Distribution, trading and processing business — trading and processing of bulk commodities and related products in Hong Kong, Singapore and the People’s Republic of China (the “**PRC**”); and (ii) Financial services business — provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore.

Particulars of the activities of the Company’s principal subsidiaries during the year are set out in note 40 to the consolidated financial statements. Further discussion and analysis of these activities is required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the Management Discussion and Analysis set out on pages 7 to 20 of this Annual Report. This discussion forms part of this Directors’ Report.

Financial Results

The results of the Group for the year ended 31 December 2024 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 100 to 177.

Segment Information

The analysis of the Group’s revenue and the contribution to results by principal activities for the year ended 31 December 2024 is set out in note 7 to the consolidated financial statements.

Dividends

The board of directors do not recommend the payment of any interim and final dividends in respect of the year ended 31 December 2024 (For the year ended 31 December 2023: Interim dividends of HK2 cents per ordinary share).

Share Repurchase

As mentioned in the annual result announcement of the Company dated 28 March 2024, the Board has approved a share repurchase program authorizing the Company to purchase up to an aggregate of approximately HK\$270 million of the Company’s stock in compliance with the Listing Rules. Shareholders and potential investors of the Company should note that the exercise of the share repurchase program by the Company will be subject to market conditions and will be at the Board’s absolute discretion. There is no assurance of the timing, quantity or price of any share repurchase or whether the Company will make any repurchases at all. The Company will make further disclosures as and when appropriate and as required by the Listing Rules. As at the date of this annual report, the Company has not yet repurchased any of its shares.

Directors' Report

Share Capital

Details of movements in the share capital of the Company during the year ended 31 December 2024 are set out in note 35 to the consolidated financial statements.

Equity Linked Agreements

No equity linked agreements were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year.

Reserves

Details of the movements in reserves of the Company and the Group during the year ended 31 December 2024, are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity on page 103 of this annual report, respectively.

Distributable Reserves

The Company has reserves of accumulated profits amounting to approximately HK\$571,584,000, which are available for distribution to shareholders as at 31 December 2024 (2023: HK\$774,330,000).

Pursuant to the Bermuda Companies Act 1981 (as amended), the Company's share premium account of approximately HK\$1,877,644,000 (2023: approximately HK\$1,877,644,000) can be distributed in the form of fully paid shares.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

Donations

During the year ended 31 December 2024, the Group made charitable donations of approximately HK\$175,000 (2023: HK\$341,000).

Five Years Financial Summary

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 178. This summary does not form part of the audited financial statements.

Directors' Report

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

Directors

The directors of the Company during the year and up to the date of this annual report were:

Executive Directors:

Mr. Jiang Jiang (*Chief Executive Officer*)

Mr. Wu Lei (*Chief Financial Officer*)

Non-Executive Director:

Mr. Ding Lin

Mr. Kang Jian

Mr. Wang Zhenhui (*Resigned on 31 December 2024*)

Independent Non-Executive Directors:

Mr. Liu Song

Ms. Chan Lai Ping

Mr. Wong Hok Bun Mario (*Appointed on 6 December 2024*)

Ms. Kent Shun Ming (*Resigned on 31 October 2024*)

Independence Confirmation

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

Directors' Emoluments

Particulars as required to be disclosed pursuant to Appendix 16 of the Listing Rules are set out in note 12 to the consolidated financial statements.

Biographical Details of Directors and Senior Management

Biographical details of the directors and senior management of the Company are set out on pages 37 to 38 of this Annual Report.

Directors' Service Contracts

As at 31 December 2024, Mr. Jiang Jiang and Mr. Wu Lei are executive directors of the Company. They have entered into service agreements with the Group. The service agreements shall be valid unless terminated by either party by giving a one month's written notice.

Directors' Report

Mr. Ding Lin and Mr. Kang Jian have entered into appointment letters with the Company in relation to their appointment as non-executive directors for a term of one year expiring in May 2025, and March 2026, respectively, unless terminated by at least one month's written notice served by either party at any time during the then existing term.

Mr. Wong Hok Bun Mairo, Ms. Chan Lai Ping and Mr. Liu Song are independent non-executive directors of the Company. Ms. Kent Shun Ming, Ms. Chan Lai Ping and Mr. Liu Song were appointed for a one-year term expiring in December 2025, in July 2025 and in August 2025 respectively, and their appointment letters shall be valid unless terminated by at least one month's written notice served by either party at any time during the then existing term.

Save as disclosed above, none of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts

Except for those disclosed in the section headed "Connected Transactions" below, no contract, transaction or arrangement of significance, to which the Company, its subsidiaries, its controlling shareholder or holding company or any of its subsidiaries was a party and in which a director of the Company or entity connected with a director is or was materially interested, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management Contracts

Saved as disclosed in this annual report, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Save as disclosed in this annual report, no contracts of significance (as that term is used in Appendix 16 of the Listing Rules) in relation to the business of the Group, to which the Company, its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Save as disclosed in this annual report, no contracts of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of year or at any time during the year.

Save as disclosed in this annual report, no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the year or at any time during the year.

Directors' Report

Director's Rights To Acquire Securities

At no time during the year was the Company or the Company's subsidiaries or holding company or a subsidiary of the Company's holding company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors or chief executives of the Company or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the directors of the Company or their spouses or children under the age of 18 had any right to subscribe for the securities (or warrants or debentures, if applicable) of the Company or had exercised any such rights.

Directors' and Chief Executives' Long and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2024, the interests of the Directors and the chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long Positions

The Company

Name of Director	Capacity	Number of shares held	Percentage of the share capital of the Company (Note 1)
Ding Lin	Beneficial Owner	1,010,000	0.007%
Wang Zhenhui (Note 3)	Beneficial Owner	1,680,000	0.012%
Kang Jian (Note 2)	Beneficial Owner	2,000,000	0.015%

Notes:

1. The percentage of interest in the Company is calculated by reference to the number of shares of the Company in issue as at 31 December 2024, that is 13,471,344,631.
2. As at 31 December 2024, Mr. Kang Jian is interested in 10% of Theme Capital Group Limited, a non-wholly owned subsidiary of the Company.
3. Mr. Wang Zhenhui resigned as non-executive director of the Company on 31 December 2024.

Directors' Report

Other than as disclosed above, none of the Directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 December 2024 that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Discloseable Interests and Short Positions of Persons other than Directors and Chief Executives

As at 31 December 2024, so far as known to the Directors or the chief executives of the Company, the following person is the shareholder (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 5% or more of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or who were recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange.

Long position in shares of the Company

Name of substantial shareholder	Capacity and Nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital (note 2)
Mr. You Zhenhua (Note 1)	Beneficial Owner Interest of a controlled corporation	5,820,000 8,624,127,176 (note 1)	0.04% 64.02%

Notes:

- These shares are held by Wide Bridge Limited ("**Wide Bridge**"). Mr. You indirectly holds 100% interest in Wide Bridge. According to SFO, Mr. You is deemed to be interested in the shares held by Wide Bridge.
- Based on the number of 13,471,344,631 shares of the Company in issue as at 31 December 2024.

Save as disclosed above, the Company has not been notified of any persons other than substantial shareholders who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 31 December 2024.

Directors' Report

Retirement Benefits Schemes

The Group mainly participates in social pension scheme, mandatory provident fund scheme and Central Provident Funds scheme for employees in China, Hong Kong and Singapore respectively. In 2024, the Group had no forfeited contributions available to the pension schemes in future years.

The Group's companies in Hong Kong participate in the Mandatory Provident Fund Scheme (the "**MPF Scheme**") which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held in a separately administered fund. The Group contributes 5% of relevant monthly salaries of employees with a cap of monthly contributions of HK\$1,500 to the MPF Scheme. The Group's contributions to the MPF Scheme vest fully and immediately with the employees. Accordingly, there were no forfeited contributions available for the Group to reduce its existing level of contributions to the MPF Scheme.

The Group's company in the PRC participates in defined contribution retirement plans and other employee social security plans including pension, medical, other welfare benefits (the "**Defined Contribution Plans in the PRC**"), which are organised and administered by the relevant governmental authorities for all qualifying employees in the PRC. Each of the Group and the employees contribute to these plans based on certain percentages of relevant monthly salaries of employees, subject to a certain ceiling, as stipulated by the relevant regulations. The Group has no further payment obligation once the contributions have been paid. The Group's contributions to the Defined Contribution Plans in the PRC vest fully and immediately with the employees. Accordingly, there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Plans in the PRC.

The Group's companies in Singapore participate in the Central Provident Fund Scheme (the "**CPF Scheme**") which is registered under Central Provident Fund Act in Singapore for all qualifying employees in Singapore. The Group contributes to the CPF Scheme based on certain percentages of relevant monthly salaries of employees, subject to a certain ceiling, as stipulated by the relevant regulations. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to the CPF Scheme vest fully and immediately with the employees. Accordingly, there were no forfeited contributions available for the Group to reduce its existing level of contributions to the CPF Scheme.

Major Customers and Suppliers

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year ended 31 December 2024 is as follows:

	Percentage of the Group's total	
	Sales	Purchases
The largest customer	7%	
Five largest customers in aggregate	24%	
The largest supplier		23%
Five largest suppliers in aggregate		45%

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in these major customers and suppliers.

Directors' Report

Connected Transactions

During the year ended 31 December 2024, the Group had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules. Such transactions were also disclosed in the related party transactions as disclosed in note 39 to the consolidated financial statements in this annual report.

1. Continuing connected transactions

(a) Service agreement entered into between the Company and Mr. You Zhenhua ("Mr. ZH You")

Pursuant to the announcement of the Company dated 22 December 2023, a service agreement was entered into between the Company and Mr. ZH You, pursuant to which the Company can provide services to Mr. ZH You and his associates from time to time ("ZH You Group") (where applicable, including its close associates (as defined in the Listing Rules)), including the execution and clearing services for derivative products and the inter-dealer brokerage services. The period of the service agreement started from 1 January 2024 to 31 December 2026 (both dates inclusive), which can be terminated by either party with 7 days' prior written notice. The clearing fee and commission to be charged for the services shall be at rates no more favourable than offered to other clients of the Group who are independent third parties for the provision of similar services and in accordance with the pricing policy of the Group from time to time.

Mr. ZH You, a controlling shareholder of the Company, and therefore is a connected person of the Company. As such, the transaction contemplated by the service agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2024 for the transaction contemplated:

	Transaction amount for the year ended 31 December 2024 HK\$'000	Annual cap for the year ended 31 December 2024 HK\$'000
Revenue generated from the provision of the services to PSU	7,625	40,000

Directors' Report

(b) 2024-2026 Master Sale and Purchase Agreement I entered into between the Company and Mr. You Zhenhua ("Mr. ZH You")

Pursuant to the announcement of the Company dated 22 December 2023, a master sale and purchase agreement I (the **"2024-2026 Master Sale and Purchase Agreement I"**) was entered into between the Company and Mr. ZH You, pursuant to which the Company agrees to purchase and/or supply iron ore, steel products and nickel ore and Mr. ZH You and his associates from time to time (**"ZH You Group"**) agrees to supply and/or purchase and/or procure the purchase and/or supply of iron ore, steel products and nickel ore in Singapore in accordance with the terms of the 2024-2026 Master Sale and Purchase Agreement I. The 2024-2026 Master Sale and Purchase Agreement I is for a term of three financial years ending on 31 December 2026. The payment under each separate supply/purchase order shall be principally settled within 60 days from the date of invoice. In the absence of state-prescribed price, the price shall be determined by reference to the internal database of prices gathered by the Group, which is developed with reference to the list of internal criteria which includes base price and grading of the iron ore, steel products and nickel ore. Further, the Group also makes reference to the market prices of iron ore, steel products and nickel ore sourced from different commonly recognised industrial websites for them, as well as the recent selling prices of iron ore, steel products and nickel ore to independent third parties.

Mr. ZH You is the controlling shareholder, and hence a connected person of the Company. As such, the transactions contemplated under the 2024-2026 Master Sale and Purchase Agreement I constitute continuing connected transactions of the Company and are therefore subject to the reporting, announcement and annual review requirements under chapter 14A of the Listing Rules.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2024 for the transactions contemplated:

	Transaction amount for the year ended 31 December 2024 HK\$'000	Annual cap for the year ended 31 December 2024 HK\$'000
Purchase or sale of iron ore, steel products and nickel ore from/to the ZHY Group	138,479	240,000

Directors' Report

(c) 2024-2026 Master Sale and Purchase Agreement II entered into between the Company and Mr. You Zhenwu ("Mr. ZW You")

Pursuant to the announcements of the Company dated 22 December 2023, a master sale and purchase agreement II (the "**2024-2026 Master Sale and Purchase Agreement II**") was entered into between the Company and Mr. ZW You, pursuant to which the Company agrees to purchase and/or supply iron ore, steel products and nickel ore and Mr. ZW You and his associates from time to time ("**ZW You Group**") agrees to supply and/or purchase and/or procure the purchase and/or supply of iron ore, steel products and nickel ore in the PRC and the Company agrees to provide or procure its subsidiary(ies) to provide the Processing Services to the ZWY Group in the PRC, in accordance with the terms of the 2024-2026 Master Sale and Purchase Agreement II. The Master Sale and Purchase Agreement II is for a term of three financial years ending on 31 December 2026. The payment under each separate supply/purchase order and/or the related Processing Services shall be principally settled within 60 days from the date of invoice. In the absence of state-prescribed price, the price shall be determined by reference to the internal database of prices gathered by the Group, which is developed with reference to the list of internal criteria which includes base price and grading of the iron ore, steel products and nickel ore. Further, the Group also makes reference to the market prices of iron ore, steel products and nickel ore sourced from different commonly recognised industrial websites for them, as well as the recent selling prices of iron ore, steel products and nickel ore to independent third parties.

Mr. ZH You is the controlling shareholder, and hence a connected person of the Company. Mr. ZW You is the brother of Mr. ZH You, and an associate of Mr. ZH You. Mr. ZW You is hence a connected person of the Company. As such, the transactions contemplated under the 2024-2026 Logistic Services Framework Agreement constitute continuing connected transactions of the Company and are therefore subject to the reporting, announcement and annual review requirements under chapter 14A of the Listing Rules.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2024 for the transactions contemplated:

	Transaction amount for the year ended 31 December 2024 HK\$'000	Annual cap for the year ended 31 December 2024 HK\$'000
Purchase or sale of iron ore, steel products and nickel ore from/to the ZWY Group and the provision of the processing services by the Group to the ZWY Group	236,963	330,000

Directors' Report

(d) 2024-2026 Logistic Services Framework Agreement entered into between the Company and Mr. ZW You

Pursuant to the announcement of the Company dated 22 December 2023, a logistic services framework agreement (the “**2024-2026 Logistic Services Framework Agreement**”) was entered into between the Company and Mr. ZW You, pursuant to which ZWY Group agrees to provide logistic services, including (i) transporting raw iron ore between ports, plants and customer's places; (ii) transporting processed iron ore between ports, plants and customer's places; (iii) transporting steel products between ports, plants and customer's places; and (iv) settling iron ore import custom clearance and related port charges, to the Group in accordance with the terms of the 2024-2026 Logistic Services Framework Agreement. The 2024-2026 Logistic Services Framework Agreement is for a term of three financial years ending on 31 December 2026. The payment under each separate services invoice shall be principally settled within 60 days from the date of invoice. Mr. ZW You and the Company shall procure that the ZWY Group and the Group shall negotiate and agree to the price of the logistic services by reference to the prevailing market prices and prevailing prices charged to independent third parties of same or substantially similar services, taking into account of the load, timing and territory for delivery.

Mr. ZH You is the controlling shareholder, and hence a connected person of the Company. Mr. ZW You is the brother of Mr. ZH You, and an associate of Mr. ZH You. Mr. ZW You is hence a connected person of the Company. As such, the transactions contemplated under the 2024-2026 Logistic Services Framework Agreement constitute continuing connected transactions of the Company and are therefore subject to the reporting, announcement and annual review requirements under chapter 14A of the Listing Rules.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2024 for the transactions contemplated:

	Transaction amount for the year ended 31 December 2024 HK\$'000	Annual cap for the year ended 31 December 2024 HK\$'000
Provision of Logistic Services from the ZWY Group to the Group	280,925	330,000

Directors' Report

Confirmations from independent non-executive Directors and reports from auditors

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that the transactions have been entered into (1) in the ordinary and usual course of business of the Group; (2) on normal commercial terms or better; and (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company has engaged its auditor to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (**"Revised"**) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their letter containing their findings and conclusions in respect of such continuing connected transactions set out above in accordance with the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

For the purpose of rule 14A.56 of the Listing Rules, the auditor of the Company has provided a letter to the Board confirming that in respect of the abovementioned continuing connected transactions covered in the Service Agreement (**"Disclosed Continuing Connected Transactions"**) nothing has come to the auditor's attention that causes them to believe that such transactions:

- (a) have not been approved by the Company's board of directors.
- (b) were not, in all material respects, in accordance with the pricing policies of the Group.
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (d) have exceeded the annual caps as set by the Company in respect of the continuing connected transactions.

2. Connected transactions

(a) Connected Transaction: Exercise of the Call Options of Estee

On 5 May 2023, the Company entered into the call option agreement (**"Call Option Agreement"**) with Green Estee Pte. Ltd. (**"Green Estee"**), pursuant to which Green Estee has granted the call option to the Company to subscribe up to 120,000,000 ordinary shares of Green Estee (**"Call Option"**). The Call Option is exercisable in whole or in parts at any time during the exercise period commencing from 5 May 2023 to 31 March 2024 at the option price of US\$1.00 per option share. In the event the Call Option is exercised in full (the exercise of which is at the discretion of the Company), the aggregate consideration payable by the Company will be US\$120,000,000.

Directors' Report

On 17 December 2023, the Company notified Green Esteel by giving a notice in writing pursuant to the Call Option Agreement to exercise the Call Option. The transaction in relation to the approval of the exercise of Call Option and the transactions contemplated has been passed by independent shareholders at the special general meeting dated 25 March 2024. The subscription of 120,000,000 ordinary shares of Green Esteel at the consideration of US\$120,000,000 (approximately HK\$936,000,000) was completed during the year ended 31 December 2024.

For details, please refer to the announcements of the Company dated 5 May 2023, 28 July 2023, 18 December 2023, 22 December 2023 and 25 March 2024, and the Circulars of the Company dated 30 June 2023 and 7 March 2024.

Mr. You is the controlling shareholder of the Company, and hence a connected person of the Company. Green Esteel is a company controlled by Mr. You. Accordingly, the exercise of the Call Option constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As more than one applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the exercise of the Call Option were more than 5% but less than 25%, the exercise of the Call Option constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

(b) Others

Apart from the above, as disclosed in the related party transactions in note 39 to the consolidated financial statements, during the year ended 31 December 2024, the Company and its subsidiaries had the following transactions, which constituted fully exempt connected transactions pursuant to the Listing Rules:

- (i) the Company and its subsidiaries received brokerage and commission fee income of approximately HK\$10,299,000 from certain non-controlling interest parties. Such transaction was conducted on normal commercial terms and was in the ordinary course of business. It fell within the de minimis provision under Chapter 14A of the Listing Rules because the applicable percentage ratios under Rule 14.07 of the Listing Rules were less than 1% and the transaction was a connected transaction only because it involved a connected person at the subsidiary level. Accordingly, it was exempted from the reporting, announcement and independent shareholders' approval under the applicable Listing Rules.

Directors' Report

- (ii) the Company and its subsidiaries received brokerage and commission fee income of approximately HK\$5,687,000 from a related party controlled by a close family member of the ultimate controlling shareholder of the Company. Such transaction was conducted on normal commercial terms and was in the ordinary course of business. It fell within the de minimis provision under Chapter 14A of the Listing Rules because the applicable percentage ratios under Rule 14.07 of the Listing Rules were less than 0.1%. Accordingly, it was exempted from the reporting, announcement, and independent shareholders' approval under the applicable Listing Rules.
- (iii) the Company and its subsidiaries sold commodities of approximately HK\$1,141,974,000 to associates of the Company. Such transactions didn't constitute connected transactions pursuant to the Listing Rules, because such associates of the Company were not classified as connected persons under the Listing Rules.
- (iv) the Company and its subsidiaries had amount due from an associate of the Company controlled by the ultimate controlling shareholder of the Company totalling HK\$1,141,920,000 as at 31 December 2024. The amount due to an associate was unsecured, interest-free and repayment within one year. It was fully repaid after the year end. Such transaction was conducted on normal commercial terms or better and was not secured by the assets of the group. Accordingly, it was exempted from the reporting, announcement, and independent shareholders' approval under the applicable Listing Rules.

Save as disclosed above, the Group had no other transactions which were required to be disclosed as connected transactions pursuant to the Listing Rules. The Directors confirm that the Company has, where applicable, complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Compliance with Relevant Laws and Regulations

During the Year, there were no areas of material non-compliance with applicable laws and regulations that have a significant impact on the Company known to the Directors.

Key Relationships with Employees, Customers and Suppliers and Others

The Group recognises that employees are a valuable asset of the organisation and it is essential to attract and motivate good talent while balancing the interests of other stakeholders. Apart from a safe and healthy workplace, we offer a comprehensive remuneration and benefits package to our employees, training opportunities, equal opportunities and fairness at work for all as well as channels for staff communication. Staff social functions are arranged to enhance employees' sense of belonging and to help create a friendly and harmonious working environment. Salaries are reviewed and adjusted on a yearly basis, and from time to time, to ensure balancing pay for performance with shareholder alignment. The Group also recognises the importance of maintaining good relationship with its shareholders, customers and business partners in order to achieve long-term goals. Accordingly, the senior management maintains good communication and promptly exchanges ideas and shares the Group's business updates with these people.

During the Year, there were no material and significant disputes between the Company or any of its subsidiaries and their respective employees, customers and suppliers, shareholders or business partners known to the Directors.

Directors' Report

Environmental Policies and Performance

The Group recognises the importance of environmental sustainability against modern ecological challenges. As a responsible corporate citizen, the Group has been actively taking steps to minimise the negative environmental impacts, reduce wastage and maximise energy efficiency which in turn provides a green and eco-friendly environment to the community. Green office practices such as double-sided printing and copying, promoting using recycled papers and reducing energy consumption by switching off idle lighting are encouraged in the operation of the Group's businesses. The Group will review its environmental practices from time to time and will consider implementing further practicable measures and practices to enhance environmental sustainability.

Directors' Interests in a Competing Business

During the Year, none of the Directors nor their respective associates had any business which competes or may compete with the business of the Group.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the best knowledge of the Directors as at the date of this Annual Report, the Company has maintained sufficient public float as required under the Listing Rules.

Corporate Governance

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 39 to 62 of this annual report.

Dividend Policy

The Company has adopted a dividend policy ("**Dividend Policy**"), pursuant to which the Company aims to create long-term, sustainable and stable returns for the Company's shareholders. According to the Dividend Policy, when determining and recommending any dividend payout ratio, the Board will take into account the Company's financial results, future prospects and other factors and it is subject to:

- the Bye-laws of the Company;
- the applicable restrictions and requirements under the laws of Bermuda;
- any banking or other funding covenants by which the Company is bound from time to time;
- the investment and operating requirements of the Company; and
- any other factors that have material impact on the Company.

Directors' Report

Indemnity of Directors

A permitted indemnity provision (as defined in Section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the Year.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption the shareholders are entitled by reason of their holding of the Company's securities.

Auditor

The consolidated financial statements of the Company for the year ended 31 December 2024 were audited by ZHONGHUI ANDA CPA Limited ("**ZHONGHUI ANDA**") which would retire at the conclusion of the forthcoming annual general meeting ("**AGM**") and, being eligible, offer themselves for re-appointment. A resolution will be proposed to the Shareholders to re-appoint ZHONGHUI ANDA as auditor of the Company and to authorise the Board to fix their remuneration at the AGM.

ON BEHALF OF THE BOARD

Wu Lei

Executive Director

Hong Kong, 31 March 2025

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Jiang Jiang (“Mr. Jiang”), aged 42, was appointed as executive director of the Company on 29 July 2019. He is also a director of subsidiaries of the Company. Mr. Jiang obtained his master degree of business administration from the University of Oklahoma in the United States and bachelor degree in Chemistry from the University of Science and Technology of China. He has over 15 years of experience in commodities trading and derivatives trading of iron ore, manganese and rebar. Mr. Jiang was previously the head of trading of an international commodity house, where he gained ample experience in commodity and derivatives trading.

Mr. Wu Lei (“Mr. Wu”), aged 37, was appointed as executive director of the Company on 1 October 2016. He is also a director of subsidiaries of the Company. Mr. Wu Lei held a Bachelor of Business Administration (Accountancy) with Honours from The National University of Singapore and has more than 15 years of experiences in accountancy and commodities trading and hedging. Mr. Wu Lei used to work in one of the big four international accounting firms. Before joining the Company, Mr. Wu Lei was a trader of an international commodity house, where he gained ample experience in commodity trading, futures trading, international hedging and financial management.

Non-executive Directors

Mr. Ding Lin (“Mr. Ding”), aged 50, was appointed as non-executive director of the Company with effect from 21 May 2021. He is currently a member of the audit committee of the Company. He obtained a bachelor’s degree of engineering, majoring in Precision Instrument from Tsinghua University in 1997 and obtained a master’s degree of economics, majoring in Finance from Peking University in 2000. Mr. Ding has over twenty years of experience in capital markets and investment banking, institutional broking and direct investment businesses.

Mr. Kang Jian (“Mr. Kang”), aged 39, was appointed as executive director of the Company on 8 August 2018 and was re-designated as non-executive director of the Company with effect from 3 March 2020. He is also a director of subsidiary of the Company. Mr. Kang obtained both his master and bachelor degrees in law from Renmin University of China. Mr. Kang has over 10 years of experience in risk management and corporate credit approval in the banking sector. Prior to joining the Group, Mr. Kang was the vice president and fund manager of a private equity fund in PRC since April 2017, where he gained ample experience in commodity and derivative trading.

Independent Non-executive Directors

Mr. Liu Song (“Mr. Liu”), aged 52, was appointed as independent non-executive director of the Company on 8 August 2018 and is currently a member of the remuneration committee and nomination committee of the Company. Mr. Liu obtained his bachelor degree in transport and communications management engineering from the Shanghai Maritime University. Mr. Liu has over 25 years of experience in marine transportation management. Prior to joining the Group, Mr. Liu held different senior management positions in various companies in PRC engaged in the marine transportation.



Biographical Details of Directors and Senior Management

Ms. Chan Lai Ping (“Ms. Chan”), aged 41, has been appointed as an independent non-executive Director, a member of the audit committee, a member of the remuneration committee and a member of the nomination committee, all with effect from 6 July 2022. Ms. Chan holds a degree of Bachelor of Business Administration (Honours) (Major in Accounting) from Lingnan University in Hong Kong and a degree of Master of Finance (Corporate Finance) from the Hong Kong Polytechnic University. She is a registered member of Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 15 years of experience in the accounting and financial industries. She is currently the financial controller and company secretary of China Demeter Financial Investments Limited (whose shares are listed on GEM of the Stock Exchange, Stock Code: 8120) (“**China Demeter**”). Before she joined China Demeter, she worked in various local and international audit firms for around eight years. Ms. Chan is also currently the independent non-executive director of Power Financial Group Limited (whose shares are listed on the Stock Exchange, Stock Code: 397).

Mr. Wong Hok Bun Mario (“Mr. Wong”), aged 45, has been appointed as an independent non-executive Director and chairman of each of the audit committee, the remuneration committee and the nomination committee, all with effect from 6 December 2024. Mr. Wong received a Bachelor’s Degree in Economics and Finance from the University of Hong Kong in November 2001. He has been a Member of the Hong Kong Institute of Certified Public Accountants since July 2005, a Chartered Financial Analyst since December 2008 and a Member of The Australasian Institute of Mining and Metallurgy since May 2015. Besides, Mr. Wong has over 20 years of experience in auditing, accounting, financial management, and corporate finance at an international accounting firm, various commercial firms and listed companies. Mr. Wong is currently the Vice President, the Chief Financial Officer and the Company Secretary of Chifeng Jilong Gold Mining Co., Ltd., a company listed on the Shanghai Stock Exchange and the Main Board of the Hong Kong Stock Exchange (SSE: 600988; HKEX:6693). Mr. Wong served as the Chief Financial Officer and Company Secretary of Jinchuan Group International Resources Company Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2362), from November 2018 to July 2023 and September 2018 to July 2023, respectively. Mr. Wong served as an independent non-executive director of Good Resources Holdings Limited, a company previously listed on the Main Board of the Hong Kong Stock Exchange until May 2022 (stock code: 0109) from May 2017 to May 2022.

Senior Management

Mr. Ho Yui Pang (“Mr. Ho”), aged 39, was appointed as company secretary of the Company with effect from 7 September 2018. Mr. Ho has over 15 years of auditing, accounting and company secretarial experiences in international reputable accounting firms and listed companies. Mr. Ho started to work in several international accounting firms before working in listed companies where he served in various positions including accounting manager, finance director and company secretary.

Corporate Governance Report

The Board is responsible for the leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance. The day-to-day management, administration and operation of the Company are delegated to the senior management of the Company. The delegated functions and work tasks are periodically reviewed. Approvals must be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

The Board is responsible for performing the corporate governance functions set out in Code Provision A.2.1 of the Corporate Governance Code contained in Appendix C1 (the "**CG Code**") of the Listing Rules. The Board has reviewed: (a) the Company's corporate governance policies and practices, (b) training and continuous professional development of directors and senior management, (c) the Company's policies and practices on compliance with legal and regulatory requirements, (d) the Company's code of conduct and (e) the Company's compliance with the CG Code disclosures requirements; and the Board was satisfied that the above-mentioned corporate governance functions were adhered to.

The Board has delegated various responsibilities to the Board committees including the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") (collectively, the "**Board Committees**"). Further details of these committees are set out below.

Save as disclosed, the Company has complied with the principles and applicable code provisions of the Corporate Governance Code in force during 2024 (the "**CG Code**") as set out in Appendix C1 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the year.

(A) Corporate Governance Practices

Compliance with Code on Corporate Governance Practices

The Company is committed to maintaining a high standard of corporate governance, holding the beliefs of transparency, independence, honesty and accountability, with a view to enhance investors' confidence. The Company therefore strives to attain and maintain effective corporate governance practices and procedures. Save and except for Code Provisions in the CG Code as set out in Appendix C1 of the Listing Rules as detailed below, the Company has complied with all the Code Provisions and to a certain extent of the recommended best practices set out in the CG Code throughout the year ended 31 December 2024.

Under Code Provision C.2.1 of the CG Code, the role of chairman and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual. Since the resignation of the chairman of the Company on 1 April 2016, the role of chairman has been vacant until identification of a suitable candidate. Mr. Wu Lei, executive director of the Company, temporarily acted as the role of chairman during the Interim Period. Mr. Jiang Jiang has been the CEO of the Company during the Interim Period.



Corporate Governance Report

Under Code Provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. Since the resignation of the chairman of the Company on 1 April 2016, the role of chairman has been vacant until identification of a suitable candidate. From 3 March 2020, the position of chairman has been temporarily acted by Mr. Wu Lei, the executive director of the Company to fill the casual vacancy. Mr. Wu Lei has attended the annual general meeting held on 28 June 2024.

Under Code Provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors generally should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. One independent non-executive director, Mr. Liu Song, had not attended the special general meeting held on 25 March 2024, due to his other business engagements.

(B) Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all Directors and each of them confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

(C) Board Composition and Board Practices

The composition of the Board is shown on page 2 of this Annual Report. The Board currently comprises nine directors, including three executive directors, three non-executive directors and three independent non-executive directors. One of the three independent non-executive directors has appropriate professional qualifications, or accounting or related financial management expertise. The primary responsibilities of the Board are to establish long term strategies, administrate and oversee the operations and financial policies and supervising management of the Group. The Board delegates day-to-day operations of the Company to the management of the Group and also instructs the management to implement the Board's decisions and resolutions. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee. The Company has received, from each of the independent non-executive directors, confirmation of his independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all the independent non-executive directors are independent.

All Directors (including non-executive directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Bye-laws and the CG Code. In accordance with the Company's Bye-laws, newly appointed director(s) is/are required to retire and can offer themselves for re-election at the first annual general meeting following their appointment.

Details of backgrounds and qualifications of the Directors are set out in the section of "Biographical Details of Directors and Senior Management".

The current Board members have no financial, business, family or other material/relevant relationships with each other.

Corporate Governance Report

In 2024, the Board held 4 meetings to discuss the Group's overall strategy, operation and financial performance. In any event, all Directors were available for consultation by management from time to time during the year. The attendance of individual director to the Board meeting is set out on page 41 of this Annual Report. Review of the Board composition is made regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The Company provides at least 14 days' notices of every regular Board meeting to all directors to give them an opportunity to attend. Board papers are circulated not less than 3 days before the Board meetings to enable the directors to make informed decisions on matters to be raised at the Board meetings.

During the Year, the company secretary of the Company ("**Company Secretary**") attended all the regular Board meetings to advise on corporate governance and statutory compliance when necessary. Directors had full access to information on the Group and were able to seek independent professional advice whenever deemed necessary by the Directors. The Company Secretary prepared minutes and kept records of matters discussed and decisions resolved at all Board meetings. All Directors have access to the advice and services of the Company Secretary with a view to ensure that Board procedures, and all applicable rules and regulations, are followed.

The Board, Audit Committee, Remuneration Committee and Nomination Committee had held 4, 3, 2 and 2 meetings, respectively in 2024.

The attendance at the Board and respective Board Committees Meetings, Annual General Meeting and Special General Meeting held in 2024 are as follows:

Name of Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Special General Meeting
<i>Executive Directors:</i>						
Mr. Jiang Jiang (Chief Executive Officer)	4/4	N/A	N/A	N/A	1/1	1/1
Mr. Wu Lei (Chief Financial Officer)	4/4	N/A	N/A	N/A	1/1	1/1
<i>Non-Executive Directors:</i>						
Mr. Ding Lin	4/4	3/3	N/A	N/A	1/1	1/1
Mr. Kang Jian	4/4	N/A	N/A	N/A	1/1	1/1
Mr. Wang Zhenhui (resigned on 31 December 2024)	4/4	N/A	N/A	N/A	1/1	1/1
<i>Independent Non-Executive Directors:</i>						
Mr. Liu Song	4/4	N/A	2/2	2/2	1/1	0/1
Ms. Chan Lai Ping	4/4	3/3	2/2	2/2	1/1	1/1
Mr. Wong Hok Bun Mario (appointed on 6 December 2024)	N/A	1/1	N/A	N/A	N/A	N/A
Ms. Kent Shun Ming (resigned on 31 October 2024)	3/3	2/2	1/1	1/1	1/1	1/1

Corporate Governance Report

(D) Continuous Professional Development

In order to ensure the Directors' contribution to the Board remains informed and relevant and to develop and refresh their knowledge and skills, the Company has regularly provided training information, encouraged and funded suitable trainings/seminars for the Directors to participate in continuous professional development. The Company also updates the Directors on the latest developments regarding the Listing Rules and applicable regulatory requirements from time to time to enhance their awareness of good corporate governance practices and to ensure compliance.

During the Year, all Directors who were in office as at 31 December 2024 have participated in continuous professional development by attending training courses and/or referring materials on the topics related to the Group's business, corporate governance and regulations:

Name of Director	Reading regulatory update	Attending expert briefings/seminars/conferences relevant to the business or directors' duties
<i>Executive Directors:</i>		
Mr. Jiang Jiang (<i>Chief Executive Officer</i>)	✓	✓
Mr. Wu Lei (<i>Chief Financial Officer</i>)	✓	✓
<i>Non-Executive Directors:</i>		
Mr. Ding Lin	✓	✓
Mr. Kang Jian	✓	✓
<i>Independent Non-executive Directors:</i>		
Mr. Liu Song	✓	✓
Ms. Chan Lai Ping	✓	✓
Mr. Wong Hok Bun Mario	✓	✓

Corporate Governance Report

(E) Company Secretary

The Company Secretary is responsible for facilitating the exchange of information flows and communicating among Directors as well as between Shareholders and management of the Company. All Directors have access to the advice and assistance of the Company Secretary. The Company Secretary is also responsible for ensuring that Board procedures are followed. The Company Secretary's biography is set out in the "Biographical Details of Directors and Senior Management" section of this Annual Report. The Company Secretary is an employee of the Company and is appointed by the Board. During the Year, the Company Secretary has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

(F) Chairman and Chief Executive Officer

Under Code Provision C.2.1 of the CG Code, the role of chairman and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual. Since the resignation of the chairman of the Company on 1 April 2016, the role of chairman has been vacant until identification of a suitable candidate. Mr. Wu Lei, an executive director of the Company, temporarily acted as the role of chairman throughout the Year. Mr. Jiang Jiang has been the CEO of the Company throughout the Year.

(G) Appointment of Director

The newly appointed Director during the year ended 31 December 2024, namely Mr. Wong Hok Bun Mario, confirmed that he obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 4 December 2024. He has confirmed that he understood his obligations as Director of the Company.

(H) Remuneration Committee

The Company established a Remuneration Committee in 2005 with written terms of reference in accordance with the relevant requirements of the CG Code. The composition of the Remuneration Committee is shown on page 2 of this Annual Report. The Remuneration Committee currently comprises three independent non-executive directors, namely, Mr. Wong Hok Bun Mario (Chairman of the Remuneration Committee), Mr. Liu Song and Ms. Chan Lai Ping. The members' attendance to the Remuneration Committee meeting is listed out on page 41. The role and function of the Remuneration Committee include the determination of the specific remuneration packages of all executive and non-executive directors, including benefits in kind, pension rights and compensation payments (such as compensation payable for loss or termination of their office or appointment), and to make recommendations to the Board on the remuneration package of the Directors and senior management. The emolument policy regarding the employees of the Group is set up by the Remuneration Committee and is based on their merit, qualifications and competence. The Remuneration Committee should consider factors such as the salaries index, time commitment and responsibilities of the directors in determining emoluments payable to the directors.

Corporate Governance Report

The summary of work done by the remuneration committee during the Year includes reviewing the remuneration policy of the Company, assessing the performance of the executive Directors and senior management and recommending specific remuneration packages of the Directors and senior management to the Board with reference to the level of responsibilities of the individual Director, the scope of operation of the Group as well as the prevailing market conditions.

Details of the Directors' and senior management's emoluments for the Year are set out in note 12 to the consolidated financial statements.

The remunerations of the Directors and senior management of the Group for the year ended 31 December 2024 fall within the following band:

Remuneration band	Number of directors and senior management
Nil to HK\$1,000,000	4
HK\$1,000,001 to HK\$1,500,000	3
HK\$2,500,001 to HK\$3,000,000	1
HK\$3,000,001 to HK\$3,500,000	1
HK\$3,500,001 to HK\$4,000,000	1
HK\$5,000,001 to HK\$5,500,000	2
HK\$11,000,001 to HK\$11,500,000	1
HK\$17,000,001 to HK\$17,500,000	1
HK\$24,000,000 to HK\$25,000,000	1

(I) Nomination Committee

The Company established a Nomination Committee in 2013 with written terms of reference in compliance with the CG Code. The Nomination Committee currently comprises of three independent non-executive directors, namely Mr. Wong Hok Bun Mario (Chairman of the Nomination Committee), Mr. Liu Song and Ms. Chan Lai Ping.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board, make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identify individuals suitably qualified to become Board members, and assess the independence of independent non-executive directors and make recommendations to the Board on the selection of individuals nominated for directorships and succession planning for directors, in particular the chairman and the chief executive.

Corporate Governance Report

The summary of work done by the Nomination Committee during the Year includes reviewing the structure, size and composition of the Board, identifying suitable candidates for directorships, determining the policy for the nomination of directors, the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship.

The Nomination Committee has adopted a board diversity policy setting out the approach to achieve diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to race, gender, age, cultural and educational background, professional experience, skills and knowledge. Such measurable objectives have been achieved during the Year. The Nomination Committee will review the board diversity policy, as appropriate, to ensure its continued effectiveness.

The Nomination Committee also has a nomination policy to standardise and enhance transparency for the nomination procedures and the process and criteria adopted by the Nomination Committee in selecting and recommending candidates as Directors, in order to ensure that the Board shall have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

To maintain the gender diversity, the Board currently consists of 7 members, being 6 male directors and 1 female director. The Board will continue to take initiatives to identify suitable candidates based on a range of diversity perspectives. The Board will continue to place emphasis on hiring practices to ensure that qualified female candidates are given equal consideration alongside male counterparts. By placing emphasis on gender diversity in the succession planning process, the Company has a diverse pipeline of capable candidates ready to step into leadership positions when vacancies arise.

The details of workforce composition are disclosed in the section headed "Environmental, Social and Governance Report" of this annual report. The Company is committed to employing appropriate staff for a suitable position regardless of the gender as its recruitment strategy. The Company has various departments which are led by different male and female staff, and in order to enhance efficiency, the Company has not set a measurable objective for achieving gender diversity at workforce level. The Company is committed to providing equal opportunities to its staff in respect of recruitment, training and development, job advancement, and remuneration and benefits, on a merit-based policy.

The Nomination Committee shall be responsible for reviewing the policy and disclosing the same in the corporate governance report to ensure full compliance with the CG Code, the Listing Rules, the Bye-laws of the Company and other relevant provisions.

The non-exhaustive selection criteria to assess the suitability of a proposed candidate as a Director by the Nomination Committee are listed below:

- (a) integrity and reputation;
- (b) skill, accomplishment and experience relevant to the Company's business;
- (c) available time commitment;



Corporate Governance Report

(d) existing and potential conflicts of interest;

(e) diversity of the Board;

Any Directors may nominate a candidate for appointment, election or re-election as a Director by the Board or at a general meeting. Upon obtaining the required information from the candidate as listed above, the Nomination Committee shall evaluate whether such candidate is qualified to be appointed, elected or re-elected into the Board based on the criteria as set out above and the relevant Listing Rules and the policies of the Company.

The Nominate Committee shall convene a meeting to discuss and consider the recommendation of the candidate to the Board for appointment, election or re-election as a Director.

(J) Audit Committee

The Company has an Audit Committee which was established in accordance with the requirements of the CG Code for the purposes of reviewing and supervising the Group's financial reporting process, risk management and internal controls. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants. The primary roles and functions of the Audit Committee are to review and monitor integrity of the financial reporting process, risk management and internal controls systems of the Group. The Audit Committee is also responsible for considering the appointment of the external auditors and reviewing any non-audit functions performed by the external auditors, including whether such non-audit functions would lead to any potential material adverse effect on the Company. The Audit Committee currently comprises two independent non-executive directors, namely Mr. Wong Hok Bun Mario (Chairman of the Audit Committee) and Ms. Chan Lai Ping and one non-executive director, namely Mr. Ding Lin. The members' attendance to the Audit Committee meeting is listed out on page 41. During the Year, the Audit Committee held three meetings to review the annual and interim results, to evaluate the Group's financial reporting process and to make recommendations to improve the Company's risk management and internal control systems, the effectiveness of the issuer's internal audit function, and its other duties under the CG Code. Draft minutes were circulated to members of the Audit Committee within a reasonable time after each meeting. No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the two years after he ceases to be a partner of the auditing firm.

(K) Auditors' Remuneration

The remuneration in respect of audit and non-audit services for the year ended 31 December 2024 provided by the Company's auditor, ZHONGHUI ANDA CPA Limited, are approximately HK\$1,500,000 (2023: approximately HK\$1,390,000) and approximately HK\$250,000 (2023: approximately HK\$250,000) respectively. For the year ended 31 December 2024, non-audit services provided by ZHONGHUI ANDA CPA Limited included the preparation and filing of tax return and professional services in relation to the review of 2024 interim report totalling HK\$250,000 (2023: approximately HK\$250,000).

Corporate Governance Report

(L) Risk Management and Internal Control

During the Year, the Group has complied with Principle D.2 of the CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted in 2024, saved for the potential risks based on the Internal Control Review of the SG Subsidiary arising from the Suspected Misappropriation as mentioned below, no significant risk was identified. The Company has implemented all the Rectification Recommendations in the Internal Control Review.

Internal Control System

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- Information and Communication: Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- Monitoring: Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

Corporate Governance Report

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access to information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The Executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.
- refer to inside information policy and procedures for more procedures.

Based on the internal control reviews conducted in 2024, saved for the internal control weaknesses based on the Internal Control Review of the SG Subsidiary arising from the Suspected Misappropriation as mentioned below, no significant control deficiency was identified. The Company has implemented all the Rectification Recommendations in the Internal Control Review.

Effectiveness of the Risk Management and Internal Control Systems

The Board is responsible for the risk management and internal control systems of the Group and ensuring that the review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

A review on the internal control systems of the Company, including financial, operational and compliance controls and risk management functions has been carried out by an independent consultancy company with staff in possession of relevant expertise to conduct an independent review.

The Audit Committee reviewed the internal control review report issued by the independent consultancy company on the Company's risk management and internal control systems in respect of the year ended 31 December 2024 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred the same. It considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient. It also considered systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Corporate Governance Report

The Group did not have an internal audit function during the year ended 31 December 2024. The Audit Committee and the Board, have considered the internal control review report prepared by the independent consultancy company and communicated with the Company's external auditor in respect of any material control deficiencies identified during the course of the financial statement audit to form the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems.

The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review and determine at least annually the need for an internal audit function.

(M) KEY FINDINGS OF THE INTERNAL CONTROL REVIEW OF THE SG SUBSIDIARY INVOLVED IN THE SUSPECTED MISAPPROPRIATION

Reference is made to the Suspected Misappropriation as detailed in the section titled "EXPLANATION OF THE QUALIFIED OPINION" of the Management Discussion Analysis on pages 16 to 20 of this annual report.

As disclosed in the announcement of the Company dated 9 August 2024, the Company has engaged RSM SG Corporate Advisory Pte Ltd (the "**Independent Reviewer**") as its independent internal control consultant to conduct a comprehensive review of the internal control system, policies and procedures of the Group and provide corresponding recommendations for rectification (the "**Rectification Recommendation(s)**") to the management of the Company in order to improve the SG Subsidiary's financial reporting procedures and internal control system (the "**Internal Control Review**"). The Independent Reviewer is an independent specialist business advisory firm, and has extensive experience in reviewing and advising on the internal controls and corporate governance environments of listed companies. The SG Subsidiary has ceased all operations since the commencement of the investigation.

Based on the factual findings and the implementation of the enhanced internal control measures, the Company is able to assess the effectiveness of the Company's financial reporting procedures and internal control systems.

An extract from the Independent Reviewer's report of certain key internal control findings identified throughout the Internal Control Review, the corresponding Rectification Recommendation(s), the Company's response and the remediation status are summarised as follows:



Corporate Governance Report

The Independent Reviewer's summarised observations on certain control weaknesses and recommendations are as below.

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
1	<p>CONTROL ENVIRONMENT</p> <p>No written standard operating procedure ("SOP") for the trade facilitation processes even though a corporate governance framework was in place and communicated to the former chief executive officer ("CEO"). There were known practices in place to proceed with the trade facilitation processes, with certain internal controls and indications of governance framework in place. However, there were no SOPs to guide the SG Subsidiary's employees in their trade facilitation processes.</p> <p>The lack of SOPs could lead to ambiguity among staff members as there were no written guidance for the Eight Areas of Review¹.</p>	<p>Establish a comprehensive SOP to document the existing practices for the entire trade facilitation process which should minimally include the following:</p> <ol style="list-style-type: none"> Approved settlement channels including currency and payment methods based on the Standard Settlement Instructions ("SSI") which is set out in the Company's invoices. The invoice matching and reconciliation process performed by Group Finance that ensures consistency between invoices, payments, and title transfer documents. The fund receipt verification process that is conducted by the respective personnel for timely follow-ups and accurate trade closures. Assigned responsibilities to relevant personnel and timelines to ensure tasks are performed on a timely basis. Reporting channel process to ensure staff can report to the Senior Management of any suspicious activities. Conduct regular training to ensure that employees are familiar with the SOP.

¹ The Eight Areas of Review are:

- Trade Completeness: Trades were conducted in accordance with instructions from buyer and seller.
- Trade & Settlement Documentation: Proper documentation is archived for the trade execution and settlement process.
- Process Governance: Approvals were obtained in accordance with approval matrix prior to trade execution.
- Monitoring of Dues: Ongoing monitoring of outstanding trades that are not settled.
- Trade Reconciliation: Periodic reconciliation of trades to ensure that discrepancies are flagged out and escalated timely.
- Counterparty Confirmations: Counterparty confirmations including formal communications and confirmations with customers on trade activity.
- Proper Record Maintenance: Maintenance of proper records so that follow up for unsettled trades can be performed timely.
- Fund Flows Reconciliation: Procedures to ensure that bank records are up to date and collections/ settlement amounts are accurately reflected on a regular and timely basis.

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
2	<p>TRADE COMPLETENESS</p> <p>Trades were conducted in accordance with instructions from the counterparties i.e. buyer and seller counterparty confirmations including formal communications and confirmations with customers on trade activity. Trade requested by and with counterparties were placed through various channels, including verbal communications, phone calls, emails, chat mobile applications, were not retained for record keeping purposes.</p> <p>The Independent Reviewer noted that counterparty requests that were made through various channels, including verbal communications, phone calls, emails, chat mobile applications (i.e. WhatsApp) etc. are typically followed up with a pricing confirmation. However, this process of retaining a pricing confirmation to confirm a counterparty request is not consistently applied across all transactions.</p> <p>The Independent Reviewer notes that it is an industry practice to use the various channels, including verbal communications, phone calls, emails, chat mobile applications (i.e. WhatsApp) etc. for ease of communication with counterparties for trades. However, the Independent Reviewer highlighted that this form of communication channel increases the risks of (a) sensitive data being compromised, (b) unstructured conversations leading to miscommunications, and (c) lack of audit trail for specific trade matters.</p> <p>As a result, the Company's failure to retain records for at least five years from the end of the financial year in which the transactions occurred would lead to gaps in the audit trail, and completeness of documentations for transactions.</p>	<p>Establish formal communication channels through company-controlled platforms for placing trade requests such as email. All trade requests should be followed up with a pricing confirmation as evidence that the request has been processed. This will help maintain a clear audit trail, ensure all transactions are verified, and properly storing and archiving of documents for audit trail.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
3	MONITORING OF OUTSTANDING TRADES Ongoing monitoring of outstanding trades that are not settled. Outstanding trades were not settled by the SG Subsidiary within the 48-hour period requirement as represented by the group.	<p>The Independent Reviewer understood the monitoring of outstanding trades was supposed to be performed by the former chief operating officer (“COO”), whilst the follow up of outstanding trades were performed by the Operations Team as instructed by the former COO.</p> <p>However, the Independent Reviewer was not able to sight any documents to verify the above representation on the monitoring of outstanding trades. Not settling the trades on time increases the risk of the counterparties defaulting on payments, which can lead to potential bad debts that need to be written off or place the Company in a potential going concern situation. Open trade positions should be monitored closely, and timely follow-up should be done to ensure that trades are settled within the period established.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
4	<p>PROPER RECORD MAINTENANCE</p> <p>Maintenance of proper records so that follow up for unsettled trades can be performed timely.</p> <p>Inadequate matching of trade documents potentially resulting in uncollected receipts and transfer of stocks not aligned with the contracts.</p> <p>The trade files, maintained by the Operations Team, though had some primary information on sales and purchases, did not have key information on the trade confirmation (i.e. pricing/date), transfer title information (i.e. quantity/date of email correspondences etc) and bank references of receipts/payments to match to each trade.</p> <p>The Independent Reviewer noted that the former COO had oversight of the Trade Files. Failure to maintain good trade records may result in an oversight of outstanding debts not settled, or transfer of stocks not aligned with the contracts.</p> <p>Potentially, the lack of good trade records could also be susceptible to fraud as there is no clear accountability/traceability for the movement of gold.</p>	<p>Perform invoice matching for all transactions to ensure that the quantities and amounts on invoices are matched against the title transfer files and the actual payments received before settlement.</p> <p>All final invoices should be clearly marked and adjusted based on confirmed payments to avoid discrepancies.</p> <p>The Operations Team should periodically send statement confirmations to counterparties to verify outstanding balances and reconcile any discrepancies in a timely manner.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
5	<p>TRADE RECONCILITATION</p> <p>Periodic reconciliation of trades to ensure that discrepancies are flagged out and escalated timely.</p> <p>Lack of documented tracking of back-to-back sales and purchase transactions may potentially lead to unaccounted stocks.</p> <p>Trades were targeted to be on back-to-back transactions basis. The Operations Team maintained documents to match the movement of assets.</p> <p>However, the documents did not have key information on the invoices, transfer title information, and description of how the stocks were split were not documented for certain transactions.</p> <p>Additionally, The Independent Reviewer noted that the document had instances where the counterparty reflected in the file did not match the counterparty the invoices were issued to. The Independent Reviewer also noted that the file does not contain the matching of purchase and sales for the months April 2024 to May 2024.</p> <p>The Independent Reviewer understand the former COO had an oversight of the management of back-to-back transactions and the associated document.</p> <p>The complexity of the transactions involving multiple parties should warrant the need to document invoice and transfer title matching to account for all gold units purchased and sold.</p> <p>This process will allow the Company to identify discrepancies for timely investigation and ensure that the inventory balance is being monitored at transaction level.</p>	<p>Perform matching and proper documentation of the assets' movements for all sales and purchases with their respective invoices, transfer titles and stock splits.</p> <p>A reconciliation process should be established for the Operations Team to conduct a regular review of the Sales File to ensure that all assets are accounted for, and discrepancies are followed up on a timely basis.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
6	<p>PERIODIC INVENTORY RECONCILIATION</p> <p>No periodic stock-take performed could result in missing inventories and undetected discrepancies.</p> <p>The Company does not perform stock-take on a periodic basis. We also note that the Former Senior Management was supposed to realise (sell) the gold and the cash on a quarterly basis so that an asset reconciliation check can be performed.</p> <p>However, this was not performed assets for three quarters and upon further request by the Finance Team, the former CEO of the SG Subsidiary borrowed gold and funds from certain counterparties for the purposes of the asset reconciliation check.</p> <p>Periodic stock-take should be conducted on top of the regular reconciliations to ensure records are accurate and correct.</p>	<p>Conduct periodic (monthly/quarterly/annually) stock-take of the inventories in the three warehouses located in Zurich, Hong Kong, and Singapore. This will ensure that any missing inventories can be identified for investigation timely.</p> <p>Perform independent verification of inventory by involving independent team to oversee or audit the stock take process to ensure accuracy and transparency.</p> <p>Periodically request for third-party warehouse confirmations to verify outstanding balances and reconcile any discrepancies in a timely manner.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
7	<p data-bbox="240 502 699 523">PROPER RECORD MAINTENANCE</p> <p data-bbox="240 567 823 631">Proper documentation is archived for the trade execution and settlement process.</p> <p data-bbox="240 670 823 993">Lack of control over shared drive access and electronic storage back-up protocol, resulting in loss of critical trade documents. The Independent Reviewer noted that it was informed that the former CEO revoked the Company's access to its Google Drive, which stored critical trade documents, during the investigation into the alleged misappropriation of funds.</p> <p data-bbox="240 1032 823 1129">Electronic back-ups of the trade documents through WhatsApp correspondence were not properly stored and complete.</p> <p data-bbox="240 1168 823 1431">This prevented the Internal Investigation team from retrieving essential records required to reinstate its books from a central depository. We understand that the lack of access to the shared drive has led to incomplete financial records, compliance breaches and difficulties in certain reconciliation.</p>	<p data-bbox="850 502 1433 642">Assign administrative rights to authorised personnel such as the senior management and IT Team (if any) to ensure proper oversight and control over sensitive data and systems.</p> <p data-bbox="850 681 1433 853">Additionally, a maker-checker process should be in place for any changes to administrative rights. This ensures that administrative rights to amend systems and its configurations are controlled by authorised personnel.</p> <p data-bbox="850 892 1433 993">Robust backup protocols for all critical trade documents, ensuring that data is stored in multiple secure locations.</p> <p data-bbox="850 1032 1433 1209">Regular integrity tests should be conducted on backups to ensure data availability. Access to these files should also be monitored regularly, with updates for any access changes, especially when employees leave the company.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
8	<p>SEGREGATION OF DUTIES</p> <p>There was no proper segregation of duties for the trade facilitation process and there were no secondary independent checks in place. There were instances where the same individual handled multiple stages of the transaction process in separate scenarios as follows, where the same personnel were responsible for:</p> <ul style="list-style-type: none">• Preparing the invoices and the title transfer files.• For both requesting payments and providing documents to the Finance Team and performing reconciliations; and• For matching invoices to payments/ receipts to/from counterparties. <p>The absence of proper segregation of duties exposes the Company to potential fraud risks.</p>	<p>Clearly define the responsibilities of each member of the Operations Team, ensuring that duties are segregated to prevent conflicts of interest and ensure independent checks at each stage of the transaction process.</p>

Corporate Governance Report

#	AREA OF REVIEW, OBSERVATIONS, ISSUES & POTENTIAL RISK DESCRIPTION	THE INDEPENDENT REVIEWER'S RECOMMENDATIONS
9	<p>PROCESS GOVERNANCE</p> <p>The trade settlement process for counterparties and risk categories defined by the Company.</p> <p>The trade settlement process for certain counterparties was not aligned with the risk categories defined by the Company, leading to potential payment defaults.</p> <p>The Company categorized counterparties based on their financial standing and risk profile.</p> <p>For counterparties classified under Category B (ie, financials are unverified, and counterparties are enrolling to provide supporting documents), payment must be received from the counterparty before gold is delivered, as these counterparties have a higher risk of default due to unverified financials and unwillingness to provide supporting documentations.</p> <p>However, The Independent Reviewer noted deviations from this policy, where gold was delivered to Category B counterparties before they made payment to the Company.</p> <p>This increases the risk of the counterparty defaulting on payment after receiving the goods, exposing the Company to potential financial loss and operational risks.</p>	<p>Category B counterparties is inherently of higher risk of default due to the unverified financials and unwillingness to provide supporting documents. While it is not practical to totally exclude transacting with such parties, the Company should document its assessment on the risk exposure and perform regular stress tests to ensure that the Company has adequate capital and liquidity to write off the receivables in the event of default.</p> <p>With the acceptance of counterparties assigned Category B, the Operations Team should strictly adhere to performing checks on sales transactions to ensure that funds are received in full before the Operations team release goods to mitigate the risk of default and ensure compliance with the procedures.</p> <p>Where feasible, the Company should integrate automation into its trade settlement process to ensure that transactions consistently meet the predefined risk category criteria and comply with established controls.</p>

Corporate Governance Report

Results of the Internal Control Review

As at the date of the annual report, the Internal Control Review conducted by the Independent Reviewer has been completed. The Company has adopted and implemented the relevant Rectification Recommendations and rectified the relevant deficiencies in its internal control system.

The Company believes that adequate internal controls and procedures have been in place in the Company to comply with the Listing Rules. Having considered the report of the Internal Control Review and the remedial actions taken by the Group, both the Board and the Audit Committee are of the view that the enhanced internal control measures implemented by the Company based on the Rectification Recommendations are adequate and sufficient to address the key findings of the report of the Internal Control Review. The Group will continue to implement the Rectification Recommendations on an ongoing basis so as to further strengthen its internal control system, to meet its obligations under the Listing Rules and maintain good corporate governance.

(N) Communication with Shareholders

At the 2024 AGM, a separate resolution was proposed by the Chairman of that meeting in respect of each separate issue, including the re-election of directors. The acting Chairman of the Board, and chairmen of the Audit, Remuneration and Nomination Committees, or in absence of the chairman of such committees, any member from the respective committees, attended the 2024 AGM to address shareholders' queries. The Company establishes different communication channels with shareholders and investors: (i) shareholders can receive printed copies of corporate information, (ii) the general meeting provides a forum for shareholders to raise comments and exchange views with the Board, (iii) the Company's website offers communication channel between the Company and its shareholders and investors; and (iv) the Company's Sub-Registrar and Transfer Agent in Hong Kong serve the shareholders respecting all share registration matters.

The Company continues to enhance communications and relationships with its investors. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at its principal place of business in Hong Kong for any inquiries.

To promote effective communication, the Company maintains a website at <http://www.990.com.hk>, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Company will continue to improve the communication with investors and to provide them more opportunities to understand the business of the Company. The Company has a shareholders' communication policy setting out the framework and channels in place, to promote effective communication with the shareholders of the Company. The Board considers that the shareholders' communication policy has been effectively implemented during the Year.



Corporate Governance Report

(O) Shareholders' Rights

Pursuant to the Bye-laws 58 of the Company, members holding at the date of deposit of the requisition of not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all time have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Bermuda Companies Act 1981 (as amended).

The shareholders who intend to make enquiries of or obtain information shall give prior written notice to the Company, and the Company shall provide such information as soon as possible. Enquiries with the Board or the Company may be posted to the Company's principal place of business in Hong Kong, the address of which is Unit 3401—03, 34/F., China Merchants Tower, Shun Tak Centre, 168—200 Connaught Road Central, Sheung Wan, Hong Kong, with telephone number: (852) 3755 8255, being available at normal business hours.

(1) Any number of shareholder(s) representing not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the meeting to which requisition relates; or (2) not less than 100 shareholders may, at their expense, provide a written request to the attention of the Company Secretary signed and deposited in accordance with the Bermuda Companies Act 1981 (as amended).

(P) Constitutional Documents

During the year ended 31 December 2023, amendments had been made to the memorandum of association and Bye-laws of the Company (the "**Amended M&A**") with the approval from the Shareholders in the annual general meeting held on 30 June 2023 in order to comply with the core shareholders protection standards as set out in Appendix A1 to the Listing Rules effective from 1 January 2022 and the applicable Bermuda laws, and to incorporate certain housekeeping amendments. For details, please refer to the announcement of the Company dated 31 March 2023 and the Circular of the Company dated 5 June 2023. The Amended M&A is available on the websites of the Company and the Stock Exchange. There is no change of the constitutional documents for the year ended 31 December 2024.

(Q) Directors' Responsibility for the Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also ensure that the financial statements of the Group are published in a timely manner. The reporting responsibilities of the Company's external auditors on the financial statements of the Group are set out in the section headed "Independent Auditor's Report" on pages 94 to 99 of this Annual Report.

Corporate Governance Report

(R) Business Model and Strategy

The Company has the mission to maintain long-term profitability and assets growth with adoption of flexible business model and strategy and prudential risk and capital management framework. The Board and the management have played and will continue to play a proactive role in the Group's development of business model to preserve the culture of the Group in serving customers well with premium service quality; the Group's business strategic drive for business expansion the input to setting the Group's risk appetite and tolerance levels. Details of the Group's business performance and financial review for the year are set out in the "Management Discussion and Analysis" section of the Annual Report.

(S) Corporate Culture and Strategies

As a company with investment as its core business, enhancement of shareholder value and long-term return for all stakeholders are the key objectives of the Company. The Company believes that good corporate governance strategies and practices are crucial to the business in the long run, especially in enhancing investment values and returns.

The Company instils a culture that promotes and maintains a high standard of integrity, openness, probity and accountability. The Board is responsible to set the tone and to shape the Company's culture, which is underpinned by the core values of acting lawfully, ethically and responsibly across all levels of the Company. The Board plays a leading role in defining the purpose, core values and strategic direction of the Company which are in line with its corporate culture. In order to promote and implement the purpose and core values continuously, the Company has established a range of strategies, measures and tools over time, in which the Board is responsible for approving and monitoring of the same, including establishment of internal policies and guidelines in compliance with relevant laws and regulations; stringent investment approval and financial reporting procedures; establishment of whistleblowing mechanism; provision of employee welfare and training; formation of continuous communication channels with the stakeholders; as well as taking the lead and provision of directions to all levels of the Company by laying down strategies and conveying corporate values and desired culture through formal reporting lines.

To conclude, the Board considers that the culture and the purpose, core value and strategies of the Company are aligned.



Corporate Governance Report

(T) Corporate Mission and Culture

At our Company, our mission is to provide reliable and efficient solutions that meet the diverse needs of our clients while generating sustainable value for our stakeholders. With a strong focus on excellence, we continuously strive to deliver exceptional services, optimize supply chains, and adapt to changing market conditions. Our customer-centric approach drives our commitment to understanding and anticipating our clients' requirements, ensuring timely and competitive delivery of commodities across global markets. Upholding the highest ethical standards is ingrained in our corporate culture, as we conduct our business with integrity, transparency, and compliance with industry regulations. We foster a collaborative work environment that values teamwork, expertise, and diverse perspectives. Our dedication to innovation empowers us to leverage cutting-edge technologies, data analytics, and market insights to make informed trading decisions. We are committed to responsible sourcing, sustainability, and minimizing environmental impact throughout our supply chain. With a long-term vision and strategic goals, we strive to be at the forefront of the industry, creating value for our clients and contributing to the growth and development of the global economy.

Environmental, Social and Governance Report

ABOUT THE ESG REPORT

Theme International Holdings Limited (referred to as “**We**,” “**Our**”) is an investment holding company. The Group and its subsidiaries (collectively referred to as “**Theme**” or the “**Group**”) are pleased to present our 2024 Environmental, Social, and Governance Report (the “**ESG Report**”), which summarises our ESG performance and initiatives. We are committed to fostering lasting, trustworthy relationships with our industry and community stakeholders.

Scope of the ESG Report

The ESG Report evaluates the Group’s key manufacturing facilities business in Shanghai, office in Hong Kong and Singapore respectively. Focusing on our ESG management practices and performance for the period between 1 January 2024 and 31 December 2024 (referred to as the “**Reporting Period**” or the “**Year**”). The scope of the ESG Report aligns consistently with the scope of annual report.



Environmental, Social and Governance Report

Reporting Standard

In accordance with Appendix C2 of the Listing Rules of the Stock Exchange of Hong Kong Limited (“**HKEx**”), the ESG Reporting Guide (the “**Guide**”) has been adhered to in the preparation of this report. The ESG Report closely aligns with the following reporting principles: Materiality, Quantitative, Balance, and Consistency. The Group’s Board of Directors (the “**Board**”) acknowledges its overall responsibility for the ESG strategy and reporting of the Group. The Board has reviewed and approved the ESG Report.

Reporting Principles	Descriptions
Materiality	Through active engagement with key stakeholders and internal discussions, we have identified the relevant topics. The Materiality Assessment section of the ESG Report provides a brief overview of the outcomes from this process.
Quantitative	We ensure transparency in our ESG performance by following the ESG Reporting Guide. We use robust methodologies and reliable environmental and social key performance indicators (“ KPIs ”) to disclose our ESG performance. This approach allows for the evaluation and validation of the effectiveness of our ESG policies and management systems.
Balance	The Board has recognised its responsibility to oversee the Group’s sustainable development and to review the truthfulness, accuracy, and completeness of the ESG Report. This ESG Report presents an impartial view of the Group’s performance.
Consistency	To ensure consistency, the ESG Report adheres to the same methodologies, standards, and reporting scope as the previous year. This approach enables comparability and facilitates meaningful year-on-year comparisons.

Environmental, Social and Governance Report

Contact & Feedback

Thank you for taking the time to review this report. Your feedback is important to us as it provides insight into any concerns or areas for improvement. We are committed to incorporating your feedback to strengthen us in the future. Thank you for your contribution. If you have any questions or need further information, please contact us:

Unit 3401-03, 34/F., China Merchants Tower, Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong.

Phone: +852 3755 8255

Email: general@990.com.hk

DIRECTORS' STATEMENT

The Group believes that sound ESG principles and practices will enhance the value of its investments and provide long-term returns to its stakeholders. To ensure the implementation of appropriate and effective ESG risk management practices, the Board is responsible for overseeing the Group's ESG strategy and reporting, as well as assessing and identifying ESG-related risks. To improve the Group's ESG, the Board of Directors regularly arranges for an assessment of the adequacy and effectiveness of the different measures taken in relation to sustainable development and ESG-related issues.

The Group recognises the importance of stakeholder engagement and the important role of different stakeholders in the Group's decision-making. Therefore, the Group conducts regular assessments to understand the concerns and expectations of the Group's various stakeholders, as well as significant ESG issues, to gain insight into the Group's ESG and development. The Group also conducts ESG materiality assessments with stakeholders to track ESG issues that are material to them so that the issue can be addressed in a timely and appropriate manner.

To ensure that the management of ESG issues is on track, the Board of Directors oversees the coordination of the various departments within the Group concerning their respective objectives and will look for opportunities in the future to set clearer ESG objectives and targets for the Group.

Wu Lei

Executive Director

Hong Kong, 31 March 2025



Environmental, Social and Governance Report

ABOUT THE COMPANY

Theme International Holdings Limited operates as a diversified business group with two core segments: commodity distribution, trading and processing, and financial services.

In commodity distribution, trading and processing, the Group trades iron ore, coal, nickel ore, copper ore, steel products and chemical products across Hong Kong, Singapore and Mainland China. The Group enhances its commodity trading competitiveness through supply chain optimisation and expansion into emerging markets.

The financial services segment covers securities, derivatives, futures, margin financing and lending, asset management and fund management. In Hong Kong and Singapore, the Group provides global market access for clients' investment needs. Through Asia Development Limited, the Group offers Hong Kong dollar loans to corporate clients in Hong Kong. A subsidiary in Singapore provides professional asset management services as a registered fund management company.

Since we establishment, Theme has expanded its business areas and market scope. The financial services business has grown since BPI Financial Group Ltd began operations, covering market access, clearing services, over the counter ("OTC") derivatives broking and physical commodities broking. In commodity trading, the Group leverages subsidiary advantages and regulatory licences, particularly through acquiring chemical trading companies in Singapore.

Looking ahead, the Group plans to further expand its financial services by adding margin financing and lending, acquiring more regulatory licences, and enhancing service quality with its professional team and systems. For commodity business, the focus remains on Hong Kong, Singapore and Mainland China, with optimisation of commodity portfolios, supply chain management and exploration of emerging markets for new growth points.

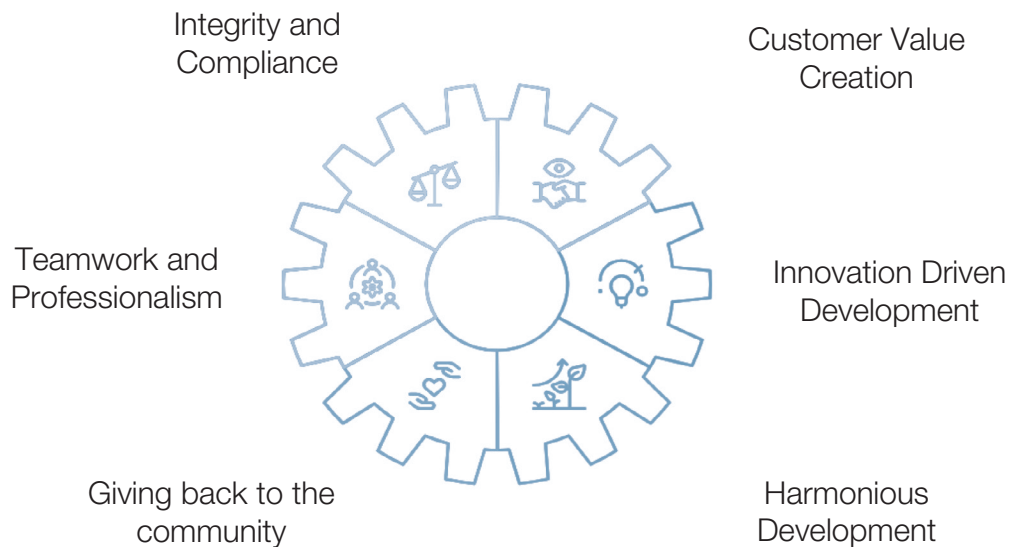
Environmental, Social and Governance Report

SUSTAINABLE DEVELOPMENT

Guided by our core mission of ESG as integral to our economic objectives. The group has garnered accolades for its ethical governance, customer-centric approach, and dedication to societal well-being. During years, the directors confirmed adherence to statutory requirements across all operations, with no material compliance breaches identified.

In furtherance of our commitment to corporate responsibility, the ESG Report provides a comprehensive overview of the group's ESG achievements and initiatives over the past fiscal year, while also underscoring its long-term vision and strategic objectives for advancing sustainable development. The ESG Report articulates the group's unwavering dedication to environmental stewardship, social accountability, and robust governance frameworks. By transparently communicating these efforts, we aim to catalyst industry-wide sustainable transformation, fostering collaborative progress toward a greener economy and equitable societal growth.

Our Value and Missions



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Board Oversight

As an investment-focused industry, our primary goal is to enhance shareholder value and deliver long-term benefit to all stakeholders, believing that sound corporate governance is crucial for sustainable development. The Group promotes a culture of integrity, transparency, accountability, and compliance. The Board setting the tone and shaping the Group's culture, upholding core values of lawful, moral, and responsible conduct at all levels. The Group ESG governance structure can be summarised as follows:

Strengthening ESG Through Effective Governance



Company Secretary

Facilitates communication, provide advice, and ensures compliance.



Chairman & CEO

Leads the Board and manages day-to-day operations



Remuneration Committee

Formulates and reviews director remuneration packages.



Nomination Committee

Reviews board structure and promotes diversity.

ESG Risk Management Process

The Group takes a proactive approach to identifying ESG risks that may impact our operations and stakeholders. We conduct thorough and frequent reviews to assess how various ESG issues affect our customers, employees, and the community. In developing our ESG policy, the management team priorities these concerns to ensure an appropriate response.

Environmental, Social and Governance Report

Additionally, the Group regularly evaluates the outcomes of the ESG risk assessment to identify areas for improvement, fostering a culture of continuous enhancement. A questionnaire was provided for the Board to assess its potential impacts of various ESG risks on the Group's operations. Using a rating scale based on their responses, we have identified the top 3 risks, as detailed below:

Potential ESG Risk	Our Responses
Social Responsibility Risk	The Group recognises the importance of social responsibility, and the potential risks associated with it. We are committed to upholding high standards of social responsibility in all aspects of our operations. This includes ensuring fair labour practices, promoting diversity and inclusion, and supporting the well-being of our employees and the communities in which we operate. We actively engage with stakeholders to understand their concerns and expectations, and we strive to address these through transparent and ethical practices.
Corporate Monitoring Risk	The Group acknowledges the potential risks associated with inadequate corporate monitoring, which can lead to compliance issues and reputational damage. To address these risks, we have implemented robust corporate governance frameworks to ensure adherence to regulations and ethical standards. Regular audits and assessments are conducted to monitor compliance and performance, identifying areas for improvement and ensuring that our operations align with best practices.
Tone at the Top Risk	The Group understands that the tone set by senior management significantly influences the overall ethical climate and culture of the Group. To mitigate this risk, the Group's leadership is dedicated to exemplifying the highest standards of ethical conduct and transparency. Senior management actively communicates the importance of ethical behaviour and compliance with regulations through regular training sessions and internal communications. We have established clear policies and a code of conduct that all employees are expected to follow, reinforcing the Group's commitment to integrity and ethical business practices.

The Group has established a comprehensive ESG risk management framework applicable to all employees, aiming to strengthen our ESG commitment and mitigate related risks. The ESG working group actively monitors these risks and implements an annual risk monitoring process. Promoting organisational collaboration and effective management of ESG risks in daily operations, with a focus on social responsibility risk, corporate monitoring risk and tone at the top risk.

Environmental, Social and Governance Report

Our Stakeholder Engagement

Acknowledging the critical role of cultivating meaningful partnerships, the Group prioritises maintaining strong, collaborative relationships with key stakeholders as a strategic imperative. Proactive stakeholder engagement serves as a cornerstone for driving sustainable growth, enabling the organisation to align our ESG goals with societal needs while fostering transparency and mutual trust. By actively listening to diverse voices, the Group gains crucial insights into evolving expectations, concerns, and perceptions of its environmental, social, and governance practices.

Stakeholder Groups	Communication Channels
Government and Regulators	<ul style="list-style-type: none"> • Regular Information Reporting • Meet with Regulators Regularly • Dedicated Reports • Examination and Inspection
Shareholders	<ul style="list-style-type: none"> • Group's Website • Group's Announcements and Circulars • Annual and Extraordinary General Meetings • Annual and Interim Reports • Specialised Reports
Business Partners	<ul style="list-style-type: none"> • Review and Appraisal Meetings • Business Communication • Exchange and Discussions • Engagement and Cooperation
Customers	<ul style="list-style-type: none"> • Customer Service Centre & Hotline • Customer Feedback Surveys • Customer Communication Meetings
Employees	<ul style="list-style-type: none"> • Employee Exchange Programme • Training and Workshops • Employee Activities
Business Partners	<ul style="list-style-type: none"> • Review and Appraisal Meetings • Business Communication • Exchange and Discussions • Engagement and Cooperation
Community and the Public	<ul style="list-style-type: none"> • Group Website • Announcements

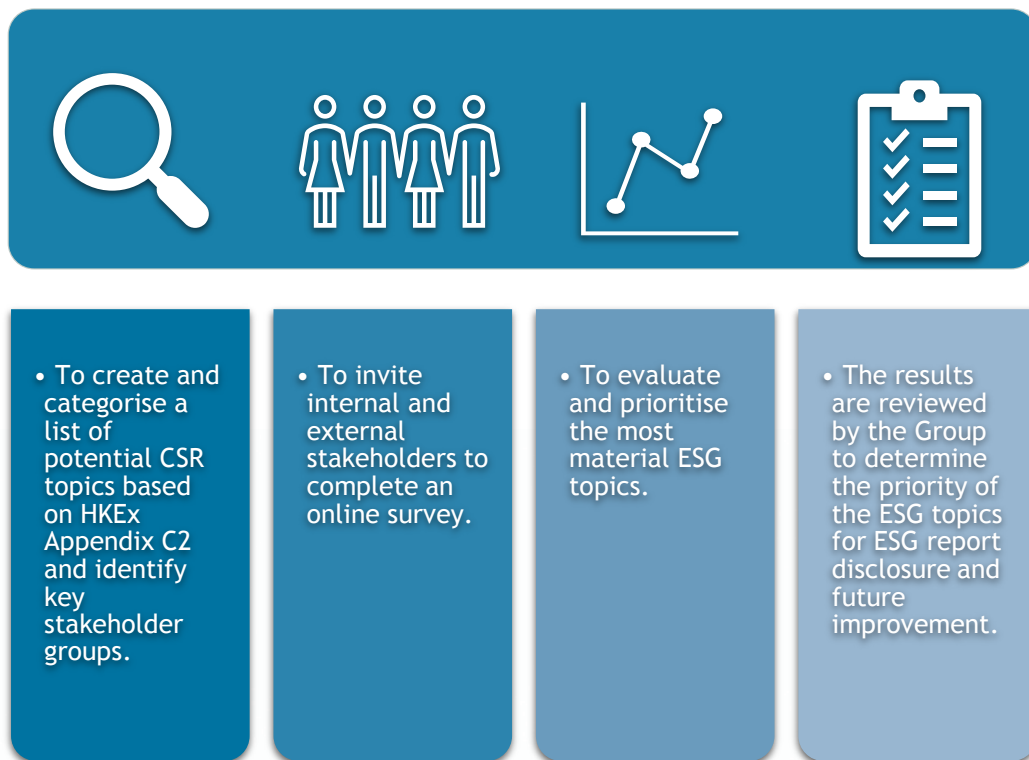
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MATERIALITY ASSESSMENT

To identify the key ESG issues for the Group and our stakeholders, an independent consultant was hired to conduct a materiality assessment. This process involved collecting feedback through an online survey from various stakeholder groups, including employees, investors and senior management. The goal was to prioritise the most important ESG materiality topics for the Group while addressing stakeholder concerns.

The framework for the ESG Report and our ESG management strategies was shaped by the insights gathered from stakeholders. This approach aims to respond to their concerns about ESG materiality topics and ensure that stakeholder priorities align with the Group's actions.

Stakeholders, including our primary groups, completed a questionnaire and provided feedback on the significance of each of the 34 identified ESG-related materiality topics. Based on this feedback, results were generated to assess the importance of these topics in relation to both stakeholder priorities and the Group's business operations.



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ESG Materiality Topics			
Environment	Employment	Social	Operation
1. Air emission 2. Greenhouse gas ("GHG") emission 3. Decarbonisation 4. Conservation of ecosystem 5. Nature-related risk and opportunity management 6. Circular economy 7. Environmental data management 8. Climate change mitigation 9. Climate risk management 10. Energy efficiency 11. Water & effluents 12. Use of materials 13. Waste management 14. Environmental compliance	15. Labour rights 16. Labour-management relations 17. Employee retention 18. Diversity and equal opportunity 19. Non-discrimination 20. Occupational health and safety 21. Employee training 22. Employee development 23. Prevention of child labour and forced labour	24. Customer satisfaction 25. Product and service quality and complaints handling 26. Customer health and safety 27. Marketing and product and service labelling compliance 28. Intellectual property 29. Customer privacy and data protection 30. Responsible supply chain management 31. Fair operating practices on supplier 32. Business ethics 33. Socio-economic compliance	Community 34. Community investment

Based on our materiality assessment results, the average score rated by our stakeholders is 3 (middle level of significance). This indicates consistent views on the materiality topics, with all topics perceived as moderately significant to the Group's business, operations, and stakeholders. Therefore, further research was conducted on the commodity trading industry to obtain a more holistic view of materiality topics relevant to our industry. The top four identified topics are shown in the table below.

Key Concerns from Stakeholders	Our Responses
Climate change mitigation	The Group has proactively adopted different measures to address climate-related risks and potential impacts that may arise. The Group regularly identifies, evaluates and monitors climate-related risks and determines the appropriate level of the Group's climate-related risk appetite. To mitigate potential risks arising from climate change, the Group regularly communicates with stakeholders on climate-related impacts and prepares and maintains adequate resources for mitigating climate-related risks and crises.

Environmental, Social and Governance Report

Key Concerns from Stakeholders	Our Responses
Responsible supply Mchain management & Fair operating practices Mon supplier	<p>The Group collaborates with diverse suppliers for our distribution and trading operations. We continuously monitor supplier performance and suspend cooperation with any supplier whose operations are inconsistent with the Group's policies until improvements are made. Furthermore, the Group adheres to green procurement principles, purchasing goods and services that minimise negative environmental impacts and giving preference to suppliers who support sustainable development. During the Reporting Period, the Group utilised various green products from partners known for their environmentally friendly practices and supported local sourcing principles. These help to secure a sustainable supply chain and logistic for the Group.</p>
Decarbonisation	<p>The Group is committed to following regulations and laws regarding greenhouse gas emissions and has implemented several measures to reduce energy consumption. Employees are encouraged to switch off unnecessary lights and electronic devices when not in use and to utilise natural light as much as possible. The office is divided into different zones to control lighting independently, and computers are set to automatically go into standby mode when not in use. Employees are also allowed to dress lightly in the office, especially during summer, to reduce the need for air conditioning. To increase energy efficiency, the Group has installed energy-saving light bulbs and high-efficiency electronic equipment, keeps lighting fixtures tidy, and regularly cleans air filters of air-conditioners. Additionally, the Group collects electricity data monthly to monitor energy consumption and make appropriate improvements. These measures demonstrate the Group's proactive approach to decarbonisation.</p>
Circular economy	<p>The Group is committed to embracing the principles of a circular economy, which focuses on minimising waste and making the most of resources. We aim to enhance our recycling efforts in the future and are already planning several initiatives to support this goal. By integrating recycling programs and promoting the reuse of materials, we strive to reduce our environmental footprint and contribute to a more sustainable economy.</p>

In addition, the Group aims to continuously improve our reporting and disclosure practices in line with global standards and emerging best practices to ensure greater transparency and accountability. In doing so, the Group is committed to strengthening its ESG performance, building mutual trust with stakeholders, and making meaningful contributions to sustainable development in the future.



Environmental, Social and Governance Report

SUSTAINABLE OPERATIONS

Supply Chain Management

The Group relies on several suppliers to provide it with goods for its distribution and trading operations and therefore proper supply chain management is particularly important. The Group continuously monitors the performance of its suppliers and will suspend co-operation with any supplier whose operations are found to be inconsistent with the Group's policies until the situation improves.

Green Procurement

To be environmentally friendly, the Group adheres to the principle of green procurement and insists on purchasing goods and services that minimise the adverse impact on the environment during the procurement process. We also give preference to suppliers who support sustainable development. In addition, we aim to minimise the social risks arising from the supply chain by clearly communicating the expectations of potential suppliers and the policies and requirements of our procurement process.

During the Reporting Period, our Group utilised different green products supplied by our partners to enhance our sustainability efforts. We sourced ore from Chrome Ore Switzerland Baar 1 and Iron Ore Switzerland Vaud, both known for their environmentally friendly mining practices. We also procured iron ore from Shanghai and Fujian, PRC, supporting local sourcing principles.

Evaluation and Engagement with Suppliers

We have adopted a supplier credibility scoring system for the purpose of evaluating and selecting suitable suppliers as our business partners. Each supplier is rated on the basis of the nature of their business, financial status, sales performance, loyalty, and environmental and social risks associated with the supplier, and the better performers are prioritised accordingly. The Group will consider blacklisting suppliers with lower scores.

The Group has selected quality suppliers who can meet the requirements of our supplier credibility scoring system and fulfil our green purchasing philosophy. During the Year, 14 of the Group's major suppliers were from Singapore, 11 from Hong Kong and 13 from the PRC, while 21 suppliers from around the world, such as Australia and as far as the Republic of South Africa, were also selected.

Data Protection

The Group is committed to building trusting relationships with our customers. We collect and evaluate customers' feedback and promptly address potential quality and safety issues to fulfil customer needs. On the other hand, the Group is committed to the protection of customers' personal information. Through strict compliance with privacy laws and regulations such as the Personal Data (Privacy) Ordinance of Hong Kong and the Personal Data Protection Act of Singapore, customers' personal data are collected and used in a responsible and non-discriminatory manner and the use of the data is limited to the purposes specified in the contract. At the same time, in performing ongoing risk identification and monitoring measures are implemented, employees are required to agree to the Group's confidentiality policy as stated in the employment agreements to uphold the principle of confidentiality and to protect the privacy of customers.

Environmental, Social and Governance Report

Anti-Bribery and Corruption Policy

The Group strictly complies with the laws and regulations on bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance in Hong Kong, the Regulations of the People's Republic of China on Suppression of Corruption and the Prevention of Corruption Act in Singapore. The Group has established an Anti-Bribery and Corruption Policy which aims to prohibit bribery and corruption in all business dealings with private organisations, individuals, domestic and foreign government departments or their agents.

The Group has also established the Code of Conduct which includes conflict of interest, privacy, bribery and anti-corruption provisions. During the Year, 6 hours of Anti-corruption trainings have been conducted for directors. While a total of 102 hours has been conducted for staffs apart from directors this year. During the Reporting Period, no cases of bribery and corruption were identified within the Group. Table below shows our efforts to prohibit bribery and corruption:

Policy Purpose

The policy aims to:

- Outline the Group's responsibilities and those of its personnel in upholding its stance against bribery and corruption
- Provide guidance for recognizing and addressing bribery and corruption issues

Scope of Policy

- The policy applies to all Group personnel, regardless of location or role
- The Group expects contractors and consultants to adhere to the same standards

Penalties & Sanctions

- Violations of anti-bribery laws can result in severe consequences, including fines and imprisonment for personnel, and significant reputational damage to the Group
- The Group may take contractual or civil actions against third parties who breach the policy

Due Diligence on Third Parties

- The Group and our personnel may be held accountable for bribery acts committed by third parties
- Third parties include clients, suppliers, consultants, government officials, and others encountered in business dealings
- Personnel must ensure third parties comply with the policy through due diligence and contractual protections
- Concerns regarding third-party conduct should be reported to the Group's Chief Executive Officer



Environmental, Social and Governance Report

Gifts & Hospitality

The policy permits legitimate hospitality and business expenditure, including gifts, provided they meet specific criteria:

- Not intended to influence business decisions or reward business advantages
- Compliant with local law
- Given in the Group's name, not an individual's
- Not involving cash or cash equivalents
- Appropriate in context, type, value, and timing
- Not against the recipient's policies
- Given openly, not secretly

Facilitation Payments

- Facilitation payments, even if legally permitted in some countries, are prohibited by the Group

Record-Keeping

- The Group maintains accurate financial records and internal controls to document payments to third parties
- Personnel must follow Group procedures for expense claims related to hospitality, gifts, or other expenditures
- All records related to third-party dealings must be accurate and complete

Environmental, Social and Governance Report

Whistleblowing and Investigation

The Group strictly prohibit bribery and corruption in all business dealings globally, whether with private entities, individuals, or governmental bodies and their representatives. In order to effectively prohibit commercial bribery, kickbacks or similar gains or advantages paid by any supplier or customer, we strictly prohibit our employees from receiving anything of material value from parties connected with the Group.

The Group also adopts a Whistleblower Protection Policy that encourages the reporting of misconduct while protecting the whistleblower. In addition, the Group has developed an anti-corruption programme for its directors and staff in Singapore by providing them with different training materials, such as leaflets, to update and enhance their understanding and awareness of anti-corruption practices.

I. Policy Overview & Core Principles

The Group mandates high ethical standards for all directors, officers, and employees, requiring honest, integrity-driven conduct and full compliance with applicable laws.

- Our Whistleblower Protection Policy encourages reporting serious concerns internally to enable the and correct inappropriate conduct
- All board members, officers, employees, and volunteers must report concerns about violations of the company's code of ethics or suspected legal/regulatory violations
- Retaliation against anyone who reports concerns in good faith is prohibited and subject to disciplinary action, up to termination
- The Group maintains an open-door policy for sharing concerns and provides structured reporting channels

II. Reporting Mechanisms & Procedures

- Employees are encouraged to first discuss concerns with their supervisor; if uncomfortable or unsatisfied, supervisor are escalating to board members
- Supervisors and managers must report suspected ethical or legal violations in writing to the Compliance Officer
- Officer who investigates all complaints and reports to the Board and Audit Committee, especially regarding accounting/auditing matters
- Complaints may be submitted confidentially, and investigations will be conducted while maintaining confidentiality to the extent possible
- The Compliance Officer acknowledges receipt of complaints, investigates promptly, and implements corrective actions if warranted
- Reports must be made in good faith with reasonable grounds; malicious false allegations will be treated as serious disciplinary offenses

Environmental, Social and Governance Report

ENVIRONMENTAL PROTECTION

As a responsible corporation, the Group is committed to controlling and minimising emissions to address environmental issues such as global warming. We strictly comply with the laws and regulations applicable to the Group's business, such as the Air Pollution Control Ordinance in Hong Kong, the Environmental Protection Law of the People's Republic of China and the Environmental Protection and Management Act of Singapore, with the aim of progressively reducing the Group's emissions.

Greenhouse Gas	Unit	2024	2023
Total emission	kg CO ₂ e	23,748,894	16,320,158
Scope 1 (Note 1)	kg CO ₂ e	33,393	26,202
Scope 2 (Note 2)	kg CO ₂ e	23,578,261	16,261,446
		(Note 4)	
Scope 3 (Note 3)	kg CO ₂ e	137,240	32,510
Total emission intensity	kgCO ₂ e/ number of employees	67,660.67	42,500.41

Note:

1. Scope 1 represents direct GHG emissions generated by the use of the gas boiler and mobile vehicle. It is calculated with reference to the published emission factors of the "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx.
2. Scope 2 represents indirect GHG emissions generated from the use of purchased electricity.
3. Scope 3 represents other indirect GHG emissions generated from paper disposal, business air travels by employees and water consumption. It is calculated with reference to the published emission factors of the "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx.
4. The increase in scope 2 from 2023 to 2024 was due to the increase in processing volume from the processing plant at Dapeng Mining Company Limited, leading to the increase in electricity consumption.

Minimising Environmental Impact

As an environmentally friendly corporate. The Group is responsible for the protection of nature and aims to minimise our energy consumption by adopting different energy conservation measures.

The Group has implemented a number of measures to reduce energy consumption, including encouraging our employees to switch off unnecessary lights and electronic devices that are not in use, utilising natural light as much as possible. The Group dividing the office into different zones to control the lighting of each zone independently, setting the computers to automatically go into standby mode when they are not in use, and allowing our employees to dress lightly in the office, especially in summer.

The Group has also adopted certain measures to increase the energy efficiency of its equipment, such as installing energy-saving light bulbs and high-efficiency electronic equipment, keeping the lighting fixtures tidy and cleaning the air filters of air-conditioners on a regular basis. In addition, the Group collects electricity data on a monthly basis to monitor energy consumption and make appropriate improvements accordingly.

Environmental, Social and Governance Report

Resources Consumption

The Group is dedicated to creating an environmentally friendly workplace by harnessing the collective efforts of individuals. Through a variety of eco-friendly initiatives, we strive to reduce energy consumption and minimise waste generation in our day-to-day operations. The sources of energy consumption of the Group include direct consumption of fuel for the Group's commercial vehicles, and indirect consumption in the used of purchased electricity. The Group's business does not involve any use of packaging materials. To gain insight into resource consumption during the Year, please refer to the table below:

Energy Consumption	Unit	2024	2023
Total energy consumption	kWh	38,806,451.29	24,486,000.00
Direct energy (Note 5)			
Gasoline	kWh	120,634.73	111,000.00
Diesel	kWh	16,444.14	N/A
Natural Gas	kWh	22,820.42	N/A
Indirect energy (Note 6)			
Electricity	kWh	38,646,552.00	24,375,000.00
Total energy consumption intensity	kWh/number of employees	110,559.69	63,765.63

Note:

- Direct energy consumption includes the fuel consumption (gasoline and diesel) and the stationary fuel consumption (natural gas).
- Indirect energy consumption includes the electricity use.

Air Emissions

As a service-based business, our back-office operations generate emissions even though they are not involved in the production process. The Group's office operations also generate greenhouse gases from the use of business car, electricity consumption, water and wastewater treatment, disposal of paper to landfill and business trips by staff. The business car we use in our daily operations generate air pollutants, including nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and suspended particulates ("PM").

Air Pollutants (Note 7)	Unit	2024	2023
NO _x	g	87,230.51	66,948.00
SO _x	g	207.72	169.00
PM	g	8,018.42	6,123.00

Note:

- The air emission is calculated with reference to the published emission factors of the "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEx.

In order to maximise the efficiency of our business car and thereby reduce air pollutant emissions, we are maintaining adequate tyre pressures through regular inspections, while ensuring that the engines of idling vehicles are switched off.

Environmental, Social and Governance Report

In terms of GHG emissions, the Group is committed to introducing a number of measures aimed at reducing our carbon footprint and GHG emissions. In lieu of unnecessary overseas travel, we have been holding telephone/video conferences to minimise carbon emissions from flights. If travelling is necessary, we prioritise direct flights to reduce the Group's carbon footprint. We have also adopted energy saving measures to significantly reduce electricity consumption and GHG emissions associated with power generation.

Wastewater Efficiency

Regarding to water pollution, our business and office operations do not generate any pollutants. As the Group operates in leased offices, its water supply and drainage are under the full control of the building owner or management office and therefore GHG emissions from water and sewage are not available.

Water Consumption	Unit	2024	2023
Total water consumption	m ³	102,014.60	66,637.00
Water consumption intensity	m ³ /number of employees	290.64	173.53

In terms of water consumption, the Group aims to minimise water consumption in the office and has implemented several water conservation measures. The Group uses dual-flush toilets and faucets with infrared sensors to reduce unnecessary water consumption. The Group has been giving priority to the use of taps and other equipment with water efficiency labels. We also regularly check for hidden leaks and repair dripping taps as soon as problems are identified. During the year, the intensity of water consumption per employee was increase from 173.53 m³ to 290.64 m³.

Environmental, Social and Governance Report

Waste Management

Office operation is the only source of waste generation for the Group, however we still aim to minimise waste generation in our daily operations. All of our non-hazardous waste is generated from our staff's daily office garbage, while the hazardous waste generated includes used ink cartridges and batteries. The Group has collected and handled of all waste in a proper and legal manner in accordance with the Waste Disposal Ordinance of Hong Kong, the Law of the People's Republic of China Prevention and Control of Environmental Pollution by Solid Waste and the Environmental Public Health Act of Singapore, so as to avoid any detrimental impact on the environment. As the Group is not involved in the product manufacturing or packaging, no packaging materials were used during the Reporting Period.

Waste	Unit	2024	2023
Hazardous waste produced (Note 8)	kg	130.00	169.00
Hazardous waste intensity	kg/number of employees	0.37	0.44
Non-hazardous waste produced (Note 9)	tonnes	7.12	7.00
Non-hazardous waste intensity	tonnes/ number of employees	0.02	0.02

Note:

8. The hazardous waste included toner cartridges, waste batteries and ink cartridges during the Reporting Period.
9. The non-hazardous waste included domestic waste, food waste, wastepaper, waste plastic and waste metals during the Reporting Period.

As an effort to reduce waste generation, the Group has adopted the “3Rs” principle as our waste management strategy. The Group has implemented a policy of double-sided printing and copying and electronic distribution of information wherever practicable to reduce paper consumption. Besides, we promote the reduction of the use of disposable and non-recyclable products. Our staff is encouraged to reduce the use of one-off stationery and equipment and promote the use of refillable stationery as an alternative, as well as to regularly assess the stock of stationery and equipment to avoid accumulation. For hazardous waste, waste ink cartridges are recycled by the suppliers.

Environmental, Social and Governance Report

Responding to Climate Change

Climate change has always been a topic of concern and has been discussed on all fronts in recent years. The Group has raised its awareness of the risks and potential impacts of climate change toward the Group. The Group has identified and prioritised various climate-related risks. The increased risk of extreme weather events may increase operating costs through the maintenance and repair costs of damaged facilities and may also adversely affect the health and safety of employees. In addition, the increasingly stringent ESG reporting obligations of regulatory bodies, such as the HKEx, may result in increased expenditure to ensure that the Group's operations are following relevant laws and regulations.

Having acknowledged the increasing concern over climate change, the Group has proactively adopted different measures to address climate-related risks and potential impacts that may arise. The Group regularly identifies, evaluates and monitors climate-related risks and determines the appropriate level of the Group's climate-related risk appetite. In order to mitigate potential risks arising from climate change, the Group regularly communicates with stakeholders on climate-related impacts and prepares and maintains adequate resources for mitigating climate-related risks and remediating climate-related crises.

Looking forward, we will continue to monitor and assess the evolving risks that climate change may bring to the Group and will take prompt preventive and mitigating measures in the event of any form of climate-related risks.

Environmental, Social and Governance Report

CARING FOR OUR PEOPLE

Employee's Health and Safety

Safety at work is the cornerstone of the Group's sustainable development. As such, the Group strictly complies with laws and regulations on occupational health and safety, such as the Occupational Safety and Health Ordinance of Hong Kong, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Workplace Safety and Health ("WSH") Act of Singapore. The Group is highly concerned about the health condition of our employees. Therefore, the Group implements a 5-day working week and clearly defines the daily working hours in the employment contracts to ensure that each employee has sufficient rest time. Provisions for holidays (such as annual leave) are also set out in the contracts to protect employees' right to enjoy holidays.

At the end of the Reporting Period, the Group employed 399 employees across Singapore, the United Kingdom, the People's Republic of China ("PRC") and Hong Kong. The employment data at the end of the Reporting period is summarised below:

	2024	2023
Total number of employees	399	384
By gender		
Male	281	270
Female	118	114
By age group		
Below 30	68	67
30 to 50	223	216
Over 50	108	101
By employment type		
Full-time	393	378
Part-time	6	6
By geographical region		
Hong Kong	12	11
PRC	249	245
Singapore	135	125
United Kingdom	3	3

Environmental, Social and Governance Report

During the Reporting period, the turnover rate was approximately 18%. The details are summarized below:

	2024	2023
Employee turnover rate (Note 10)	18%	20%
By gender		
Male	17%	23%
Female	20%	13%
By age group		
Below 30	10%	14%
30 to 50	18%	22%
Over 50	21%	21%
By geographical region		
Hong Kong	9%	10%
PRC	15%	18%
Singapore	23%	25%
United Kingdom	0%	29%

Note:

10. The employee turnover rate is calculated as a percentage by dividing the number of employees who left by the average number of employees during the period (beginning plus end of 2024 divided by 2) and then multiplying by 100.

Health and Safety Practices

The Group has established emergency response policies, such as fire or explosion contingency strategies, to respond appropriately to accidents. We also conduct rescue, fire and evacuation drills on a regular basis to enhance employees' awareness and participation in accident prevention. We have also taken out insurance policies for our employees to cover the workers' compensation in the event of a bodily injury arising from an accident arising out of and in the course of employment.

The Group also provides a comfortable and pleasant office environment for our employees through the implementation of various measures, including the provision of adjustable chairs, adequate storage space to avoid overcrowding in the office, regular maintenance or replacement of office equipment, and placing items and tools in appropriate locations for easy access.

Employee health and safety data	2024	2023	2022
Number of work-related injury cases	0	0	0
Number of work-related fatalities	0	0	0
Number of lost days due to work injury	0	0	0

Environmental, Social and Governance Report

Employment Conditions

The Group strictly complies with all relevant labour laws and regulations, such as the Employment Ordinance, the Minimum Wage Ordinance, the Employment of Young Persons (Industry) Regulations in Hong Kong; the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China; and the Employment Act and the Employment (Children and Young Persons) Regulations in Singapore.

Child and Forced Labour-free Workplace

The Group avoids employing child labour by verifying the age of the applicants through verification of documents (e.g. identity cards, academic certificates, etc.) during the recruitment process. If child labour is detected, the Group will strictly follow the steps outlined in the relevant regulations to eliminate such practices. Recruitment and promotion processes are conducted on a fair and open basis. The Group eliminates any form of discrimination based on sex, race, colour, age, religion and nationality. Prior to commencement of employment, each employee is provided with a job description which clearly sets out the duties and responsibilities of the position to avoid any form of forced labour. In the event of resignation, we will arrange interviews to understand the reasons for resignation and to improve the Group's operations as far as possible.

Benefits

Employees are our most valuable asset, and the Group values their rights and benefits. The salary structure is reviewed annually to ensure that the Group provides our employees with a competitive remuneration package. The structure of the remuneration packages would take into account the level and composition of pay and the general market conditions in the respective countries and businesses. In addition to basic salaries, the Group also pays discretionary bonuses to employees based on their individual performance and our financial performance. Other than the competitive remuneration package offered to the employees, share options may also be granted to selected employees based on the Group's performance.

The Group provides statutory holidays in accordance with relevant national and local laws. Our employees are entitled to different types of holidays. In addition to this, we also provide compassionate leave, jury duty leaves, examination leave, etc. Retirement benefits are also provided in accordance with the relevant legislation.

Work-life Balance

We prioritise the creation of a healthy working environment that promotes a harmonious work-life balance. We discourage excessive overtime work and ensure that employees' working hours are managed effectively. To minimise the need for overtime work, our management regularly reviews and adjusts work arrangements. Where overtime work is necessary, employees are appropriately compensated. In addition to national holidays, employees are entitled to additional paid annual leave, sick leave, marriage leave, maternity leave, paternity leave and paternity leave in accordance with local laws and regulations.



Environmental, Social and Governance Report

Training and Development

The Group believes that the development of its employees is beneficial to the overall development of the Group. Therefore, the Group provides different training opportunities for our employees, such as induction training, general internal training, specialised training, inter-departmental training and overseas training. The Group also provides training sponsorships and deposits to its employees and encourages them to attend external lectures and seminars to enrich the knowledge required during their working life.

The employee training data for the Reporting Period are as follows:

	2024	2023
Employee training rate	100%	100%
By gender		
Male	100%	100%
Female	100%	100%
By employment category		
Senior Management	100%	100%
Middle Management	100%	100%
Junior	100%	100%
Other	100%	100%
Average hours of training (hour)	5.05	4.7
By gender		
Male	5.21	5.12
Female	4.65	3.75
By employment category		
Senior Management	7.63	8.19
Middle Management	4.12	4.29
Junior	5.07	5.15
Other	2.00	1.00

Supporting Our Community

During the Reporting Period, the Group has focused on charitable activities to show our grateful hearts to the community. The Group has donated SG\$30,000 for education and development in Singapore Management University (“**SMU**”).

Environmental, Social and Governance Report

HKEX ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect A: Environment		
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note:</p> <p>Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
KPI A1.1	The types of emissions and respective emissions data.	ENVIRONMENTAL PROTECTION
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION

Environmental, Social and Governance Report

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
A2 Use of Resources	Policies on efficient use of resources including energy, water and other raw materials.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
	Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s') and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION

Environmental, Social and Governance Report

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Irrelevance to our Group's business nature
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	RESPONDING TO CLIMATE CHANGE
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	RESPONDING TO CLIMATE CHANGE

Environmental, Social and Governance Report

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
Aspect B: Social		
B1 Employment	Information on:	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
B2 Health and Safety	Information on:	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting year.	EMPLOYEES' HEALTH AND SAFETY – Employees' Health and Safety
KPI B2.2	Lost days due to work injury.	EMPLOYEES' HEALTH AND SAFETY – Employees' Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	EMPLOYEES' HEALTH AND SAFETY – Employees' Health and Safety

Environmental, Social and Governance Report

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B3 Development and Training	<p>Policies on improving employees' knowledge and skills for discharging duties at work.</p> <p>Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	EMPLOYEES' HEALTH AND SAFETY – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	EMPLOYEES' HEALTH AND SAFETY – Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	EMPLOYEES' HEALTH AND SAFETY – Training and Development
B4 Labour Standards	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	SUSTAINABLE OPERATIONS - Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	SUSTAINABLE OPERATIONS - Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SUSTAINABLE OPERATIONS - Supply Chain Management



Environmental, Social and Governance Report

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Irrelevance to our Group's business nature
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUSTAINABLE OPERATIONS - Supply Chain Management
B6 Product Responsibility	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 	SUSTAINABLE OPERATIONS
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	SUSTAINABLE OPERATIONS – Data Protection
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	SUSTAINABLE OPERATIONS – Data Protection
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Irrelevance to our Group's business nature
KPI B6.4	Description of quality assurance process and recall procedures.	Irrelevance to our Group's business nature
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Data Protection

Environmental, Social and Governance Report

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/ Reference Section
B7 Anti-corruption	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	SUSTAINABLE OPERATIONS – Anti-Bribery and Corruption Policy
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting period and the outcomes of the cases.	SUSTAINABLE OPERATIONS – Anti-Bribery and Corruption Policy
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	SUSTAINABLE OPERATIONS – Anti-Bribery and Corruption Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	SUSTAINABLE OPERATIONS – Anti-Bribery and Corruption Policy
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	SUPPORTING OUR COMMUNITY
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	SUPPORTING OUR COMMUNITY
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	SUPPORTING OUR COMMUNITY

Independent Auditor's Report



**TO THE SHAREHOLDERS OF
THEME INTERNATIONAL HOLDINGS LIMITED**
(Incorporated in Bermuda with limited liability)

Qualified Opinion

We have audited the consolidated financial statements of Theme International Holdings Limited (the **"Company"**) and its subsidiaries (collectively referred to as the **"Group"**) set out on pages 100 to 177, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (**"HKFRSs"**) issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis For Qualified Opinion

During the year ended 31 December 2024, the management of the Company discovered that a director (also acting as the chief executive officer) and certain employees of an indirect non-wholly owned subsidiary of the Company incorporated in Singapore (the **"SG Subsidiary"**), were suspected to have breach of fiduciary duties and misappropriated certain funds of the SG Subsidiary (the **"Suspected Misappropriation"**). The SG Subsidiary is mainly engaged in trade facilitation services of physical gold and silver.

The Group has ceased all operations of the SG Subsidiary since the discovery of the Suspected Misappropriation. The Group has engaged legal professionals to conduct an investigation on the Suspected Misappropriation and began legal proceedings against the suspected director, certain employees and certain counterparties of the SG Subsidiary. The Group has reported the Suspected Misappropriation to the Singapore Police on 19 July 2024. For details please refer to the announcement of the Company dated 9 August 2024. The investigation and legal proceedings have not been finalised up to the date of this report.

Independent Auditor's Report

Despite recovery actions taken, as the investigation and legal proceedings are still on-going, the Group considered the outstanding balances which would be recovered would depend on the outcome of the investigation and legal proceedings. Accordingly, the Group recorded the losses amounted to approximately HK\$167 million as a result of the Suspected Misappropriation for the year ended 31 December 2024 in the consolidated profit or loss. The financial information of the SG Subsidiary for the years ended 31 December 2024 and 2023 are as follow:

(a) Income and expenses for the year ended 31 December

	2024 HK\$'000	2023 HK\$'000
Revenue	11,819,066	25,470,243
Cost of sales	(11,802,200)	(25,436,576)
Other income, gains and losses	(168,985)	1,119
Administrative and other expenses	(14,675)	(12,888)
Finance costs	(2,951)	(6,120)
Income tax	(1,537)	(2,729)

(b) Assets and liabilities as at 31 December:

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment	—	88
Trade receivables	—	284
Prepayments, deposits and other receivables	—	4,792
Derivative instruments	—	47,073
Cash and bank balances	15,372	154,706
Trade payables	—	(26,158)
Accruals and other payables	(3,374)	(53,654)
Current tax payable	(1,053)	(2,584)

Independent Auditor's Report

As the investigation and legal proceedings are still in progress up to the date of this report, audit procedures including direct confirmation arrangement with customers and suppliers of the SG Subsidiary as well as interview with relevant parties are limited during the course of audit. Also, up to the date of this report, we have not been provided with the results of the investigation and legal proceedings regarding to the Suspected Misappropriation. As a result, we were unable to obtain sufficient appropriate audit evidence to ascertain:

- 1) the timing, nature and extent of the Suspected Misappropriation;
- 2) the completeness, accuracy and existence of the financial information of the SG Subsidiary for the years ended 31 December 2024 and 2023;
- 3) the completeness of the disclosures of the related party transactions of the SG Subsidiary for the years ended 31 December 2024 and 2023 and the balances as at those dates as required by Hong Kong Accounting Standard 24 (Revised) "Related Party Disclosures";
- 4) the completeness of the commitments and contingent liabilities of the SG Subsidiary as at 31 December 2024 and 2023; and
- 5) the accuracy and completeness of the losses from the Suspected Misappropriation of approximately HK\$167 million for the year ended 31 December 2024.

There were no other satisfactory audit procedures that we could adopt to verify the above matters.

Any adjustments to the figures as described above might have a consequential effect on the Group's consolidated financial performance and consolidated cash flows for the years ended 31 December 2024 and 2023 and the consolidated financial position of the Group as at 31 December 2024 and 2023, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independent Auditor's Report

Key Audit Matters

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

Inventories

Refer to note 22 to the consolidated financial statements

The Group tested the amount of inventories for impairment. This impairment test is significant to our audit because the balance of inventories of approximately HK\$3,635,351,000 as at 31 December 2024 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on ordering and holding of inventories;
- Evaluating the Group's impairment assessment;
- Assessing the marketability of the inventories;
- Assessing the ageing of the inventories;
- Assessing the net realisable values of the inventories; and
- Checking subsequent sales and usage of the inventories.

We consider that the Group's impairment test for inventories is supported by the available evidence.

Trade and bills receivables and accounts receivables

Refer to notes 23 and 24 to the consolidated financial statements

The Group tested the amount of trade and bills receivables and accounts receivables for impairment. This impairment test is significant to our audit because the balances of trade and bills receivables and accounts receivables of approximately HK\$2,344,683,000 and HK\$2,895,762,000 respectively as at 31 December 2024 are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Independent Auditor's Report

Our audit procedures included, among others:

- assessing the Group's procedures on granting credit limits and credit periods to customers;
- assessing the Group's relationship and transaction history with the customers;
- evaluating the Group's impairment assessment;
- assessing aging of the debts;
- checking subsequent settlements from the customers;
- understanding the established policies and procedures on credit risk management of the Group and assessing and evaluating the process with respect to identification of accounts receivables from brokers, dealers and customers with indicators of impairment and the measurement of the impairment allowance;
- assessing the sufficiency of the impairment loss recognised with respect to the above shortfall, after taking into account other factors like credit worthiness, subsequent utilisation of accounts in the future dealings as well as past collection history; and
- assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade and bills receivables and accounts receivables apart from the trade receivables mentioned in Basis for Qualified Opinion is supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the financial information, disclosures of the related party transactions, the commitments and contingent liabilities of the SG Subsidiary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Independent Auditor's Report

Responsibilities of Directors for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Fong Tak Ching

Audit Engagement Director

Practising Certificate Number P06353

Hong Kong, 31 March 2025



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	7	40,913,965	55,376,948
Cost of sales		(39,881,451)	(53,596,299)
Gross profit		1,032,514	1,780,649
Other income, gains and losses	8	(135,648)	197,622
Selling and distribution expenses		(95,695)	(91,250)
Administrative expenses		(390,860)	(373,042)
Profit from operations		410,311	1,513,979
Finance costs	9	(20,310)	(28,321)
Share of profits of associates		45,718	36,507
Profit before taxation		435,719	1,522,165
Income tax	10	(63,798)	(140,084)
Profit for the year	11	371,921	1,382,081
Profit for the year attributable to:			
Owners of the Company		296,242	1,200,955
Non-controlling interests		75,679	181,126
		371,921	1,382,081
Other comprehensive expenses:			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of financial assets at fair value through other comprehensive income		(663)	(561)
<i>Items that may be reclassified to profit or loss:</i>			
Share of associates exchange differences on translating foreign operations		(6,167)	(1,118)
Exchange differences on translating foreign operations		(104,272)	(71,358)
		(110,439)	(72,476)
Other comprehensive expenses for the year, Net of tax		(111,102)	(73,037)
Total comprehensive income for the year		260,819	1,309,044
Total comprehensive income for the year Attributable to:			
Owners of the Company		187,932	1,129,092
Non-controlling interests		72,887	179,952
		260,819	1,309,044
Earnings per share			
— Basic (HK cents per share)	14	2.20	8.91
— Diluted (HK cents per share)	14	2.20	8.91

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment	15	158,647	170,809
Right-of-use assets	16	26,391	40,726
Goodwill	17	37,945	37,945
Interest in associates	18	2,367,909	617,887
Financial assets at fair value through other comprehensive income	19	19,572	20,235
Financial assets at fair value through profit or loss	20	79,809	—
Deferred tax assets	21	47	143
		2,690,320	887,745
Current assets			
Inventories	22	3,635,351	2,253,665
Trade and bills receivables	23	2,344,683	1,853,872
Accounts receivables	24	2,895,762	3,297,782
Financial assets at fair value through profit or loss	20	3,822	496,387
Derivative instruments	25	415,765	1,454,319
Prepayments, deposits and other receivables	26	594,827	777,078
Cash and bank balances	27	6,396,262	5,310,281
		16,286,472	15,443,384
Current liabilities			
Trade and bills payables	28	3,870,101	2,423,790
Trust receipt loans	29	139,945	—
Bank borrowings	30	1,238	1,259
Accounts payables	31	5,775,864	4,876,625
Contract liabilities	32	155,034	176,846
Accruals and other payables		169,907	208,981
Amount due to an associate	33	1,141,920	—
Derivative instruments	25	397,397	1,221,457
Lease liabilities	34	10,021	13,593
Current tax payable		64,393	113,260
		11,725,820	9,035,811
Net current assets		4,560,652	6,407,573
Total assets less current liabilities		7,250,972	7,295,318

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Bank borrowings	30	1,747	3,078
Lease liabilities	34	—	10,050
Deferred tax liabilities	21	12,938	12,362
		14,685	25,490
Net assets		7,236,287	7,269,828
Capital and reserves			
Share capital	35	33,679	33,679
Reserves	36	6,081,843	6,164,820
Equity attributable to owners of the Company		6,115,522	6,198,499
Non-controlling interests		1,120,765	1,071,329
Total equity		7,236,287	7,269,828

The consolidated financial statements on pages 100 to 177 were approved and authorised for issue by the board of directors on 31 March 2025 and are signed on its behalf by:

Director
Jiang Jiang

Director
Wu Lei

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Notes	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium account	Capital reserve	Investment revaluation reserve	Foreign currency translation reserve	Accumulated profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023	33,679	1,877,644	3,179	(1,771)	(99,280)	(Note a) 2,771,037	4,584,488	1,324,465	5,908,953
Profit for the year	—	—	—	—	—	1,200,955	1,200,955	181,126	1,382,081
Other comprehensive expenses for the year:									
— Exchange difference arising on translating foreign operations	—	—	—	—	(71,302)	—	(71,302)	(1,174)	(72,476)
— Fair value changes of financial assets at fair value through other comprehensive income	—	—	—	(561)	—	—	(561)	—	(561)
Total comprehensive income for the year	—	—	—	(561)	(71,302)	1,200,955	1,129,092	179,952	1,309,044
Capital injection by non-controlling interests of subsidiaries	—	—	—	—	—	—	—	107,266	107,266
Partial disposal of equity interests in non-wholly owned subsidiaries without loss of control	—	—	(4,260)	—	—	—	(4,260)	14,640	10,380
Acquisition of additional equity interests in subsidiaries (Note b)	—	—	55,558	—	—	—	55,558	(386,771)	(331,213)
Deemed shareholder contribution in relation to option granted	20	—	433,621	—	—	—	433,621	—	433,621
Dividend distributions of non-wholly owned subsidiaries	—	—	—	—	—	—	—	(168,223)	(168,223)
At 31 December 2023 and 1 January 2024	33,679	1,877,644	488,098	(2,332)	(170,582)	3,971,992	6,198,499	1,071,329	7,269,828
Profit for the year	—	—	—	—	—	296,242	296,242	75,679	371,921
Other comprehensive expenses for the year:									
— Exchange difference arising on translating foreign operations	—	—	—	—	(107,647)	—	(107,647)	(2,792)	(110,439)
— Fair value changes of financial assets at fair value through other comprehensive income	—	—	—	(663)	—	—	(663)	—	(663)
Total comprehensive income for the year	—	—	—	(663)	(107,647)	296,242	187,932	72,887	260,819
Capital injection by non-controlling interests of subsidiaries	—	—	(1,482)	—	—	—	(1,482)	40,787	39,305
Special interim dividend	13	—	—	—	—	(269,427)	(269,427)	—	(269,427)
Dividend distributions of non-wholly owned subsidiaries	—	—	—	—	—	—	—	(64,238)	(64,238)
At 31 December 2024	33,679	1,877,644	486,616	(2,995)	(278,229)	3,998,807	6,115,522	1,120,765	7,236,287

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Note a: Included in accumulated profits approximately of HK\$3,998,807,000 and HK\$3,917,992,000 at 31 December 2024 and 2023 respectively, approximately of HK\$69,050,000 and HK\$45,062,000 as at 31 December 2024 and 2023 respectively designated as statutory surplus reserves in accordance with the People's Republic of China (the "PRC") Company Law and the Articles of Association of those PRC subsidiaries of the Company. These PRC subsidiaries are required to transfer 10% of their respective net profit as determined in accordance with the PRC Accounting Rules and Regulations to the statutory reserve until the reserve balance reaches 50% of the registered capital of these PRC subsidiaries. The transfer to this reserve must be made before the distribution of a dividend to shareholders.

Note b: During the year ended 31 December 2023, the Group had further acquired 33% equity interests of 山東鑫盛達礦業有限公司 ("鑫盛達") and 49% equity interests of 福建競點合金有限公司 ("競點合金"), the non-wholly owned subsidiaries of the Group, from non-controlling shareholders of 鑫盛達 and 競點合金 with consideration of RMB23,360,000 and RMB277,238,000 respectively. The difference of approximately HK\$55,558,000 (RMB50,423,000) between the amount of the non-controlling interests of HK\$386,771,000 (RMB351,021,000) adjusted and the fair value of consideration paid of approximately HK\$331,213,000 (RMB300,598,000), had been recognised directly in equity as capital reserve.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
Profit before taxation:		435,719	1,522,165
Adjustments for:			
Interest income		(99,481)	(103,780)
Finance costs		20,310	28,321
Loss on disposal/written-off of property, plant and equipment		12	667
Loss on misappropriation of funds		167,462	—
Depreciation on:			
— property, plant and equipment		18,774	17,870
— right-of-use assets		14,086	14,854
Share of profits of associates		(45,718)	(36,507)
Gain on fair value changes of financial assets at fair value through profit or loss		(1,818)	(117,060)
Gain of partial disposal of an associate		—	(153)
Gain on deemed disposal of an associate		—	(8,117)
Operating cash flows before working capital changes		509,346	1,318,260
Change in inventories		(1,594,656)	36,422
Change in loans to customers		—	15,699
Change in trade and bills receivables		(383,184)	(208,999)
Change in accounts receivables		374,918	64,391
Change in financial assets at fair value through profit or loss		—	11,706
Change in derivative instruments		229,020	(425,764)
Change in prepayments, deposits and other receivables		166,516	(495,684)
Change in cash and bank balances – Trust and customer segregated accounts		(1,305,714)	(1,053,896)
Change in trade and bills payables	37(i)	5,556,397	2,932,174
Change in accounts payables		899,239	1,014,329
Change in contract liabilities		(16,451)	98,828
Change in accruals and other payables		(34,408)	(239,248)
Cash generated from operations		4,401,023	3,068,218
Income tax paid		(111,993)	(100,756)
Interest received		99,481	103,780
Net cash generated from operating activities		4,388,511	3,071,242

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,882)	(14,284)
Proceeds from disposal of property, plant and equipment		6	—
Dividend received from an associate		97,913	14,393
Proceeds from partial disposal of an associate		—	42,073
Capital injection of associates		(1,328,000)	—
Acquisition of financial assets at fair value through profit or loss		(81,827)	—
Proceeds from disposal of financial assets at fair value through profit or loss		16,018	—
Increase in restricted deposits		(305,313)	(223,622)
Net cash used in investing activities		(1,613,085)	(181,440)
Cash flows from financing activities			
Capital injection by non-controlling interests of subsidiaries		39,305	107,266
Proceed from partial disposal of interests in non-wholly owned subsidiaries without loss of control		—	10,380
Repayment of trust receipt loans and bank borrowings	37(ii)	(4,109,171)	(2,451,230)
Acquisition of additional interest in subsidiaries		—	(331,213)
Advance from an associate		1,141,920	—
Payment of lease liabilities		(13,622)	(13,214)
Interest paid		(20,310)	(28,321)
Dividend paid in relation to distribution to non-controlling shareholders of subsidiaries		(64,238)	(223,031)
Special interim dividend paid		(269,427)	—
Net cash used in financing activities		(3,295,543)	(2,929,363)
Net decrease in cash and cash equivalents		(520,117)	(39,561)
Effect of changes in foreign exchange rates		(4,497)	(5,220)
Cash and cash equivalents at beginning of year		2,689,687	2,734,468
Cash and cash equivalents at end of year		2,165,073	2,689,687
Analysis of cash and cash equivalents			
Cash and bank balances - General accounts	27	2,165,073	2,689,687

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. General Information

Theme International Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Unit 3401–03, 34/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 40 to the consolidated financial statements. The Company and its subsidiaries are collectively referred to as the “**Group**”.

2. Adoption of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. Material Accounting Policy Information

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative instruments. These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors of the Company (the “**Directors**”) to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these consolidated financial statements, are further disclosed in note 4 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of subsidiaries that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (II) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at their acquisition-date fair value the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated profit or loss as part of the gain or loss on disposal.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	4.75%–19%
Leasehold improvements	Shorter of lease term or useful lives
Plant and equipment	10%–33 $\frac{1}{3}$ %
Furniture, fixtures and office equipment	10%–33 $\frac{1}{3}$ %
Motor vehicles	10%–33 $\frac{1}{3}$ %

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machines pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Land use rights	Over the unexpired lease term
Land and buildings	33 $\frac{1}{3}$ %

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Leases (continued)

The Group as lessee (continued)

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

Inventories

Save as the precious metal commodities are measured at fair value less cost to sell and their changes in fair value less cost to sell are recognised in profit or loss in the period of the change, the remaining inventories of the Group are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income; and
- Financial assets at fair value through profit or loss.

(i) Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(ii) Financial assets at fair value through other comprehensive income

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments that are not held for trading as at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Financial assets (continued)

(iii) Financial assets at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Financial assets at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Loss allowance for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("**lifetime expected credit losses**") for trade receivables, if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derivative instruments

Derivatives are initially recognised and subsequently measures at fair value with any gains or losses arising from changes in fair values recognised in profit or loss.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Revenue from contracts with customers (continued)

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

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

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

Other revenue

Interest income is recognised using the effective interest method.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service payment are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Employee benefits (continued)

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Repayment of a grant related to income is applied first against any unamortised deferred income set up in respect of the grant. To the extent that the repayment exceeds any such deferred income, or where no deferred income exists, the repayment is recognised immediately in profit or loss. Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, deferred tax assets, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

3. Material Accounting Policy Information (continued)

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Critical Judgements and Key Estimates

4a. Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Consolidation of entity of less than 50% equity interest

Although the Group owns less than 50% of the equity interests in two of its subsidiaries, namely, Theme International VCC - Theme International Trading and Theme International VCC - Beta Theme International Trading, funds incorporated in Singapore, these corporations are treated as subsidiaries because the Group is able to control the relevant activities of these corporations as a result of the shareholders' agreement between the Group and other shareholders of these corporations.

Equity pick up of entity of less than 20% equity interest

As at 31 December 2023 and up to 30 April 2024 (being the date of subscribing 120,000,000 shares of Esteel (as defined in note 18) through exercise of 120,000,000 Second Call Option (as defined in note 20)), despite the Group holds less than 20% of the voting power of Esteel (as defined in note 20), the Group exercises significant influence over Esteel because the Group is entitled to appoint one director out of the three directors of Esteel and the Group has more than 20% potential voting right derived from the equity interest of Esteel held by the Group as well as the Second Call Option granted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

4. Critical Judgements and Key Estimates (continued)

4b. Key sources of estimation uncertainty

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

Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and bills receivables and account receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgment and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Fair value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group's certain investments, details of which are set out in notes 19 and 20 to the consolidated financial statements, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance in relation to the investments.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Financial Risk Management

The Group's activities expose it to a variety of financial risks, foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as certain of its business transactions, assets and liabilities are principally denominated in the foreign currencies of the Group entities, including Hong Kong dollars, United States dollars and Renminbi. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2024, if the Renminbi had weakened/strengthened 5% (2023: 5%) against the US dollar with all other variables held constant, post-tax profit for the year would have been approximately of HK\$9,984,000 (2023: HK\$16,836,000) lower/higher, arising mainly as a result of the foreign exchange loss on trade and bills payables denominated in US dollar.

(b) Price risk

The Group's financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative instruments are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security and forward contract price risk. The directors manage this exposure by maintaining a portfolio of investments with different risk profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. For sensitivity analysis purpose, the sensitivity rate is 10% (2023: 10%) in current year as a result of the volatile financial market.

At 31 December 2024, if the share prices of the investments and derivative instruments increase/decrease by 10%, post-tax profit for the year would have been approximately of HK\$2,184,000 (2023: HK\$23,286,000) higher/lower, arising as a result of the fair value change of the financial assets at fair value through profit or loss and derivative instruments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Financial Risk Management (continued)

(c) Credit risk

The carrying amount of the cash and bank balances, trade, bills, interest and other receivables, investments and loans to customers receivable included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry and country in which debtors operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has a concentration of credit risk as 20% (2023: 17%) and 63% (2023: 41%) of trade and bills receivables which was due from the Group's largest debtor and the five largest debtors respectively.

The Group has policies in place to ensure that sales on credit terms and loans are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Apart from receivables that are impaired at year end, the remaining debtors have no significant defaults in the past. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that no provision for the remaining uncollectible receivables is required.

In order to minimise the credit risk on the accounts receivables relating to the brokerage activities, the Group only select those brokers which are either the licensed financial institutions or reputable organisations for carrying on the brokerage and clearing services business and acting as the custodians of the fund of the Group itself and its customers. In this regard, the directors of the Company consider that the Group's credit risk on the accounts receivable is significantly reduced.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Financial Risk Management (continued)

(c) Credit risk (continued)

- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Non-performing	Significant increase in credit risk	Lifetime expected losses

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Financial Risk Management (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms.

The maturity analysis of the Group's financial liabilities which are based on contractual undiscounted cash flows as follows:

	On demand or within 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000
At 31 December 2024			
Trade and bills payables	3,870,101	—	—
Trust receipt loans	139,999	—	—
Bank borrowings	1,395	1,315	666
Accounts payables	5,775,864	—	—
Accruals and other payables	169,907	—	—
Lease liabilities	10,153	—	—
Derivative instruments	397,397	—	—
	10,364,816	1,315	666
At 31 December 2023			
Trade and bills payables	2,423,790	—	—
Bank borrowings	1,259	1,279	1,799
Accounts payables	4,876,625	—	—
Accruals and other payables	208,981	—	—
Lease liabilities	14,142	10,183	—
Derivative instruments	1,221,457	—	—
	8,746,254	11,462	1,799

(e) Interest rate risk

The Group's bank deposits and bank borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank deposits. These deposits bear interests at variable rates varied with the then prevailing market condition.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Financial Risk Management (continued)

(f) Categories of financial instruments at 31 December

	2024 HK\$'000	2023 HK\$'000
Financial assets		
Financial assets at fair value through other comprehensive income	19,572	20,235
Financial assets at fair value through profit or loss -		
Mandatorily measured:		
Financial assets at fair value through profit or loss	83,631	496,387
Derivative instruments	415,765	1,454,319
	499,396	1,950,706
Financial assets at amortised cost (including cash and cash equivalents):		
Trade and bills receivables	2,344,683	1,853,872
Accounts receivables	2,895,762	3,297,782
Deposits and other receivables	268,376	670,472
Cash and bank balances	6,396,262	5,310,281
	11,905,083	11,132,407
	12,424,051	13,103,348
Financial liabilities		
Financial liabilities at fair value through profit or loss:		
Derivative instruments	397,397	1,221,457
Financial liabilities at amortised cost:		
Trade and bills payables	3,870,101	2,423,790
Trust receipt loans	139,945	—
Bank borrowings	2,985	4,337
Accounts payables	5,775,864	4,876,625
Amount due to an associate	1,141,920	—
Accruals and other payables	169,907	208,981
	11,100,722	7,513,733
	11,498,119	8,735,190

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Financial Risk Management (continued)

(g) Fair value

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. Fair Value Measurements

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. Fair Value Measurements (continued)

Disclosures of level in fair value hierarchy:

At 31 December 2024

Description	Fair value measurements using:			Total
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	2024 HK\$'000
Recurring fair value measurements:				
Financial assets at fair value through other comprehensive income:				
Private equity investment in the PRC	—	—	19,572	19,572
Financial assets at fair value through profit or loss:				
Listed securities in Hong Kong and overseas	3,473	—	—	3,473
Unlisted funds	—	—	80,158	80,158
	3,473	—	80,158	83,631
Derivative instruments				
— Assets	415,765	—	—	415,765
— Liabilities	(397,397)	—	—	(397,397)
	18,368	—	—	18,368
Total recurring fair value measurements	21,841	—	99,730	121,571

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. Fair Value Measurements (continued)

Disclosures of level in fair value hierarchy: (continued)

At 31 December 2023

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements:				
Financial assets at fair value through other comprehensive income:				
Private equity investment in the PRC	—	—	20,235	20,235
Financial assets at fair value through profit or loss:				
Unlisted debt investment in overseas Option	16,004	—	—	16,004
	—	—	480,383	480,383
	16,004	—	480,383	496,387
Derivative instruments				
— Assets	1,454,319	—	—	1,454,319
— Liabilities	(1,221,457)	—	—	(1,221,457)
	232,862	—	—	232,862
Total recurring fair value measurements	248,866	—	500,618	749,484

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. Fair Value Measurements (continued)

Movements in Level 3 fair value measurements

Description	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income	2024 Total HK\$'000
	Fund HK\$'000	Option HK\$'000	Equity investment HK\$'000	
At 1 January 2024				
Addition	—	480,383	20,235	500,618
Total gains or losses recognised	78,349	—	—	78,349
— in profit or loss ^(#)	1,809	—	—	1,809
— in other comprehensive income	—	—	(663)	(663)
Transfer upon further acquisition of equity interests of an associate	—	(480,383)	—	(480,383)
At 31 December 2024	80,158	—	19,572	99,730
^(#) Include gains or losses for assets held at end of reporting period	1,809	—	—	1,809

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. Fair Value Measurements (continued)

Movements in Level 3 fair value measurements (continued)

Description	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		2023
	Equity investment	Option	Equity investment		Total
	HK\$'000	HK\$'000	HK\$'000		HK\$'000
Recurring fair value measurements:					
At 1 January 2023	242,892	39,552	20,796		303,240
Addition	—	433,621	—		433,621
Total gains or losses recognised					
— in profit or loss ^(#)	112,949	7,210	—		120,159
— in other comprehensive income	—	—	(561)		(561)
Recognition of interest in an associate	(355,841)	—	—		(355,841)
At 31 December 2023	—	480,383	20,235		500,618
^(#) Include gains or losses for assets held at end of reporting period					
	—	46,762	—		46,762

The total gains or losses recognised in profit or loss including those for assets held at end of the reporting period are presented in other income, gain and loss in the consolidated statement of profit or loss and other comprehensive income.

The total gains or losses recognised in other comprehensive income are presented as fair value changes of financial assets at fair value through other comprehensive income in the consolidated statement of changes in equity.

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

6. Fair Value Measurements (continued)

Movements in Level 3 fair value measurements (continued)

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations. The valuation methods currently adopt for these level 3 financial assets at fair value are:

Description	Valuation Technique	Unobservable inputs	Fair value 2024 HK\$'000	Effect on fair value for increase of inputs
Unlisted equity securities classified as equity investment at fair value through other comprehensive income	Market approach — Guideline Transaction Method	Reference to the most recent share transactions of the target company with independent third party Marketability discount and P/E multiple	19,572	Increase Decrease
Unlisted funds classified as equity investment at fair value through profit or loss	Net asset approach	Net asset value	80,158	Increase

Description	Valuation Technique	Unobservable inputs	Fair value 2023 HK\$'000	Effect on fair value for increase of inputs
Unlisted equity securities classified as equity investment at fair value through other comprehensive income	Market approach — Guideline Transaction Method	Reference to the most recent share transactions of the target company with independent third party Marketability discount and P/E multiple	20,235	Increase Decrease
Option classified as equity investment at fair value through profit or loss	Binominal Black Scholes Model	Expected volatility	480,383	Increase

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. Revenue and Segment Information

(a) Revenue

	2024 HK\$'000	2023 HK\$'000
Sales from trading and processing of goods	40,036,179	54,537,384
Commission income and brokerage fees from the provision of financial services	252,719	242,688
Less: Sales taxes and levies	(14,432)	(11,022)
Revenue from contracts with customers	40,274,466	54,769,050
Gain from derivative trading	415,499	459,797
Interest income from loans to customers	—	624
Interest income from trust and segregated accounts	224,000	147,477
	639,499	607,898
Total revenue	40,913,965	55,376,948

Sales from trading and processing of goods

The Group trades and processes the bulk commodities and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Revenue from these sales is recognised based on the prices specified in the contracts, net of sales taxes and levies as well as commodities price index change between the dates of contracts and goods delivery.

Sales to customers are normally made with credit terms of 0 to 90 days. For those customers in the PRC, deposits are regularly required and these deposits received are recognised as the contract liabilities.

The trade and bills receivables are recognised when the products are delivered to the customers as these are the point in time that the considerations are unconditional because only the passage of time is required before the payment is due.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. Revenue and Segment Information (continued)

(a) Revenue (continued)

Commission income and brokerage fees from the provision of financial services

The Group provides a wide range of financial services to its customers. Amongst them, the commission income and brokerage fees from the provision of futures and derivatives products for global exchange services is recognised when the services are rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the services.

Disaggregation of revenue from contracts with customers:

Year ended 31 December 2024

Segments	Distribution, trading and processing HK\$'000	Financial services HK\$'000	2024 Total HK\$'000
Geographical markets			
Hong Kong	163,842	89,645	253,487
Singapore	23,483,792	163,074	23,646,866
The PRC	16,374,113	—	16,374,113
Total	40,021,747	252,719	40,274,466
Major products/services			
Trading and processing of bulk commodities	40,021,747	—	40,021,747
Commission income and brokerage fees	—	252,719	252,719
Total	40,021,747	252,719	40,274,466
Time of revenue recognition			
At a point in time	40,021,747	252,719	40,274,466

Notes to the Consolidated Financial Statements

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7. Revenue and Segment Information (continued)

(a) Revenue (continued)

Disaggregation of revenue from contracts with customers: (continued)

Year ended 31 December 2023

Segments	Distribution, trading and processing HK\$'000	Financial services HK\$'000	2023 Total HK\$'000
Geographical markets			
Hong Kong	173,750	122,988	296,738
Singapore	39,483,245	119,700	39,602,945
The PRC	14,869,367	—	14,869,367
Total	54,526,362	242,688	54,769,050
Major products/services			
Trading and processing of bulk commodities	54,526,362	—	54,526,362
Commission income and brokerage fees	—	242,688	242,688
Total	54,526,362	242,688	54,769,050
Time of revenue recognition			
At a point in time	54,526,362	242,688	54,769,050

(b) Segment information

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors of the Company, the Group's chief operating decision makers, for the purposes of resource allocation and making strategic decision.

During the year ended 31 December 2024 and 2023, the Group's reportable and operating segments are as follows:

- (i) Distribution, trading and processing business — distribution, trading and processing of bulk commodities and related products in Hong Kong, Singapore and the People's Republic of China (the "PRC"); and
- (ii) Financial services business — provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. Revenue and Segment Information (continued)

(b) Segment information (continued)

Segment information and results:

The following is an analysis of the Group's revenue and results by reportable segments:

Year ended 31 December 2024

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
Revenue	40,021,747	892,218	40,913,965
Segment profit	170,994	252,881	423,875
Finance costs	(17,335)	(2,761)	(20,096)
Unallocated other income, gains and losses			4,357
Share of profits of associates			45,718
Corporate expenses and other finance costs			(18,135)
Profit before taxation			435,719

Year ended 31 December 2023

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
Revenue	54,526,362	850,586	55,376,948
Segment profit	1,087,072	320,538	1,407,610
Finance costs	(27,477)	(514)	(27,991)
Unallocated other income, gains and losses			124,303
Share of profits of associates			36,507
Corporate expenses and other finance costs			(18,264)
Profit before taxation			1,522,165

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. Revenue and Segment Information (continued)

(b) Segment information (continued)

Segment information and results: (continued)

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of certain other income, gains and losses, share of profits of associate, certain finance costs and taxation. This is the measure reporting to the executive directors for the purposes of resource allocation and making strategic decision.

Segment assets and liabilities:

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

As at 31 December 2024

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment assets	8,103,710	8,408,809	16,512,519
Unallocated prepayments, deposits and other receivables			1,388
Unallocated property, plant and equipment and right-of-use assets			3,581
Financial assets at fair value through profit or loss			79,809
Interest in associates			2,367,909
Unallocated cash and bank balances			11,586
Consolidated assets			18,976,792
Segment liabilities	4,152,062	6,234,034	10,386,096
Trust receipt loans and bank borrowings	142,930	—	142,930
Current tax payable	45,127	19,266	64,393
Amount due to an associate			1,141,920
Unallocated accruals and other payables			1,675
Unallocated lease liabilities			3,491
Consolidated liabilities			11,740,505

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. Revenue and Segment Information (continued)

(b) Segment information (continued)

Segment assets and liabilities: (continued)

As at 31 December 2023

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment assets	7,281,499	7,932,972	15,214,471
Unallocated prepayments, deposits and other receivables			1,478
Unallocated property, plant and equipment and right-of-use assets			7,161
Financial assets at fair value through profit or loss			480,383
Interest in associates			617,887
Unallocated cash and bank balances			9,749
Consolidated assets			16,331,129
Segment liabilities	2,817,949	6,116,777	8,934,726
Bank borrowings	4,337	—	4,337
Current tax payable	100,380	12,880	113,260
Unallocated accruals and other payables			1,790
Unallocated lease liabilities			7,188
Consolidated liabilities			9,061,301

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

7. Revenue and Segment Information (continued)

(b) Segment information (continued)

Other segment information:

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
--	--	-----------------------------------	-------------------

Year ended 31 December 2024

Amounts included in the measure of

segment results or segment assets:

Additions of property, plant and equipment	8,423	3,459	11,882
Depreciation of property, plant and equipment	17,298	1,476	18,774

Year ended 31 December 2023

Amounts included in the measure of

segment results or segment assets:

Additions of property, plant and equipment	13,269	1,015	14,284
Depreciation of property, plant and equipment	16,848	1,022	17,870

Geographical information:

	Revenue		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong	327,522	368,425	3,584	7,189
Singapore	24,212,330	40,139,156	1,966,833	435,879
The PRC	16,374,113	14,869,367	700,284	424,299
	40,913,965	55,376,948	2,670,701	867,367

In presenting the geographical information, revenue is based on the location where the business activities were carried out. Non-current assets exclude financial instruments and deferred tax assets.

Information about major customers:

None of the customers from the Group's distribution, trading and processing business segment contributes over 10% of the total revenue of the Group for the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. Other Income, Gains and Losses

	2024 HK\$'000	2023 HK\$'000
Interest income on bank deposits	99,481	103,780
Net foreign exchange loss	(93,028)	(56,680)
Loss on misappropriation of funds (Note 1)	(167,462)	—
Gain on fair value changes of financial assets at fair value through profit or loss	1,818	117,060
Gain on deemed disposal of an associate	—	8,117
Gain on partial disposal of an associate	—	153
Government grants (Note 2)	13,663	13,065
Loss on disposal/written off of property, plant and equipment	(12)	(667)
Others	9,892	12,794
	(135,648)	197,622

Note 1: The management of the Company has recently discovered and reported to the board of directors that a director of the non-wholly owned subsidiary of the Company and certain employees in Singapore (the "SG Subsidiary"), is suspected to have misappropriated certain funds of the SG Subsidiary, which is mainly engaged in trade facilitation services of physical gold and silver. As a result, based on the information currently available to the Company, provision for losses due to suspected misappropriation of funds of approximately HK\$167,462,000 had been recognised during the year ended 31 December 2024.

Note 2: Government grants were mainly granted to the Group as one-off subsidies to support the operation of the PRC subsidiaries. The government grants had no conditions or contingencies that are needed to be fulfilled and they were non-recurring in nature.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

9. Finance Costs

	2024 HK\$'000	2023 HK\$'000
Bills discounting interest expenses and interest expenses on bank borrowings and trust receipt loans	19,749	27,334
Lease interest expenses	561	987
	20,310	28,321

10. Income Tax

	2024 HK\$'000	2023 HK\$'000
Current tax		
— Hong Kong Profits Tax		
— Provision for the year	210	1,373
— PRC Corporate Income Tax		
— Provision for the year	16,184	82,261
— Singapore Corporate Income Tax		
— Provision for the year	46,732	57,631
Deferred tax (Note 21)	672	(1,181)
	63,798	140,084

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits in respect of the Group's operating entities in Hong Kong for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

Singapore Corporate Income Tax is provided using the Singapore standard rate of income tax of 17% or the concession rate of 5% for the years ended 31 December 2024 and 2023. With the Global Trader Programme ("GTP") incentive awarded to Bright Point Trading Pte. Ltd., a wholly-owned subsidiary of the Company by the Inland Revenue Authority of Singapore with effect from 1 January 2017 and further revised in late 2019, certain qualified income generated during the years ended 31 December 2024 and 2023 from the distribution and trading business of the Group has been charged at a tax concessionary rate of 5% since then. Any other income not qualified for the GTP incentive has been charged at the standard rate of 17% during the years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

10. Income Tax (Continued)

Besides, those VCC funds incorporated in Singapore are awarded by the Monetary Authority of Singapore as a Tax Exemption Scheme for Resident Funds with effect from 7 September 2020.

Save as those PRC incorporation categories as Small Low-Profit Business which enjoy tax cuts until end of 2024, the income tax provision in respect of operations in the PRC is calculated at 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

The reconciliation between the income tax and profit before taxation is as follows:

	2024 HK\$'000	2023 HK\$'000
Profit before taxation	435,719	1,522,165
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdiction concerned	65,167	276,949
Tax effect on income that is not taxable	(32,820)	(32,097)
Tax effect of expenses that are not deductible	29,993	2,186
Utilisation of tax losses previously not recognised	(3,088)	(9,071)
Effect of GTP incentive award	(32,101)	(83,495)
One-off tax reduction	—	(12)
Tax losses not recognised	42,800	8,272
Others	1,960	(14,935)
Tax effect of share of profits of an associate	(8,113)	(7,713)
	63,798	140,084

At the end of the reporting period, subject to agreement with tax authorities, the Group has unused tax losses of approximately HK\$621,925,000 (2023: approximately HK\$421,147,000) available for offsetting against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unused tax losses are losses of approximately HK\$219,679,000 (2023: approximately HK\$45,076,000) arisen in the PRC operations of the Group, are eligible for carried forward for a period of 5 years from their respective year of origination under the PRC Corporate Income Tax Law. The other tax losses are carried forward indefinitely.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of those subsidiaries and associate in the PRC for which deferred tax liabilities have not been recognised is approximately HK\$16,878,000 (2023: HK\$47,403,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

11. Profit for the Year

The Group's profit for the year is stated after charging the following:

	2024 HK\$'000	2023 HK\$'000
Cost of inventories recognised as cost of sales	39,378,056	53,073,582
Depreciation		
— Property, plant and equipment	18,774	17,870
— Right-of-use assets	14,086	14,854
Auditors' remuneration		
— audit services	1,500	1,390
— non-audit services	250	250
	1,750	1,640
Expenses related to short-term leases	2,470	1,793
Directors' remuneration (note 12(a))	12,358	13,474
Other staff costs		
— salaries, discretionary bonuses and allowances	247,196	259,941
— retirement benefits scheme contributions	14,221	11,751
	261,417	271,692

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

12. Directors' and Senior Management's Emoluments

(a) Directors' emoluments

The remuneration of each Director for the year ended 31 December 2024 is set out below:

			Salaries and allowances	Discretionary bonuses	Retirement benefit scheme contributions	Total
	Notes	Fees HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Executive directors:</i>						
Mr. Jiang Jiang		—	1,438	1,970	—	3,408
Mr. Wu Lei		—	1,321	2,391	82	3,794
<i>Non-executive directors:</i>						
Mr. Ding Lin		—	1,080	—	18	1,098
Mr. Wang Zhenhui	4	—	1,080	—	—	1,080
Mr. Kang Jian		—	1,441	1,098	82	2,621
<i>Independent non-executive directors:</i>						
Mr. Liu Song		120	—	—	—	120
Ms. Kent Shun Ming	2	100	—	—	—	100
Ms. Chan Lai Ping		120	—	—	—	120
Mr. Wong Hok Bun Mario	3	17	—	—	—	17
		357	6,360	5,459	182	12,358

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

12. Directors' and Senior Management's Emoluments (Continued)

(a) Directors' emoluments (Continued)

The remuneration of each Director for the year ended 31 December 2023 is set out below:

	Notes	Fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
<i>Executive directors:</i>						
Mr. Jiang Jiang		—	1,438	2,189	—	3,627
Mr. Wu Lei		—	1,318	2,657	93	4,068
Ms. Chen Jing	1	—	476	—	6	482
<i>Non-executive directors:</i>						
Mr. Ding Lin		—	1,080	—	18	1,098
Mr. Wang Zhenhui	4	—	1,080	—	—	1,080
Mr. Kang Jian		—	1,439	1,220	100	2,759
<i>Independent non-executive directors:</i>						
Mr. Liu Song		120	—	—	—	120
Ms. Kent Shun Ming	2	120	—	—	—	120
Ms. Chan Lai Ping		120	—	—	—	120
		360	6,831	6,066	217	13,474

Notes:

1. Resigned on 30 April 2023
2. Resigned on 31 October 2024
3. Appointed on 6 December 2024
4. Resigned on 31 December 2024

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

12. Directors' and Senior Management's Emoluments (Continued)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, none (2023: none) of Directors whose emoluments are disclosed in note 12(a) above. The aggregate of the emoluments in respect of the five individuals with the highest emoluments (including the Directors) are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and allowances	6,456	4,950
Discretionary bonuses	56,327	56,297
Retirement benefit scheme contributions	491	396
	63,274	61,643

The emoluments of the five individuals with the highest emoluments are within the following bands:

	2024	2023
HK\$5,000,001 to HK\$5,500,000	2	1
HK\$5,500,001 to HK\$6,000,000	—	1
HK\$11,000,001 to HK\$11,500,000	1	—
HK\$14,500,001 to HK\$15,000,000	—	1
HK\$16,000,001 to HK\$16,500,000	—	1
HK\$17,000,001 to HK\$17,500,000	1	—
HK\$19,500,001 to HK\$20,000,000	—	1
HK\$24,000,001 to HK\$24,500,000	1	—

Save as disclosed above, for the two years ended 31 December 2024 and 2023, no other emoluments had been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

13. Dividend

	2024 HK\$'000	2023 HK\$'000
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Declared interim dividend of

HK\$ nil (2023: HK 2 cents) per ordinary share

—

269,427

At a board meeting held on 28 March 2024, the board of directors declared an interim dividend of HK 2 cents per ordinary share for the year ended 31 December 2023 and paid during the year ended 31 December 2024.

The board of directors did not recommend the payment of final dividend for the years ended 31 December 2024 and 2023.

14. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company was based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year.

	2024 HK\$'000	2023 HK\$'000
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Profit:

Profit for the year attributable to owners of the Company for
the purpose of basic earnings per share

296,242

1,200,955

	2024 '000	2023 '000
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Number of shares:

Weighted average number of ordinary shares for
the purpose of basic earnings per share

13,471,345

13,471,345

(b) Diluted earnings per share

Diluted earnings per share was the same as basic earnings per share as the Company did not have any dilutive potential ordinary shares during the two years ended 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

15. Property, Plant and Equipment

	Construction in progress HK\$'000	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost:							
At 1 January 2023	3,308	119,279	14,000	57,573	9,364	4,830	208,354
Additions	3,872	190	—	7,564	1,673	985	14,284
Disposal/written off	—	—	—	—	(547)	(618)	(1,165)
Exchange adjustments	(629)	(2,812)	—	(1,811)	(189)	(125)	(5,566)
At 31 December 2023 and 1 January 2024	6,551	116,657	14,000	63,326	10,301	5,072	215,907
Additions	6,467	—	—	3,073	893	1,449	11,882
Transfer to buildings and plant and machinery	(5,789)	1,585	—	4,204	—	—	—
Loss on misappropriation of funds	—	—	—	—	(195)	—	(195)
Disposal/written off	—	—	—	(18)	(10)	—	(28)
Exchange adjustments	(239)	(3,980)	—	(2,453)	(231)	(183)	(7,086)
At 31 December 2024	6,990	114,262	14,000	68,132	10,758	6,338	220,480
Accumulated depreciation:							
At 1 January 2023	—	6,407	13,890	2,754	4,964	698	28,713
Charge for the year	—	6,158	110	8,616	1,997	989	17,870
Elimination on disposal/ written off	—	—	—	—	(295)	(203)	(498)
Exchange adjustments	—	(337)	—	(579)	(47)	(24)	(987)
At 31 December 2023 and 1 January 2024	—	12,228	14,000	10,791	6,619	1,460	45,098
Charge for the year	—	6,516	—	9,148	1,873	1,237	18,774
Loss on misappropriation of funds	—	—	—	—	(125)	—	(125)
Elimination on disposal/ written off	—	—	—	(3)	(7)	—	(10)
Exchange adjustments	—	(668)	—	(1,073)	(96)	(67)	(1,904)
At 31 December 2024	—	18,076	14,000	18,863	8,264	2,630	61,833
Carrying amount:							
At 31 December 2024	6,990	96,186	—	49,269	2,494	3,708	158,647
At 31 December 2023	6,551	104,429	—	52,535	3,682	3,612	170,809

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

16. Right-of-use Assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Land use rights HK\$'000	Land and buildings HK\$'000	Total HK\$'000
At 1 January 2023	19,353	25,709	45,062
Additions	—	10,741	10,741
Depreciation	(1,549)	(13,305)	(14,854)
Exchange differences	(223)	—	(223)
At 31 December 2023 and 1 January 2024	17,581	23,145	40,726
Depreciation	(781)	(13,305)	(14,086)
Exchange differences	(249)	—	(249)
At 31 December 2024	16,551	9,840	26,391

The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:

	2024 HK\$'000	2023 HK\$'000
— Less than 1 year	10,153	14,142
— Between 1 and 2 years	—	10,183
	10,153	24,325
For the year ended 31 December:		
Depreciation charge of right-of-use assets	14,086	14,854
Lease interests	561	987
Expenses related to short-term leases	2,470	1,793
Total cash outflow for leases	16,653	15,994
Additions to right-of-use assets	—	10,741

The Group leases various land use rights and land and buildings. Lease agreements for those land and buildings are typically made for fixed periods of 3 years while the land use rights are ranged from 38 to 40 years (2023: 38 to 40 years) as of the end of reporting period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

17. Goodwill

	2024 HK\$'000	2023 HK\$'000
Cost and carrying amount		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>37,945</u>	37,945

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating unit ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	2024 HK\$'000	2023 HK\$'000
Distribution, trading and processing - PRC	917	917
Chemical trading — Hong Kong and Singapore	<u>37,028</u>	37,028
	<u>37,945</u>	37,945

The recoverable amounts of the CGUs are determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3% (2023:3%). This rate does not exceed the average long-term growth rate for the relevant markets.

The rates used to discount the forecast cash flows from the Group's distribution, trading and processing and chemical trading activities were 17.5% (2023:17.8%) and 16.2% (2023:16.6%) respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

18. Interest in Associates

	2024 HK\$'000	2023 HK\$'000
Unlisted investments in the PRC:		
Share of net assets	513,111	126,389
Due from an associate (Note)	—	97,913
Goodwill	12,993	12,993
	526,104	237,295
Unlisted investments in Singapore:		
Share of net assets	1,744,941	357,595
Goodwill	96,864	22,997
	1,841,805	380,592
	2,367,909	617,887

Note:

The amount due from an associate represented the receivables in relation to dividend declared by an associate during the year ended 31 December 2024. The amount was unsecured, interest-free and repayment on demand.

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the HKFRS financial statements of the associates.

Name	Principal place of business and place of incorporation	Principal activities	% of ownership interests/ voting rights held by the Group	
			2024	2023
連雲港恒鑫通礦業有限公司 ("連雲港恒鑫通")	The PRC	Ore commodity trading and processing	30%	30%
Green Estee Pte. Ltd. ("Estee")	Singapore	Ore commodity trading	20.4%	4.91%*
山東能源集團榮暉國際貿易有限公司("山東榮暉") [#]	The PRC	Ore commodity trading, import and export of goods	49%	N/A

* As at 31 December 2023, although the Group holds less than 20% of the voting power of Estee, the Group exercises significant influence over Estee because the Group is entitled to appoint one director out of the three directors of Estee and the Group has more than 20% potential voting right derived from the equity interest of Estee held by the Group as well as the Second Call Option (as defined in note 20) granted.

[#] 山東榮暉 set up during the year ended 31 December 2024. 山東榮暉 has 2 shareholders in total. The Group holds 49% equity interest of 山東榮暉. The Group can appoint 2 directors out of 5 directors in 山東榮暉. Considering the Group's significant influence on 山東榮暉, the interest in 山東榮暉 is classified as interest in associate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

18. Interest in Associates (Continued)

	連雲港恆鑫通		Esteel		山東榮暉
	2024	2023	2024	2023	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December					
Non-current assets	319,579	413,801	3,786,830	2,969,278	—
Current assets	344,106	547,197	10,721,576	8,788,161	1,480,226
Non-current liabilities	—	—	(666,565)	(683,553)	—
Current liabilities	(232,953)	(539,701)	(5,100,974)	(3,783,710)	(696,776)
Net assets	430,732	421,297	8,740,867	7,290,176	783,450
Group's share of net assets	129,220	126,389	1,744,942	357,595	383,890
Goodwill	12,993	12,993	96,864	22,997	—
Group's share of carrying amount of interests	142,213	139,382	1,841,806	380,592	383,890
Revenue	1,462,505	2,258,645	12,824,643	12,630,634	3,627,947
Profit for the year	22,327	50,119	469,147	713,903	7,235
Other comprehensive (expenses)/ income for the year	(12,892)	(17,576)	(34,196)	116,586	(23,785)
Total comprehensive income/ (loss) for the year	9,435	32,543	434,951	830,489	(16,550)
Dividends received from the associate	97,913	14,393	—	—	—

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

19. Financial Assets at Fair Value through Other Comprehensive Income

	2024 HK\$'000	2023 HK\$'000
Equity securities, at fair value		
Unlisted investment in the PRC - non-current	19,572	20,235

The unlisted investment represents approximately 0.3% interest as at 31 December 2024 and approximately 0.5% as at 31 December 2023 held by the Group on Wubo Technology Co., Ltd 物泊科技有限公司 (“Wubo”), a company incorporated in the PRC with registered capital of RMB997,262,000 as at 31 December 2024 and RMB548,494,000 as at 31 December 2023, respectively. Wubo is principally engaged in the cargo agency, logistics and internet technology services.

This investment is not held for trading, instead, it is held for long-term strategic purposes. The directors of the Company have elected to designate this investment as financial assets at fair value through other comprehensive income as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding this investment for long-term purposes and realising its performance potential in the long run.

20. Financial Assets at Fair Value through Profit or Loss

	2024 HK\$'000	2023 HK\$'000
Equity securities, at fair value		
Listed securities in Hong Kong and overseas	3,473	—
Unlisted debt investment in overseas	—	16,004
Unlisted investment in overseas	80,158	—
Option (note 1)	—	480,383
	83,631	496,387
Analysed as:		
Current assets	3,822	496,387
Non-current assets	79,809	—
	83,631	496,387

Note 1: Included in financial assets at fair value through profit or loss amounted to HK\$480,383,000 as at 31 December 2023 represented the call option (the “Call Option”) granted to the Company from Green Esteel the right to require Green Esteel to allot and issue 120,000,000 ordinary shares of Green Esteel at US\$1.00 per ordinary share.

The exercise of the Call Option was duly passed by the shareholders of the Company by way of poll at the special general meeting held on 25 March 2024. The Call Option was derecognised and transferred to interest in an associate as part of the consideration on further investment in 120,000,000 ordinary share of Green Esteel upon the exercise of the Call Option during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

21. Deferred Tax

The following are the major deferred tax assets and liabilities recognised by the Group.

	Fair value adjustments for financial assets at fair value through profit or loss HK\$'000	Revaluation of assets upon acquisition of subsidiaries HK\$'000	Accelerated depreciation allowances HK\$'000	Total HK\$'000
At 1 January 2023	2,423	(4,088)	(11,735)	(13,400)
(Charge)/credit to profit or loss	(2,280)	1,021	2,440	1,181
At 31 December 2023 and 1 January 2024	143	(3,067)	(9,295)	(12,219)
(Charge)/credit to profit or loss	(96)	655	(1,231)	(672)
At 31 December 2024	47	(2,412)	(10,526)	(12,891)

	2024 HK\$'000	2023 HK\$'000
Analysed as:		
Deferred tax assets	47	143
Deferred tax liabilities	(12,938)	(12,362)
	(12,891)	(12,219)

22. Inventories

	2024 HK\$'000	2023 HK\$'000
Raw materials	33,288	—
Finished goods	3,602,063	2,253,665
	3,635,351	2,253,665

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. Trade and Bills Receivables

	2024 HK\$'000	2023 HK\$'000
Trade receivables		
— External customers	901,265	1,848,962
— An associate	820,661	—
Bills receivables	622,757	4,910
	2,344,683	1,853,872

Trade and bills receivables as at the end of reporting period mainly represent receivables from trading customers and relevant bills issued by banks in relation to the sale of commodities. The majority of the Group's sales have required the payments in advance prior to the issuance of goods sold and the remaining are on letter of credit or document against payment and their average credit period of 30 to 90 days (2023: 30 to 90 days).

The aging analysis of trade and bills receivables, based on the invoice or bills due date or interest due date, and net of impairment allowance, is as follows:

	2024 HK\$'000	2023 HK\$'000
0 to 90 days	2,330,160	1,846,275
91 to 180 days	3,941	381
Over 180 days	10,582	7,216
	2,344,683	1,853,872

The Group has policy of providing allowance for bad and doubtful debts which is based on the evaluation of collectability and aging analysis of accounts and on management's judgment including credit worthiness and past collection history of each debtor.

In determining the recoverability of the trade and bills receivables and interest receivables, the Group considers any changes in the credit quality of the trade and bills receivables and interest receivables from the date credit was initially granted up to the end of the reporting period. No allowance for bad and doubtful debts are provided for trade receivables and bills receivables during the year and at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. Trade and Bills Receivables (Continued)

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade and bills receivables and interest receivables. To measure the expected credit losses, trade and bills receivables and interest receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Over 90 days past due	Over 180 days past due	Over 360 days past due	Total
At 31 December 2024					
Weighted average expected loss rate	0%	0%	0%	0%	0%
Receivable amount (HK\$'000)	2,330,160	3,941	5,985	4,597	2,344,683
Loss allowance (HK\$'000)	—	—	—	—	—
At 31 December 2023					
Weighted average expected loss rate	0%	0%	0%	—	0%
Receivable amount (HK\$'000)	1,846,275	381	7,216	—	1,853,872
Loss allowance (HK\$'000)	—	—	—	—	—

24. Accounts Receivables

	2024 HK\$'000	2023 HK\$'000
Arising from the business of dealing in futures contracts:		
— Brokers and dealers		
— representing customer balances	2,477,386	3,127,193
— representing house balances	396,971	163,553
	2,874,357	3,290,746
Arising from financial services provided:		
— Customers	21,405	7,036
	2,895,762	3,297,782

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

24. Accounts Receivables (Continued)

Accounts receivables from brokers and dealers are all current and repayable on demand. No aging analysis is disclosed as in the opinion of Directors, the aging analysis does not give additional value in view of the nature of broking business.

The Group has a policy for determining the allowance for impairment based on the evaluation of collectability and management's judgement, including the creditworthiness, collateral and past collection history of the counter-parties.

25. Derivative Instruments

	Contract/ Notional amount 2024 HK\$'000	Assets 2024 HK\$'000	Liabilities 2024 HK\$'000	Contract/ Notional amount 2023 HK\$'000	Assets 2023 HK\$'000	Liabilities 2023 HK\$'000
Future contracts						
— Sale	10,838,250	115,900	(269,763)	20,740,808	265,111	(1,000,041)
— Purchases	9,890,571	299,865	(127,634)	20,236,721	1,189,208	(221,416)
Total derivative instruments		415,765	(397,397)		1,454,319	(1,221,457)

26. Prepayments, Deposits and Other Receivables

	2024 HK\$'000	2023 HK\$'000
Trade deposits	191,811	614,444
Prepayments	12,814	14,817
VAT receivables	313,637	91,789
Deposit and other receivables	76,565	56,028
	594,827	777,078

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

27. Cash and Bank Balances

	2024 HK\$'000	2023 HK\$'000
Cash at bank		
— General accounts	2,165,073	2,689,687
— Restricted deposits	582,129	277,248
— Trust and customer segregated accounts	3,649,060	2,343,346
	6,396,262	5,310,281

The Group's restricted bank deposits represented margin deposits for trading of financial assets at fair value through profit or loss and derivative instruments as well as deposits for securing banking facilities granted to the Group as set out in notes 20, 25 and 28 to the consolidated financial statements.

The Group maintains segregated trust accounts with licensed financial institutions and approved bank incorporated outside Hong Kong to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as bank trust account balances under the current assets section of the statement of financial position and recognised the corresponding accounts payable to respective clients on the ground that it is liable for any loss or misappropriation of the client's monies. The Group is not permitted to use the clients' monies to settle its own obligations.

28. Trade and Bills Payables

	2024 HK\$'000	2023 HK\$'000
Trade payables	3,234,673	2,147,299
Bills payables	635,428	276,491
	3,870,101	2,423,790

The aging analysis of trade and bills payables, based on the date of receipt of goods, is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 90 days	3,311,406	2,299,978
90–180 days	542,048	22,494
181–365 days	11,364	77,988
Over 1 year	5,283	23,330
	3,870,101	2,423,790

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

28. Trade and Bills Payables (Continued)

The bills payables operated in the PRC are secured by the restricted deposits of the Group.

The Group uses bills payables as its supplier finance arrangement. The banks will settle the Group's suppliers directly using the funds of these bills payables. The terms of these bills payables are within 3 to 6 months from drawing of the loans.

29. Trust Receipt Loans

	2024 HK\$'000	2023 HK\$'000
Trust receipt loans	139,945	—

The maturity of trust receipt loans is as follows:

	2024 HK\$'000	2023 HK\$'000
Repayable on demand or within 1 year	139,945	—

Trust receipt loans at 31 December 2024 are backed by:

- (i) guarantee by the beneficial owner of the Group; and
- (ii) deed of charge and assignment.

The average effective interest rate per annum at 31 December 2024 and 2023 is as follows:

	2024	2023
Trust receipt loans	5.83%	—

The trust receipt loans are denominated in US\$ and their carrying values approximate their fair values.

The Group uses trust receipt loans as its supplier finance arrangement. The banks will settle the Group's suppliers directly using the funds of these trust receipt loans. The terms of these trust receipts loan are within 1 month from drawing of the loans.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

29. Trust Receipt Loans (Continued)

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
--	--	--

Carrying amount of liabilities of which suppliers have received payment	139,945	N/A
Range of payment due dates after invoice dates:		
Supplier finance arrangement liabilities	60 - 90 days	N/A
Comparable trade payable not part of the supplier finance arrangement	30 - 60 days	N/A

The major non-cash increases of supplier finance arrangement liabilities during the year are as follows:

	2024 HK\$'000	2023 HK\$'000
Trade payable settlements	4,247,764	N/A

30. Bank Borrowings

	2024 HK\$'000	2023 HK\$'000
Bank loans, secured	2,985	4,337
The borrowings are repayable as follows:		
On demand or within one year	1,238	1,259
In the second year	1,177	1,279
In the third to fifth years, inclusive	570	1,799
	2,985	4,337
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,238)	(1,259)
Amount due for settlement after 12 months	1,747	3,078

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

30. Bank Borrowings (Continued)

The average interest rates at 31 December 2024 were 6% (2023: 6%) per annum.

Bank loans of HK\$2,985,000 (2023: HK\$4,337,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk.

The directors estimate the fair value of the Group's borrowings are approximate to the future cash flows by discounting at the market rate.

All of the bank loans are backed by personal guarantee executed by a director of one of the Group's subsidiaries.

31. Accounts Payables

	2024 HK\$'000	2023 HK\$'000
Arising from the business of dealing in futures contracts	<u>5,775,864</u>	4,876,625

Accounts payables arising from business of dealing in futures contracts are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures contracts position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

32. Contract Liabilities

	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000	As at 1 January 2023 HK\$'000
Contract liabilities			
– sales of bulk commodities and related products	155,034	176,846	53,471
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:			
– 2024	—	176,846	
– 2025	155,034	—	
	155,034	176,846	

Year ended 31 December	2024 HK\$'000	2023 HK\$'000
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Revenue recognised in the year that was included in contract liabilities at beginning of year	176,846	53,471
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Significant changes in contract liabilities during the year:

	2024 HK\$'000	2023 HK\$'000
Increase due to operations in the year	12,721,013	14,638,064
Transfer of contract liabilities to revenue	(12,742,825)	(14,514,689)

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

33. Amount Due to an Associate

The amount due to an associate is unsecured, interest-free and repayment within one year. The amount has been fully repaid after the year end.

34. Lease Liabilities

	Lease payments		Present value of lease payments	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Within one year	10,153	14,142	10,021	13,593
In the second to fifth year, inclusive	—	10,183	—	10,050
	10,153	24,325	10,021	23,643
Less: Future finance charges	(132)	(682)		
Present value of lease liabilities	10,021	23,643		
Less: Amount due for settlement within 12 months (Shown under current liabilities)			(10,021)	(13,593)
Amount due for settlement after 12 months			—	10,050

At the end of reporting period, the average effective borrowing rate was ranged from 2.75%-4.00% (2023: 2.75%-4.00%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

35. Share Capital

	Number of ordinary shares of HK\$0.0025 each (‘000)	HK\$’000
Authorised:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	200,000,000	500,000
Issued and fully paid:		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	13,471,345	33,679

Capital Management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No major changes were made in the objectives, policies or processes for managing capital during the two years ended 31 December 2024 and 2023.

The capital structure of the Group consists of debt and equity attributable to owners of the Company, comprising share capital and reserves.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities to total assets. The gearing ratios at 31 December 2024 and 2023 were as follows:

	2024 HK\$’000	2023 HK\$’000
Total liabilities	11,740,505	9,061,301
Total assets	18,976,792	16,331,129
Gearing ratio	62%	55%

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

36. Reserves

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

	Share premium account HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	(Accumulated Losses)/ retained earnings HK\$'000	Total HK\$'000
At 1 January 2023	1,877,644	—	—	(89,278)	1,788,366
Deemed shareholders contribution in relation to option granted	—	433,621	—	—	433,621
Profit for the year	—	—	—	863,608	863,608
At 31 December 2023 and 1 January 2024	1,877,644	433,621	—	774,330	3,085,595
Dividend paid	—	—	—	(269,427)	(269,427)
Profit for the year	—	—	—	66,681	66,681
Other comprehensive loss for the year	—	—	(2,299)	—	(2,299)
At 31 December 2024	1,877,644	433,621	(2,299)	571,584	2,880,550



Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

36. Reserves (continued)

(c) Nature and purpose of reserves

(i) Share premium account

The application of the share premium account is governed by Section 40 of the Bermuda Companies Act 1981 (as amended).

(ii) Capital reserve

The capital reserve represents capitalisation of the gain on deemed disposal with equity of certain subsidiaries without loss of control. Such gain was credited to the capital reserve of the Group on consolidation.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3 to the consolidated financial statements.

(iv) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

37. Notes to the Consolidated Statement of Cash Flows

(i) Major non-cash transaction

The Company made use of trust receipt loans facilities approximately of HK\$4,247,764,000 (2023: HK\$2,290,003,000) for purchasing the trading commodities in its daily operating activity.

(ii) Changes in liabilities arising from financing activities

The following shows the Group's changes in liabilities arising from financing activities, including both cash and non-cash changes, during the year:

	Amount due to an associate 2024 HK\$'000	Lease liabilities 2024 HK\$'000	2023 HK\$'000	Trust receipt loans and bank borrowings 2024 HK\$'000	2023 HK\$'000
At beginning of year	—	23,643	26,116	4,337	165,564
Changes in cash flows					
– Lease paid	—	(13,622)	(13,214)	—	—
– Repayment of trust receipt loans and bank borrowings	—	—	—	(4,109,171)	(2,451,230)
– Interest paid	—	(561)	(987)	(19,749)	(27,334)
– Advance from an associate	1,141,920	—	—	—	—
Non-cash changes					
– Additions	—	—	10,741	—	—
– Finance costs	—	561	987	19,749	27,334
– Proceed from trust receipt loans facilities for purchasing the trading commodities	—	—	—	4,247,764	2,290,003
At end of year	1,141,920	10,021	23,643	142,930	4,337

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

38. Statement of Financial Position of The Company

	2024 HK\$'000	2023 HK\$'000
Non-current assets		
Right-of-use assets	3,581	7,161
Investments in subsidiaries	1,359,527	1,360,152
Investments in associate	2,225,696	380,592
Financial assets at fair value through profit or loss	79,809	—
	3,668,613	1,747,905
Current assets		
Amounts due from subsidiaries	823,939	886,672
Prepayments, deposits and other receivables	2,849	2,940
Financial assets at fair value through profit or loss	—	480,383
Cash and bank balances	581,010	9,749
	1,407,798	1,379,744
Current liabilities		
Accruals and other payables	1,190	1,187
Amounts due to subsidiaries	1,143,501	—
Amount due to an associate	1,014,000	—
Lease liabilities	3,491	3,697
	2,162,182	4,884
Net current (liabilities)/assets	(754,384)	1,374,860
Total assets less current liabilities	2,914,229	3,122,765
Non-current liabilities		
Lease liabilities	—	3,491
NET ASSETS	2,914,229	3,119,274
Capital and reserves		
Share capital	33,679	33,679
Reserves	2,880,550	3,085,595
TOTAL EQUITY	2,914,229	3,119,274

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

39. Related Party Transactions

Except for the related party transactions disclosed elsewhere in the consolidated financial statements, the Group has the following material transactions with its related parties as defined in HKAS 24 and/or connected person as defined in the Listing Rules during the year:

	2024 HK\$'000	2023 HK\$'000
Accounts payable to the ultimate controlling shareholder of the Company	53	53
Accounts receivable from related party owned by the ultimate controlling shareholder of the Company	—	54
Accounts payable to related party controlled by a close family member of the ultimate controlling shareholder of the Company	32,562	36,432
Accounts payable to related party owned by the ultimate controlling shareholder of the Company	201,151	37,257
Accounts payable to certain non-controlling interest parties	30,083	141,841
Accounts payable to a related party controlled by the ultimate controlling shareholder of the Company	4,663	5,466
Receivables from related parties controlled by a close family member of the ultimate controlling shareholder of the Company	58,035	—
Deposits paid to related parties controlled by a close family member of the ultimate controlling shareholder of the Company	17,992	18,486
Payables to related parties controlled by a close family member of the ultimate controlling shareholder of the Company	67,116	95,830
Trade receivables from an associate of the Company	820,661	—
Brokerage and commission fee income from related party owned by the ultimate controlling shareholder of the Company	7,625	1,666
Brokerage and commission fee income from certain non-controlling interest parties	10,299	22,768
Brokerage and commission fee income from a related party controlled by a close family member of the ultimate controlling shareholder of the Company	5,687	3,315
Loan interest income from a non-controlling interest party who is also a director of certain subsidiaries of the Group	—	16
Lease payment made to a related party owned by the ultimate controlling shareholder of the Company	10,533	10,988
Sales of trading commodities to a related party owned by the ultimate controlling shareholder of the Company	68,513	—
Purchase of trading commodities from a related party owned by the ultimate controlling shareholder of the Company	69,966	—
Sales of trading commodities to and processing income from related parties controlled by a close family member of the ultimate controlling shareholder of the Company	206,935	178,886

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

39. Related Party Transactions (continued)

	2024 HK\$'000	2023 HK\$'000
Purchase of trading commodities from related parties controlled by a close family member of the ultimate controlling shareholder of the Company	30,028	122,663
Logistics fees paid to related parties controlled by a close family member of the ultimate controlling shareholder of the Company	280,925	335,901
Purchase of trading commodities from an associate of the Company	—	242,960
Processing fee paid to an associate of the Company	—	5,967
Sales of trading commodities to associates of the Company	1,141,974	—

As at 31 December 2024 and 2023, the Group had accounts receivable from related parties and accounts payable due to related parties which was arising from the Group's ordinary course of commodities and futures broking and derivatives dealing. Accounts receivable/payable from/to related parties are set at the same terms as those normally offered to third party clients.

Brokerage income and commission fee was received from related companies in the ordinary course of the Group's business of commodities and futures broking and derivatives dealing. It is inclusive of the brokerage and commission fees paid to the Group's service suppliers, which are the direct members of Singapore Stock Exchange, Nasdaq Futures, ICE Futures US, New York Mercantile Exchange and London Metal Exchange. Commission rates are set at the same level as those normally offered to third party clients.

40. Particulars of Principal Subsidiaries of the Company

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

Notes to the Consolidated Financial Statements

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40. Particulars of Principal Subsidiaries of the Company (continued)

Particulars of the principal subsidiaries as at 31 December 2024 and 2023 are as follows:

Name of the subsidiary	Place of incorporation/ registration/ operation	Issued and paid-up share capital/ registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2024	2023	
Swift Win Holdings Limited	BVI	US\$1	100%	100%	Investment holding
BPI Financial Group Limited	Hong Kong	HK\$344,444,330	76.6%	76.2%	Investment holding
BPI Futures (HK) Holdings Limited	Hong Kong	HK\$65,600,000	76.6%	76.2%	Investment holding
Asia Develop Limited	Hong Kong	HK\$1	100%	100%	Loan financing services
King Topwell International Limited	Hong Kong	HK\$300,000,000	100%	100%	Distribution and trading
Bright Point International Holdings Group Limited	Hong Kong	HK\$1	100%	100%	Business not yet commenced
Bright Point International Securities Limited	Hong Kong	HK\$16,000,000	100%	100%	Provision of securities brokerage services
Bright Point International Futures Limited	Hong Kong	HK\$65,600,000	76.6%	76.2%	Provision of futures contract brokerage services
Bright Point International Asset Management Limited	Hong Kong	HK\$1	100%	100%	Business not yet commenced
Bright Point Trading Pte. Ltd.	Singapore	US\$80,000,000	100%	100%	Distribution and trading
Bright Point International Digital Assets Ltd.	Singapore	US\$1,650,000	76.6%	76.2%	Business not yet commenced
BPI Trading (SG) Pte. Ltd.	Singapore	US\$10,000,000	39.6%	39.4%	Distribution and trading
BPI Futures (SG) Holdings Pte. Ltd.	Singapore	US\$2,752,577	76.6%	76.2%	Investment holding
BPI Trading (SG) Holdings Pte. Ltd.	Singapore	US\$5,426,700	76.6%	76.2%	Investment holding
BPI Financial (SG) Holdings Pte. Ltd.	Singapore	US\$28,089,229	76.6%	76.2%	Investment holding

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

40. Particulars of Principal Subsidiaries of the Company (continued)

Name of the subsidiary	Place of incorporation/ registration/ operation	Issued and paid-up share capital/ registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2024	2023	
Bright Point International Financial (SG) Pte. Ltd.	Singapore	US\$28,089,229	76.6%	76.2%	Provision of future contracts brokering services
競點(上海)國際貿易有限公司	PRC (有限責任公司 (外國法人獨資))	RMB10,000,000	100%	100%	Distribution and trading
BPI (HK) Trading Limited.	Hong Kong	HK\$1,560,001	76.6%	76.2%	Provision of future contracts brokering services
光點(上海)國際貿易有限公司.	PRC (有限責任公司(港澳台法人獨資))	RMB2,824,000	76.6%	76.2%	Provision of financial derivatives consulting services, interdealer broking, commodity trading
Bright Point Capital Pte. Ltd.	Singapore	SG\$2,250,000	88.9%	100%	Provision of fund management services
競點(福建)國際貿易有限公司	PRC(有限責任公司(外國法人獨資))	US\$76,000,000	100%	100%	Distribution and trading
競點紅一國際貿易有限公司	PRC (有限責任公司(自然人投資或控股))	RMB50,000,000	70%	70%	Distribution and trading
鑫盛達	PRC (其他有限責任公司)	RMB29,000,000	100%	100%	Distribution, trading and processing

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

40. Particulars of Principal Subsidiaries of the Company (continued)

Name of the subsidiary	Place of incorporation/ registration/ operation	Issued and paid-up share capital/ registered capital	Percentage of equity interest attributable		Principal activities
			to the Group 2024	2023	
大鵬礦業有限公司	PRC (有限責任公司 (自然人投資 或控股))	RMB100,000,000	60%	60%	Distribution, trading and processing
福建瑞資聯礦業有限公司	PRC(有限責任公司 (外商投資 企業法人獨資))	RMB150,000	100%	100%	Distribution and trading
競點合金	PRC(有限責任公司 (港澳台投資、 非獨資))	RMB800,000,000	100%	100%	Distribution and trading
THEME INTERNATIONAL VCC – THEME INTERNATIONAL TRADING (Note a)	Singapore	US\$53,364,463	29.8%	29.8%	Derivative trading
Bright Point International Financial (UK) Ltd	United Kingdom	GBP912,910	76.6%	76.2%	Provision of interdealer broking and facilitate trading in various asset classes
競點(寧夏)國際貿易有限公司	PRC (有限責任 (自然人投資 或控股的法人獨資))	RMB20,000,000	100%	100%	Distribution and trading

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

40. Particulars of Principal Subsidiaries of the Company (continued)

Name of the subsidiary	Place of incorporation/ registration/ operation	Issued and paid-up share capital/ registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2024	2023	
RGL Shipping Singapore Pte. Ltd.	Singapore	US\$2,000,000	100%	100%	Freight services agency
SKS Chemical Trading Pte. Ltd.	Singapore	US\$13,000,000	60%	60%	Investment holding
SK Chemical Trading (HK) Ltd.	Hong Kong	US\$2,500,000	60%	60%	Distribution and trading of petrochemicals products
Fox-Chem Pte. Ltd.	Singapore	US\$733,407	60%	60%	Distribution and trading of petrochemicals products
競點(連雲港)國際貿易有限公司	PRC (有限責任公司 (港澳台法人獨資))	US\$50,000,000	100%	100%	Distribution and trading
競點(海南)國際貿易有限公司	PRC (有限責任公司 (非自然人投資或 控股的法人獨資))	RMB50,000,000	100%	100%	Distribution and trading
競點(廈門)國際貿易有限公司	PRC (有限責任公司 (外國法人獨資))	RMB570,838,337	100%	N/A	Distribution and trading
BRIGHT POINT FUNDS VCC – BRIGHT POINT FUND 13	Singapore	US\$14,011,810	72.6%	72.6%	Derivative trading
THEME INTERNATIONAL VCC – BETA THEME INTERNATIONAL TRADING (Note a)	Singapore	US\$15,796,339	48.9%	48.4%	Derivative trading
Theme Capital Group Limited	Hong Kong	HK\$10,000,000	90%	90%	Business not yet commenced

Note a: Although the Group owns less than 50% of the equity interests in Theme International VCC - Theme International Trading and Theme International VCC – Beta Theme International Trading, these corporations are treated as subsidiaries because the Group is able to control the relevant activities of these corporations as a result of the shareholders' agreements between the Group and other shareholders of these corporations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

40. Particulars of Principal Subsidiaries of the Company (continued)

The following table shows information of subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Theme International VCC – Theme International Trading		大鵬礦業有限公司	
	2024	2023	2024	2023
Principal place of business/ country of incorporation	Singapore/Singapore		PRC/PRC	
% of ownership interests/ voting rights held by NCI	70.2%/0%	70.2%/0%	40%/40%	40%/40%
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December:				
Non-current assets	169	359	112,942	123,078
Current assets	1,159,247	995,693	95,548	110,914
Current liabilities	(50,857)	(34,244)	(28,340)	(70,698)
Non-current liabilities	—	—	(6,236)	(6,913)
Net assets	1,108,559	961,808	173,914	156,381
Accumulated NCI	778,116	675,125	62,800	64,468
Year ended 31 December:				
Revenue	600,661	549,074	616,914	902,327
Profit	170,151	123,123	23,103	45,109
Total comprehensive income	170,151	123,123	17,533	45,109
Profit allocated to NCI	119,413	86,408	7,013	18,043
Dividends paid to NCI	(16,422)	(99,126)	(8,681)	(28,928)
Net cash generated from/(used in) operating activities	127,999	4,308	39,634	(3,047)
Net cash used in investing activities	—	—	(4,148)	(4,563)
Net cash used in financing activities	(23,400)	(99,126)	(21,701)	(28,928)
Net increase/(decrease) in cash and cash equivalents	104,599	(94,818)	13,785	(36,538)

41. CAPITAL COMMITMENT

As at 31 December 2024, the Group had no material capital commitments (2023: NIL).

42. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2025.

Five-Year Financial Summary

Results

	For the years ended 31 December				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	40,913,965	55,376,948	39,090,928	34,644,900	15,876,104
Profit before taxation	435,719	1,522,165	1,739,084	1,294,700	532,272
Income tax	(63,798)	(140,084)	(169,910)	(92,080)	(31,931)
Profit for the year	371,921	1,382,081	1,569,174	1,202,620	500,341

Assets and Liabilities

	As at 31 December				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Total assets	18,976,792	16,331,129	13,616,683	9,095,281	4,011,422
Total liabilities	(11,740,505)	(9,061,301)	(7,707,730)	(4,765,965)	(2,169,993)
Net assets	7,236,287	7,269,828	5,908,953	4,329,316	1,841,429