

DEEP SOURCE HOLDINGS LIMITED 至源控股有限公司*

(Formerly known as Theme International Holdings Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

2025 ANNUAL REPORT

* For identification purpose only



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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

Independent Non-Executive Directors

Mr. Liu Song

Ms. Chan Lai Ping

Mr. Wong Hok Bun Mario

Audit Committee

Mr. Wong Hok Bun Mario (*Chairman*)

Mr. Ding Lin

Ms. Chan Lai Ping

Remuneration Committee

Mr. Wong Hok Bun Mario (*Chairman*)

Mr. Liu Song

Ms. Chan Lai Ping

Nomination Committee

Mr. Wong Hok Bun Mario (*Chairman*)

Mr. Liu Song

Ms. Chan Lai Ping

Corporate Information

Authorised Representatives

Mr. Wu Lei
Mr. Ho Yui Pang

Company Secretary

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

Auditor

Rongcheng (Hong Kong) CPA Limited
4301-07, COSCO Tower,
183 Queen's Road Central,
Sheung Wan,
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 Deep Source Holdings Limited (the “**Company**”) and its subsidiaries (collectively as the “**Group**”), I am delighted to announce that, for the year ended 31 December 2025 (the “**Year**”), the Group’s net profit was approximately Hong Kong dollars (“**HK\$**”) 822,623,000, as compared to the net profit of approximately HK\$371,921,000 for the year ended 31 December 2024 (the “**Corresponding Year**”).

The distribution and trading business has recorded a segment profit before interest and tax of approximately HK\$490,531,000 in the Year, compared to approximately HK\$170,994,000 in the Corresponding Year. The financial service business has recorded a segment profit before interest and tax of approximately HK\$248,047,000 in the Year, compared to approximately HK\$252,881,000 in the Corresponding Year.

Gross profit of the Group decreased to approximately HK\$816,022,000 in the Year from approximately HK\$1,032,514,000 in the Corresponding Year, mainly due to the decrease in trading activities in the distribution, trading and processing segment.

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, and inter-dealer broking services for over-the-counter traded but exchange cleared commodity derivatives.

In 2025, 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 was approximately 378 at 31 December 2025 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 2026

Management Discussion and Analysis

Deep Source Holdings Limited (formerly known as “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 2025 and 2024 are summarised as follows:

	Revenue		Profit for the year		Basic earnings per share	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
From operations	21,352,287	40,913,965	822,623	371,921	HK5.18 cents	HK2.20 cents

The Group recorded a total revenue of approximately HK\$21,352,287,000 (2024: approximately HK\$40,913,965,000) for the year ended 31 December 2025 (the “**Year**”) representing a decrease of approximately 48% over the year ended 31 December 2024 (the “**Corresponding Year**”). Further analysis of the Group’s revenue in the Year and Corresponding Year is as follows:

	2025 Revenue HK\$'000	2024 Revenue HK\$'000
<i>Products</i>		
Iron Ore	15,623,342	18,072,990
Silver and gold ingots	—	11,819,066
Other commodities and processing income (Note)	4,881,402	10,129,691
Distribution, trading and processing	20,504,744	40,021,747
Financial Services	847,543	892,218
	21,352,287	40,913,965

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

Management Discussion and Analysis

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 products of the distribution, trading and processing business. During the Year, we also had other commodities trading such as chrome ore, nickel ore, steel products and chemical products. Revenue from the distribution, trading and processing business decreased from approximately HK\$40,021,747,000 in the Corresponding Year to approximately HK\$20,504,744,000 in the Year. The decrease was mainly due to the decrease in trading volume of silver and gold ingots, which ceased operations since the second half of 2024.

During the Year, revenues from the provision of financial services remained stable at approximately HK\$847,543,000 (2024: approximately HK\$892,218,000).

Gross profit of the Group decreased from approximately HK\$1,032,514,000 in the Year to approximately HK\$816,022,000 in the Corresponding Year, mainly due to the decrease in trading activities in the distribution, trading and processing segment.

Other gains of approximately HK\$340,583,000 (2024: other losses of approximately HK\$135,648,000) were recorded during the Year. Interest income totalling HK\$116,749,000 (2024: approximately HK\$99,481,000) was recorded during the Year. Also, during the Year, we recorded government grants and subsidies of approximately HK\$96,975,000 and net realised gain on derivative instruments of approximately HK\$264,691,000. Such gains were partly offset by the loss on customer default of approximately HK\$61,092,000 and impairment loss on goodwill of approximately HK\$37,028,000.

Selling and distribution expenses of approximately HK\$52,667,000 (2024: approximately HK\$95,695,000) were incurred during the Year, mainly attributable to the charges paid when importing cargoes into China.

Administrative expenses decreased from approximately HK\$390,860,000 in the Corresponding Year to approximately HK\$344,226,000 during the Year, mainly due to the decrease in staff cost.

Finance costs of approximately HK\$28,226,000 (2024: approximately HK\$20,310,000) 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 totalling HK\$200,361,000 (2024: HK\$45,718,000) was recorded during the Year. They mainly arose from the share of profits of associates named 連雲港恆鑫通礦業有限公司 (Lianyungang Hengxintong Mining Co., Ltd.*), Green Steel Pte. Ltd. and 山東能源集團榮暉國際貿易有限公司. The increase was due to the increase in the sharing of profits of the associate of Green Steel Pte. Ltd..

Income tax expense amounted to approximately HK\$103,799,000 in the Year (2024: HK\$63,798,000), which was in line with the increase in net profit.

The net profit for the Year rose from around HK\$371,921,000 in the Corresponding Year to approximately HK\$822,623,000 in the Year. The increase in net profit was primarily due to the stable development of the Group's existing distribution, trading and processing segment and financial services segment, the increase in the sharing of profits of associates and a provision for losses in the amount of approximately HK\$167,462,000 being made in the Corresponding Year related to suspected misappropriation of funds in a non-wholly owned subsidiary in Singapore. No such provision for loss was recorded in the Year.

The Group recorded a basic earnings per share of approximately HK5.18 cents in the Year as compared to a basic earnings per share of approximately HK2.20 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 2026.

(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. In 2025, the Securities and Futures Commission of Hong Kong has also granted to the Group licences to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 2025, the market in China remained stable. The Group continues to focus on its development and expansion in Hong Kong, Singapore and China.

The Group is actively seeking merger and acquisition opportunities, with a strategic focus on the Chinese, Indonesian, Australian and Malaysian markets. This initiative is intended to steadily broaden our business footprint and enhance our resource portfolio. Please refer to our prior announcements for further information.

Management Discussion and Analysis

Change of Company Name

In July 2025, the name of the Company has been changed from “Theme International Holdings Limited” to “Deep Source Holdings Limited”, and the new Chinese name of “至源控股有限公司” for identification purpose only has been adopted to replace the previous Chinese name of “榮暉國際集團有限公司” which was used for identification purpose only (“**Change of Company Name**”).

Following the passing of a special resolution in relation to the Change of Company Name by the Shareholders at the AGM held on 30 June 2025, the Certificate of Change of Name was issued by the Registrar of Companies in Bermuda on 2 July 2025. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 18 July 2025, confirming the registration of the new English name “Deep Source Holdings Limited”, which is also known as “至源控股有限公司” in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Board considers that the Change of Company Name will better reflect the future business development of the Group. The Board believes that the Change of Company Name can provide the Company with a more appropriate corporate image and identity which will benefit the Company’s future business development and is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES

Issue of new shares under the General Mandate in June 2025

On 13 June 2025, the Company entered into certain subscription agreements with no fewer than 6 independent third parties to allot and issue an aggregate of 815,000,000 new shares of the Company at the subscription price of HK\$0.5 per subscription share. These subscription agreements have been fulfilled and the completion of the subscription took place on 27 June 2025. The net proceeds from the subscription was approximately HK\$407,400,000. The net proceeds from the Subscription will be used as follows:

- (i) as to approximately 10-20% for expansion of the Group’s business in Indonesia through acquisitions or joint ventures;
- (ii) as to approximately 30-40% for acquisition of mining of nickel and bauxite deposits;
- (iii) as to approximately 20-30% for trading and processing of nickel and bauxite;
- (iv) as to approximately 10-20% for construction of logistics transportation systems and fleets; and
- (v) the balance for general working capital.

Details of the subscription are set out in the announcements of the Company dated 13 June 2025, 17 June 2025 and 27 June 2025, and in the “Use of Proceeds” section below.



Management Discussion and Analysis

Issue of new shares under the General Mandate in December 2025

On 18 December 2025, the Company entered into certain subscription agreements with no fewer than 6 independent third parties to allot and issue an aggregate of 515,000,000 new shares of the Company at the subscription price of HK\$0.69 per subscription share. These subscription agreements have been fulfilled and the completion of the subscription took place on 13 February 2026. The net proceeds from the subscription was approximately HK\$355,300,000. The net proceeds from the Subscription will be used to finance the establishment of the operating joint venture and to enter into and perform the offtake agreement in Australia.

Details of the subscription are set out in the announcements of the Company dated 18 December 2025, 28 January 2026 and 13 February 2026, and in the “Use of Proceeds” section below.

Use of Proceeds

The Company has conducted the following fund raising activities in the past twelve months immediately before the date of this annual report:

Date of announcements	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds as at the date of this annual report
13 June 2025, 17 June 2025 and 27 June 2025	Subscription of 815,000,000 new shares under the general mandate	HK\$407.4 million	<ul style="list-style-type: none"> (i) as to approximately 10-20% for expansion of the Group’s business in Indonesia through acquisitions or joint ventures; (ii) as to approximately 30-40% for acquisition of mining of nickel and bauxite deposits; (iii) as to approximately 20-30% for trading and processing of nickel and bauxite; (iv) as to approximately 10-20% for construction of logistics transportation systems and fleets; and (v) the balance for general working capital 	Approximately HK\$1.6 million has been used for the part (i) for expansion of the Group’s business in Indonesia through acquisitions or joint ventures; and approximately HK\$40 million has been used for the part (iii) trading and processing of nickel and bauxite. The remaining funds of approximately HK\$366 million were still unused and expected to be utilized by the third quarter of 2026.
18 December 2025, 28 January 2026 and 13 February 2026	Subscription of 515,000,000 new shares under the general mandate	HK\$355.3 million	to finance the establishment of the Operating JV and to enter into and perform the Offtake Agreement in Australia	Remain unused and expected to be utilized by the third quarter of 2026.

Management Discussion and Analysis

Save as abovementioned, the Company had not conducted any other fund raising activity in the past twelve months immediately before the date of this annual report.

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 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 (the “**Suspected Misappropriation**”), which is mainly engaged in trade facilitation services of physical gold and silver. The Company had made provisions of approximately HK\$167 million during the year ended 31 December 2024.

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 SG Subsidiary has been instructed to cease all operations pending conclusion of the case. The legal proceedings in relation to the Suspected Misappropriation are still on-going.

The Company places great importance on effective internal control systems, and is committed to preventing the re-occurrence of a similar 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 the section headed “(M) Key Findings of the Internal Control Review of the SG Subsidiary involved in the Suspected Misappropriation” of the Corporate Governance Report contained in the 2024 Annual Report of the Company.

In addition, the Board has commissioned professional experts to carry out investigation and forensic work for the purpose of clearly identifying and supporting the extent of loss to be recovered from the individuals and/or parties involved in the Suspected Misappropriation and confirming that the irregularities were confined to the SG subsidiary and the involved individuals. Investigation and Forensic Work have been completed. The Board would make all reasonable efforts to resolve this matter and recover funds. However, the legal proceedings in this connection are on-going and would not be completed in the near future.

To the best knowledge, information and belief of the Board, its assessment is that the Suspected Misappropriation did 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 Company will make timely announcements to update the Shareholders and potential investors of the Company on this matter, in particular the result of the investigations and proceedings, as and when appropriate.

SIGNIFICANT EVENTS

Save for the events as disclosed in the sections titled “Material Acquisitions and Disposals” 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 2025.

Management Discussion and Analysis

EVENTS AFTER THE REPORTING PERIOD

On 18 December 2025, the Company entered into certain subscriptions agreements with no fewer than six independent third parties to allot and issue an aggregate of 515,000,000 new shares under the general mandate, at the subscription price of HK\$0.69 per subscription share. The subscriptions were completed on 13 February 2026 and the gross proceeds from the subscriptions were approximately HK\$355.3 million. For details, please refer to the announcements of the Company dated 18 December 2025, 28 January 2026 and 13 February 2026.

Save that, the Directors are not aware of any events that have taken place subsequent to 31 December 2025 and up to the date of this annual report.

CHARGES ON ASSETS

Save for the restricted deposits of approximately HK\$725,462,000 (2024: approximately HK\$582,129,000), 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 2025.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2025, there is no material acquisition or disposal of subsidiaries, associates and joint ventures, which requires disclosures under the Listing Rules.

SIGNIFICANT INVESTMENT

As at 31 December 2025, the Group had interest in associate of Green Estee Pte. Ltd. ("**Green Estee**"), of approximately HK\$2,007 million. The Board considers that investments with net book value accounting for more than 5% of the Group's total assets as 31 December 2025 as significant investments.

Details of the investment as at 31 December 2025, are as follows:

Company name	Number of shares held	As at 31 December 2025			Proportion to the total assets of the Group	For the year ended 31 December 2025	
		Proportion to the total issued share capital for the stocks	Original investment <i>HK\$'000</i>	Net book value <i>HK\$'000</i>		Share of profits of associate <i>HK\$'000</i>	Dividends received <i>HK\$'000</i>
Green Estee	150,000,000	20.2%	1,170,000	2,007,460	8.9%	156,032	–

Management Discussion and Analysis

Green Esteeel 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 2025, the Group recognised share of profits of associate of Green Esteeel of approximately HK\$156,032,000.

Investing in associate of Green Esteeel 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.

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.



Management Discussion and Analysis

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.

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.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group's net current assets were approximately HK\$5,590,871,000 (2024: approximately HK\$4,560,652,000), and its net assets were approximately HK\$8,401,083,000 (2024: approximately HK\$7,236,287,000). As at 31 December 2025, the Group had outstanding loans and other borrowings of approximately HK\$546,583,000 (2024: approximately HK\$142,930,000).

As at 31 December 2025, the current ratio (defined as current assets divided by current liabilities) was approximately 1.39 (2024: approximately 1.39) and the gearing ratio (defined as loans and other borrowings divided by net assets) was 0.07 (2024: 0.02).

As at 31 December 2025, the Group had an undrawn banking letter of credit limit totalling approximately US\$416,228,000, equivalent to approximately HK\$3,246,578,000 (2024: US\$603,752,000, equivalent to approximately HK\$4,709,266,000).

CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

The capital expenditure of the Group for the Year was approximately HK\$6,749,000 (2024: approximately HK\$11,882,000) for addition of property, plant and equipment.

As at 31 December 2025, the Group had no material capital expenditure commitments (2024: nil).

As at 31 December 2025, the Group had no material capital commitments (2024: nil).

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except as disclosed in this annual report, as at 31 December 2025, the Group does not have any other plans for material investments or capital assets.

HUMAN RESOURCES

As at 31 December 2025, the Group had 378 employees in total (2024: 399), consisting of 11 employees in Hong Kong, 136 employees in Singapore, 228 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 2025, the Group had equity attributable to owners of the Company of approximately HK\$7,330,760,000 (2024: approximately HK\$6,115,522,000). During the year ended 31 December 2025 and up to the date of this annual report, saved as disclosed above, the Company did not carry out other equity fund raising activities.

Management Discussion and Analysis

DIVIDENDS

The Board did not recommend the payment of dividends for the year ended 31 December 2025 (2024: nil).

EXPLANATION OF THE QUALIFIED OPINION

The Company's auditor, Rongcheng (Hong Kong) 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 years ended 31 December 2025 and 2024

The qualification and impact was detailed in the section "Qualified Opinion" and "Basis for Qualified Opinion" of the independent auditor's report on pages 96 to 103.

The management's position, view and assessment on the Qualified Opinion

As set out in the independent auditor's report, the Qualified Opinion of the Company's auditor is a result of the insufficient audit evidence in relation to the SG Subsidiary as the legal proceeding is still ongoing and the auditor is unable to satisfy themselves as to whether completeness, accuracy and existence of the financial information of the SG Subsidiary included in the Group's consolidated financial statements for the years ended 31 December 2025 and 2024, and the accuracy and completeness of the losses from the Suspected Misappropriation of approximately HK\$167 million for the year ended 31 December 2024, have been properly accounted for and disclosed in the consolidated financial statements for the year ended 31 December 2025 and also those information presented as comparative figures in these consolidated financial statements and hence affect the comparability of the current year's figures and the corresponding figures.

The management understood that the Qualified Opinion expressed by the Company's auditor is due to the ongoing legal proceedings which resulted in it only being able to carry out limited audit procedures as mentioned. The management have taken all reasonable steps and used their best endeavours to facilitate the Company's auditors in carrying out audit procedures of the SG Subsidiary. The management has endeavoured to address the Qualified Opinion in the Group's consolidated financial statements by considering various solutions, such as to expedite the legal proceedings, the possible disposal and the liquidation of the SG Subsidiary, etc. However, since the legal proceedings are still on-going and having taken the advice of the legal professionals ("**Legal Professionals**") engaged by the Company, it is not feasible to dispose of the SG Subsidiary at the moment. After discussions with the Company's Auditor, provided that the legal proceedings are finalised and/or the SG Subsidiary is disposed of during the year ending 31 December 2026 so the matter would no longer have any impact to the consolidated financial statements and/or sufficient audit evidence be performed to the auditors' satisfaction, it is expected that the Qualified Opinion, saved for any effect of the opening balances carried forward and financial information presented as comparatives, will be removed from the Group's consolidated financial statements for the year ending 31 December 2027.

Nonetheless, the management notes that the removal of Qualified Opinions is subject to uncertainty, including the progress of the legal proceedings and hence the possibility of disposing the SG Subsidiary.

Management Discussion and Analysis

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 ongoing legal proceedings. The major judgmental areas mainly relate to the provision of information and audit evidence regarding the SG Subsidiary, including the completeness, accuracy and existence of the financial information of the SG Subsidiary for the financial years ended 31 December 2024 and 2025 and the accuracy and completeness of the losses from the Suspected Misappropriation.

While the Auditor considers that the audit procedures, including (i) direct confirmation arrangements with customers and suppliers of the SG Subsidiary; and (ii) obtaining the results of the 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 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 legal proceedings, before resuming the gathering of audit evidence, which shall be promptly provided to the Auditor once made available.

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 legal proceedings 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 and obtaining the results of the 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 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 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.

Management Discussion and Analysis

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 legal proceedings, and the possible disposal and the liquidation of the SG Subsidiary, to remove the Qualified Opinion.

However, as advised by the Legal Professionals, since the 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 legal proceedings, as well as the recovery of any future claims.

After discussions with the Company's Auditor, provided that the legal proceedings are finalised and/or the SG Subsidiary is disposed of during the year ending 31 December 2026 so the matter would no longer have any impact to the consolidated financial statements and/or sufficient audit evidence be performed to the auditors' satisfaction, it is expected that the Qualified Opinion, saved for any effect of the opening balances carried forward and financial information presented as comparatives, will be removed from the Group's consolidated financial statements for the year ending 31 December 2027.

Nonetheless, the management notes that the removal of Qualified Opinions is subject to uncertainty, including the progress of the legal proceedings and hence the possibility of disposing the SG Subsidiary. 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 2025.

Principal Activities and Business Review

Deep Source 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 2025 and the financial position of the Group as at that date are set out in the consolidated financial statements on pages 104 to 187.

Segment Information

The analysis of the Group’s revenue and the contribution to results by principal activities for the year ended 31 December 2025 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 2025 (For the year ended 31 December 2024: nil).

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 2025 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 2025 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 2025, are set out in note 36 to the consolidated financial statements and in the consolidated statement of changes in equity on page 107 of this annual report, respectively.

Distributable Reserves

The Company has reserves of accumulated profits amounting to approximately HK\$778,570,000, which are available for distribution to shareholders as at 31 December 2025 (2024: HK\$571,584,000).

Pursuant to the Bermuda Companies Act 1981 (as amended), the Company's share premium account of approximately HK\$2,283,036,000 (2024: 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 2025, the Group made charitable donations of approximately HK\$179,000 (2024: HK\$175,000).

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 188. 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 2025.

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

Independent Non-Executive Directors:

Mr. Liu Song

Ms. Chan Lai Ping

Mr. Wong Hok Bun Mario

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 38 to 39 of this Annual Report.

Directors' Service Contracts

As at 31 December 2025, 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 2026, and March 2027, 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 Mario, Ms. Chan Lai Ping and Mr. Liu Song are independent non-executive directors of the Company. Mr. Wong Hok Bun Mario, Ms. Chan Lai Ping and Mr. Liu Song were appointed for a one-year term expiring in December 2026, in July 2026 and in August 2026 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 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 2025, 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%
Kang Jian (Note 2)	Beneficial Owner	2,000,000	0.014%

Notes:

- 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 2025, that is 14,286,344,631.
- As at 31 December 2025, Mr. Kang Jian is interested in 10% of Theme Capital Group Limited, a non-wholly owned subsidiary of the Company.

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 2025 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 2025, 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 8,676,897,176 (note 1)	0.04% 60.74%

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 14,286,344,631 shares of the Company in issue as at 31 December 2025.

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 2025.

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 2025, 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 2025 is as follows:

	Percentage of the Group's total	
	Sales	Purchases
The largest customer	14%	
Five largest customers in aggregate	40%	
The largest supplier		52%
Five largest suppliers in aggregate		82%

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 2025, the Group had the following (i) continuing connected transactions subject to the reporting, announcement and annual review requirements; and (ii) connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules. All 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 (“**ZHY 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 2025 for the transaction contemplated:

	Transaction amount for the year ended 31 December 2025 HK\$'000	Annual cap for the year ended 31 December 2025 HK\$'000
Revenue generated from the provision of the services to the ZHY Group	36,409*	42,500

* Including brokerage, interest income and commission fee income from a related party owned by the ultimate controlling shareholder of the Company of approximately HK\$36,409,000 (as disclosed in note 39 of the consolidated financial statements)

Directors' Report

(b) 2024-2026 Master Sale and Purchase 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 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 the ZHY 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.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2025 for the transactions contemplated:

	Transaction amount for the year ended 31 December 2025 HK\$'000	Annual cap for the year ended 31 December 2025 HK\$'000
Purchase or sale of iron ore, steel products and nickel ore from/to the ZHY Group	220,540*	330,000

* Including sales of trading commodities to a related party owned by the ultimate controlling shareholder of the Company of approximately HK\$43,535,000, purchase of trading commodities from a related party owned by the ultimate controlling shareholder of the Company of approximately HK\$126,652,000 and purchase of trading commodities from an associate of the Company of approximately HK\$50,353,000 (as disclosed in note 39 of the consolidated financial statements)

Directors' Report

(c) 2024-2026 Master Sale and Purchase Agreement 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 ("**ZWY 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.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2025 for the transactions contemplated:

	Transaction amount for the year ended 31 December 2025 HK\$'000	Annual cap for the year ended 31 December 2025 HK\$'000
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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

241,214*

330,000

* Included in the 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 totalling HK\$263,991,000 and purchase of trading commodities from related parties controlled by a close family member of the ultimate controlling shareholder of the Company totalling HK\$157,624,000 (as disclosed in note 39 of the consolidated financial statements), only HK\$241,214,000 was related to the connected person of Mr. ZW You under the Listing Rules. It happened following the changes in the ownership of certain parties. After these changes, during the year ended 31 December 2025, they were no longer classified as connected persons of Mr. ZW You under the Listing Rules, although they continued to be regarded as related parties under the applicable accounting standards.

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.

Annual cap

The following table is a summary of the transaction amount and the annual cap for the year ended 31 December 2025 for the transactions contemplated:

	Transaction amount for the year ended 31 December 2025 HK\$'000	Annual cap for the year ended 31 December 2025 HK\$'000
Provision of Logistic Services from the ZWY Group to the Group	—*	330,000

Provision of Logistic Services from the ZWY Group to the Group

—*

330,000

* Included in the Logistics fees paid to related parties controlled by a close family member of the ultimate controlling shareholder of the Company totalling HK\$209,586,000 (as disclosed in note 39 of the consolidated financial statements), none was related to the connected person of Mr. ZW You under the Listing Rules. It happened following the changes in the ownership of certain parties. After these changes, during the year ended 31 December 2025, they were no longer classified as connected persons of Mr. ZW You under the Listing Rules, although they continued to be regarded as related parties under the applicable accounting standards.

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.

Directors' Report

2. Connected transactions

(a) Entering into 2025-2027 Tenancy Agreement

Reference was made to announcement of the Company dated 14 March 2025, regarding the connected transactions of entering into 2025-2027 tenancy agreement ("**2025-2027 Tenancy Agreement**").

On 14 March 2025, Deep Source Pte. Ltd. (previously known as Bright Point Trading Pte. Ltd.) (as tenant), and Green Esteel Pte. Ltd. ("**Green Esteel**") (as landlord), have entered into the 2025-2027 Tenancy Agreement for the leasing of the new office 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 HK\$10,240,245).

Deep Source Pte. Ltd. is a direct wholly-owned subsidiary of the Company. Green Esteel is controlled by Mr. You Zhenhua, a controlling shareholder of the Company, and therefore is a connected person of the Company. As such, the transaction contemplated by the 2025-2027 Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

During the year ended 31 December 2025, the Group paid the lease expenses of approximately HK\$4,560,000 in relation to tenancy agreements with Green Esteel. For other lease payments during the year ended 31 December 2025, they were conducted on normal commercial terms and were in the ordinary course of business. They 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, they were exempted from the reporting, announcement, and independent shareholders' approval under the applicable Listing Rules.



Directors' Report

(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 2025, 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\$715,000 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.
- (ii) the Company and its subsidiaries received brokerage and commission fee income of approximately HK\$4,338,000 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 were in the ordinary course of business. It fell within the de minimis provisions 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\$2,001,330,000 to associates of the Company. Such transactions didn't constitute connected transactions pursuant to the Listing Rules, because such associates of the Company don't belong to connected persons under the Listing Rules.

Directors' Report

- (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\$1,170,000,000 as at 31 December 2025. 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 40 to 53 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.

Auditors

ZHONGHUI ANDA CPA Limited ("**ZHONGHUI ANDA**") resigned as auditors of the Company on 12 November 2025 and had not commenced any audit work on the consolidated financial statements of the Company for the year ended 31 December 2025. In addition, ZHONGHUI ANDA has confirmed there are no other matters in relation to its resignation that need to be brought to the attention of the shareholders. The Board has resolved to appoint Rongcheng (Hong Kong) CPA Limited ("**Rongcheng (Hong Kong)**") as the auditor of the Company to fill the casual vacancy following the resignation of ZHONGHUI ANDA with effect from 12 November 2025

The consolidated financial statements of the Company for the year ended 31 December 2025 were audited by Rongcheng (Hong Kong), 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 Rongcheng (Hong Kong) as auditor of the Company and to authorise the Board to fix their remuneration at the incoming AGM.

ON BEHALF OF THE BOARD

Wu Lei

Executive Director

Hong Kong, 31 March 2026



Biographical Details of Directors and Senior Management

Executive Directors

Mr. Jiang Jiang (“Mr. Jiang”), aged 43, 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 38, 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 51, 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 40, 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 53, 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 42, 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 46, 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. Since May 2025, Mr. Wong served as an independent non-executive director of Yunnan Jinxun Resources Co., Ltd., a company listed on the National Equities Exchange and Quotations in the PRC (the “**NEEQ**”) and the Main Board of the Hong Kong Stock Exchange (NEEQ: 870844; HKEX: 3636). Since August 2025, Mr. Wong served as an independent non-executive director of Jiaxin International Resources Investment Limited, a company listed on the Astana International Exchange, Kazakhstan (“**AIX**”) and the Main Board of the Hong Kong Stock Exchange (AIX: JXIR; HKEX: 3858).

Senior Management

Mr. Ho Yui Pang (“Mr. Ho”), aged 40, 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 2025 (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 2025.

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 Year.

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 30 June 2025.

(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 2025.

(C) Board Composition and Board Practices

The composition of the Board is shown on page 2 of this Annual Report. The Board currently comprises seven directors, including two executive directors, two 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 2025, the Board held 8 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 42 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 8, 4, 1 and 1 meetings, respectively in 2025.

The attendance at the Board and respective Board Committees Meetings, Annual General Meeting and Special General Meeting held in 2025 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)	8/8	N/A	N/A	N/A	1/1	N/A
Mr. Wu Lei (Chief Financial Officer)	8/8	N/A	N/A	N/A	1/1	N/A
<i>Non-Executive Directors:</i>						
Mr. Ding Lin	8/8	4/4	N/A	N/A	1/1	N/A
Mr. Kang Jian	8/8	N/A	N/A	N/A	1/1	N/A
<i>Independent Non-Executive Directors:</i>						
Mr. Liu Song	8/8	N/A	1/1	1/1	1/1	N/A
Ms. Chan Lai Ping	8/8	4/4	1/1	1/1	1/1	N/A
Mr. Wong Hok Bun Mario	8/8	4/4	1/1	1/1	1/1	N/A

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 2025 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) 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 42. 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 2025 fall within the following band:

Remuneration band	Number of directors and senior management
nil to HK\$1,000,000	3
HK\$1,000,001 to HK\$1,500,000	2
HK\$2,500,001 to HK\$3,000,000	1
HK\$3,500,001 to HK\$4,000,000	1
HK\$4,000,001 to HK\$4,500,000	1
HK\$6,500,001 to HK\$7,000,000	1
HK\$7,000,001 to HK\$7,500,000	1
HK\$8,500,001 to HK\$9,000,000	1
HK\$9,000,001 to HK\$9,500,000	1
HK\$14,000,001 to HK\$14,500,000	1

(H) 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.

(I) 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 42. 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.

(J) External Auditors and Auditors' Remuneration

With effect from 12 November 2025, ZHONGHUI ANDA CPA Limited ("**ZHONGHUI ANDA**") resigned as the auditors of the Company and Rongcheng (Hong Kong) CPA Limited ("**Rongcheng (Hong Kong)**") was appointed as the new auditor of the Company to fill the vacancy left by the resignation of ZHONGHUI ANDA. Details of the above-mentioned changes are set out in the Company's announcement dated 12 November 2025.

Corporate Governance Report

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the year ended 31 December 2025 is set out in the section headed "Independent Auditor's Report" in this annual report.

For the year ended 31 December 2025, the remunerations in respect of audit, other audit related services and non-audit services provided by the Company's new auditor, Rongcheng (Hong Kong), are approximately HK\$2,000,000, HK\$2,169,000 and approximately HK\$271,000 respectively. Other audit related services were related to the preparation of the major circular. Non-audit services included tax advisory service totalling HK\$271,000.

(K) 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 2025, no significant risk was identified.

Corporate Governance Report

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.

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 2025, no significant control deficiency was identified.



Corporate Governance Report

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 2025 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.

The Group did not have an internal audit function during the year ended 31 December 2025. 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.

Corporate Governance Report

(L) Communication with Shareholders

At the 2025 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 2025 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.

(M) 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.

Corporate Governance Report

(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).

(N) Constitutional Documents

A printed copy of the Bye-laws of the Company has been published on the websites of the Company and the Stock Exchange. There has been no changes in the Company's constitutional documents during the Year.

(O) 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 96 to 103 of this Annual Report.

(P) 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.

Corporate Governance Report

(Q) 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.

(R) 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

Deep Source Holdings Limited (referred to as **“We,”“Our”**) is an investment holding company, engages in the processing, distribution, and trading of bulk commodities and related products. The Group and its subsidiaries (collectively referred to as **“Deep Source”** or the **“Group”**) are pleased to present our 2025 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 China, offices in China, Hong Kong and Singapore respectively. Focusing on our ESG management practices and performance for the period between 1 January 2025 and 31 December 2025 (referred to as the **“Reporting Period”**, the **“Year”** or **“FY2025”**). 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 Code (the “**Code**”) 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 Code. 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

THE CHAIRMAN'S 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 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 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 2026

Environmental, Social and Governance Report

ABOUT THE COMPANY

Deep Source 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 Chinese Mainland. 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, Deep Source 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, physical commodities broking and precious metals trade facilitation. 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 Chinese Mainland, with optimisation of commodity portfolios, supply chain management and exploration of emerging markets for new growth points.



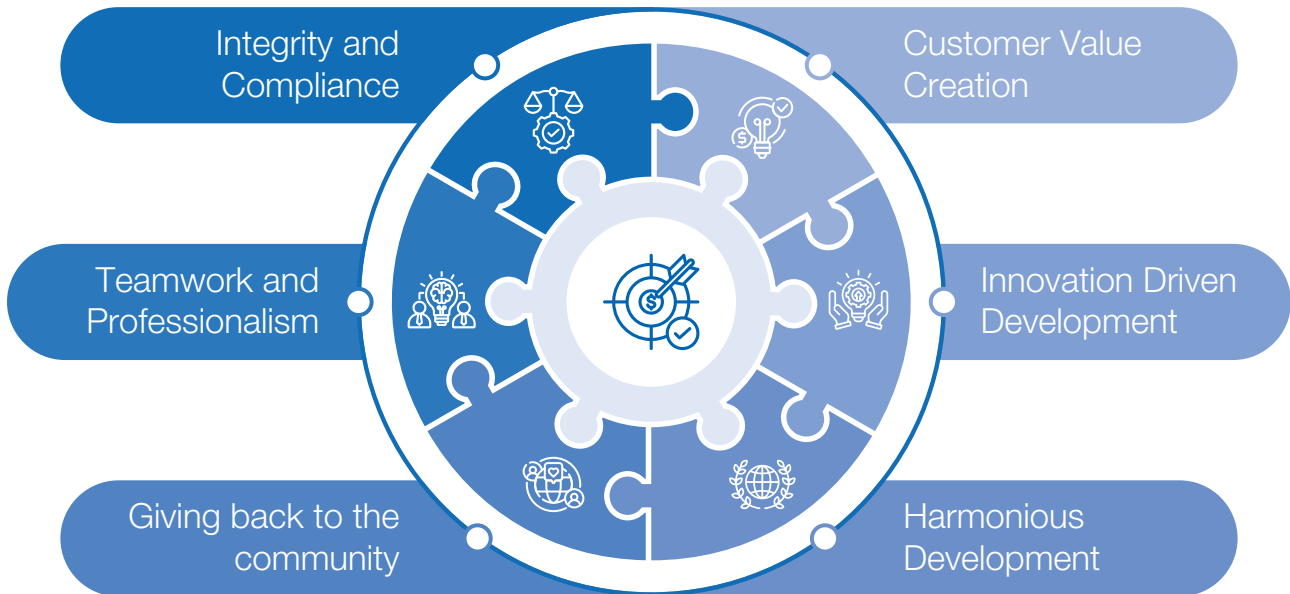
Environmental, Social and Governance Report

SUSTAINABLE DEVELOPMENT

Rooted in our conviction that ESG principles are essential to achieving our economic goals, the Group has earned recognition for its ethical governance, client-focused approach, and commitment to social good. Throughout the years, our directors have confirmed full compliance with all applicable statutory requirements across our operations, with no significant breaches identified.

As part of our ongoing dedication to corporate responsibility, this ESG Report offers a thorough review of the Group's ESG accomplishments and initiatives over the past fiscal year, while also highlighting our long-term vision and strategic priorities for advancing sustainable development. The Report clearly conveys the Group's steadfast commitment to protecting the environment, upholding social responsibility, and maintaining strong governance structures. Through transparent disclosure of these efforts, we aspire to drive meaningful change across our industry, encouraging collective action toward a low-carbon economy and more equitable social progress.

Our Value and Missions

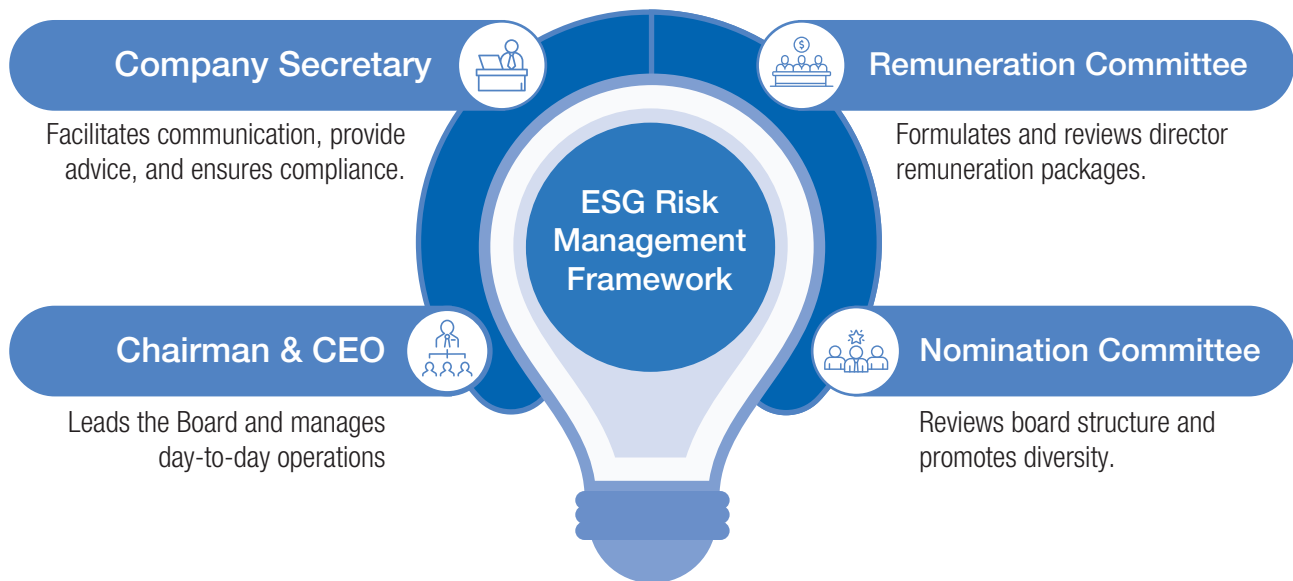


Environmental, Social and Governance Report

Board Oversight

As an investment-focused industry, our overarching objective is to create lasting value for shareholders and all stakeholders through disciplined, responsible management. Sound corporate governance is central to this mission. The Board leads by example in fostering a culture grounded in integrity, transparency, and accountability at every level of the organisation. An overview of the Group's ESG governance structure is set out below:

Strengthening ESG Through Effective Governance



Environmental, Social and Governance Report

ESG Risk Management Process

The Group adopts a forward-looking approach to ESG risk management. Regular and comprehensive reviews are conducted to evaluate how ESG-related developments may affect our customers, employees, suppliers, and the broader community. The findings of these reviews directly inform the Group's ESG policy and management priorities.

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 is committed to meeting high standards of social responsibility across all its business activities. This encompasses upholding fair employment practices, fostering a diverse and inclusive workplace, and contributing to the welfare of our employees and the communities we serve. We maintain active dialogue with stakeholders to stay attuned to their evolving expectations, addressing concerns through transparent, principled conduct.
Corporate Monitoring Risk	Inadequate oversight can give rise to compliance failures and reputational harm. To guard against these risks, the Group has established a rigorous governance framework that promotes adherence to regulatory requirements and ethical norms. Compliance and performance are subject to regular audit and review, enabling the Group to identify areas for enhancement and ensure alignment with industry best practices.
Tone at the Top Risk	Leadership sets the ethical tone for the entire organisation. Senior management at Deep Source is committed to modelling exemplary standards of conduct, transparency, and regulatory compliance. The importance of ethical behaviour is regularly communicated through training programmes and internal channels. Clear policies and a code of conduct are in place to guide all employees, reinforcing the Group's culture of integrity.

A Group-wide ESG risk management framework has been put in place, covering all employees and designed to reinforce our sustainability commitments while reducing exposure to ESG-related risks. The ESG working group oversees ongoing risk monitoring and conducts an annual review cycle, driving cross-functional collaboration to embed effective ESG risk management into day-to-day operations, with particular focus on social responsibility, corporate oversight, and ethical tone from the top.

Environmental, Social and Governance Report

Our Stakeholder Engagement

Recognising the importance of forging meaningful partnerships, the Group considers maintaining strong, collaborative ties with key stakeholders a strategic priority. Proactive engagement with stakeholders is fundamental to driving sustainable growth, allowing the organisation to harmonise its ESG objectives with societal expectations while promoting transparency and mutual trust. By attentively listening to diverse perspectives, the Group gains valuable insights into the evolving expectations, concerns, and views regarding 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

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

An independent consultant was engaged to facilitate the Group's materiality assessment process. Feedback was gathered through a structured online survey administered to a broad range of stakeholder groups, including employees, investors, and senior management. The objective was to determine which ESG topics carry the greatest significance for both the Group and its stakeholders.

The findings from stakeholder engagement have directly informed the structure of this report and the Group's broader ESG management strategy. This process ensures that stakeholder perspectives are translated into concrete action, maintaining alignment between external expectations and internal priorities.

Participants across our primary stakeholder groups completed a questionnaire rating the significance of 34 ESG-related topics identified for consideration. Their responses were analysed to assess the relative materiality of each topic from both a stakeholder and business operations perspective.

Identification



To create and categorise a list of potential Corporate Social Responsibility ("CSR") topics based on HKEx Appendix C2 and identify key stakeholder groups.

Engagement



To invite internal and external stakeholders to complete an online survey.

Analysis and Evaluation



To evaluate and prioritise the most material ESG topics.

Review



The results are reviewed by the Group to determine the priority of the ESG topics for ESG report disclosure and future improvement.

Environmental, Social and Governance Report

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

The assessment results yielded an average stakeholder score of 3, indicating a broadly consistent view across respondents that all identified topics carry moderate significance to the Group’s business and operations. To supplement these findings, additional research was undertaken on the commodity trading industry to ensure a comprehensive understanding of sector-specific ESG priorities. The four topics that emerged as most material are presented in the table below.

Key Concerns from Stakeholders	Our Responses
Climate change mitigation	The Group has taken a proactive stance in managing climate-related risks and their potential operational and financial impacts. The Group conducts ongoing assessments to identify and evaluate climate risks, calibrating its risk appetite accordingly. Regular communication with stakeholders on climate-related matters is maintained, and adequate resources are allocated to support both risk mitigation and crisis response.



Environmental, Social and Governance Report

Key Concerns from Stakeholders	Our Responses
<p>Responsible supply chain management and Fair operating practices on supplier</p>	<p>The Group works with a range of suppliers to support its distribution and trading activities. Supplier performance is regularly reviewed, and collaboration with any supplier found to be non-compliant with the Group's policies will be paused until corrective actions are taken. In line with its commitment to green procurement, the Group prioritises the purchase of goods and services that reduce environmental impact and favours suppliers that demonstrate a commitment to sustainable development. During the Reporting Period, the Group sourced a variety of green products from partners recognised for their environmentally responsible operations, and also upheld the principle of local sourcing. These efforts contribute to the stability and sustainability of the Group's supply chain and logistics.</p>
<p>Decarbonisation</p>	<p>The Group adheres to all applicable laws and regulations governing greenhouse gas emissions and has adopted a suite of practical energy reduction measures. Staff are encouraged to switch off lights and devices when not needed and to maximise natural lighting. The office is zoned to enable independent lighting control, and computers are configured for automatic standby. Lightweight dress is permitted during warm months to reduce cooling demand. Energy-efficient LED lighting and high-performance equipment have been installed, and air conditioning filters are cleaned regularly. Electricity usage data is collected monthly to track performance and inform further improvements, reflecting the Group's commitment to progressive decarbonisation.</p>
<p>Circular economy</p>	<p>The Group is dedicated to embedding circular economy principles into its operations, with a focus on waste minimisation and efficient resource use. Several new recycling and reuse initiatives are currently under development. Through integrating these programmes into our day-to-day activities and promoting a culture of material reuse, the Group aims to reduce its environmental footprint and advance the transition to a more resource-efficient 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. Employees responsible for supply chain management receive targeted training to ensure they have adequate knowledge of relevant legal requirements when evaluating and auditing suppliers.

The Group also regularly identifies, assesses, manages, and monitors the environmental and social risks associated with its supply chain. Furthermore, the Group requires all suppliers to comply with applicable local and international anti-bribery and anti-corruption laws and regulations as part of its supplier engagement criteria. The health and safety performance of suppliers' products and services is assessed and monitored through reviews of relevant records and, where appropriate, site visits.

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.

In practice, the Group purchases eco-friendly office products such as refillable pens and recycled paper, and gives preference to products bearing water efficiency labels and those that release fewer toxic or radioactive substances during use or disposal.

During the Reporting Period, the 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, People Republic of China (the "PRC"), supporting local sourcing principles.

Evaluation and Engagement with Suppliers

The Group operates a supplier credibility assessment framework to identify and select partners that meet our standards. 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.

Through this process, the Group has assembled a network of suppliers that meet both our credibility standards and our green purchasing philosophy. During the Reporting Period, the Group's major suppliers included 14 from Singapore, 11 from Hong Kong, and 13 from the PRC, with an additional 21 suppliers drawn from a range of international markets, including Australia and the Republic of South Africa.



Environmental, Social and Governance Report

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.

Anti-Bribery and Corruption Policy

The Group maintains strict compliance with all applicable laws governing bribery, extortion, fraud, and money laundering across its operating jurisdictions. These include 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. To formalise this commitment, the Group has adopted an Anti-Bribery and Corruption Policy that prohibits corrupt conduct in all dealings — whether with private parties, individuals, or domestic and foreign government bodies and their representatives.

The Group has also established the Code of Conduct which includes conflict of interest, privacy, bribery and anti-corruption provisions. During the Reporting Period, directors participated in 6 hours of anti-corruption training, while non-director staff collectively completed 102 hours of such training. No instances of bribery or corruption were recorded within the Group during the year. The table below outlines the key components of the Group's framework to prevent corrupt practices:

Policy Purpose

The policy aims to:

- Set out the obligations of the Group and its personnel in maintaining a zero-tolerance approach to 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

Environmental, Social and Governance Report

Due Diligence on Third Parties

- The Group and its personnel shall be subject to liability for any bribery committed by third parties.
- Such third parties refer to clients, suppliers, consultants, government officials, and any other parties encountered in the course of business dealings.
- Personnel are required to ensure that third parties comply with this policy by exercising due diligence and incorporating contractual protections.
- Any concerns regarding the conduct of third parties must be reported to the Group's Chief Executive Officer.

Gifts and 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

- The Group prohibits all facilitation payments without exception, irrespective of whether such payments may be permissible under the laws of a particular jurisdiction

Record-Keeping

- The Group maintains accurate financial records and internal controls to document payments to third parties
- Employees must comply with the Group's established procedures when submitting expense claims for hospitality, gifts, or other business-related costs
- 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.

To support the effective enforcement of its anti-corruption stance, the Group has put in place a Whistleblower Protection Policy designed to encourage the reporting of suspected misconduct while safeguarding those who come forward. The Group has also developed a dedicated anti-corruption awareness programme for directors and employees in Singapore, delivered through practical training materials such as information leaflets, to reinforce knowledge of relevant legal obligations and ethical standards.

I. Policy Overview & Core Principles

All directors, officers, and employees of the Group are required to uphold the highest ethical standards, conducting themselves with honesty and integrity in full accordance with all applicable laws and regulations.

- Our Whistleblower Protection Policy encourages reporting serious concerns internally to enable the and correct inappropriate conduct
- Every board member, officer, employee, and volunteer is obligated to report any suspected violations of the Group's code of ethics or applicable legal and regulatory requirements
- 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 raise concerns with their direct supervisor in the first instance; where this is not appropriate, matters may be escalated directly to a member of the Board
- 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

Environmental responsibility is a core commitment of the Group. Deep Source is dedicated to managing and progressively reducing emissions from its operations as part of a broader effort to address global environmental challenges, including climate change. 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	2025	2024
Total emission	kg CO ₂ e	18,141,534	23,748,893
Scope 1 (Note 1)	kg CO ₂ e	18,519	33,393
Scope 2 (Note 2)	kg CO ₂ e	17,864,205	23,578,261
Scope 3 (Note 3)	kg CO ₂ e	258,810 (Note 4)	137,240
Total emission intensity	kgCO ₂ e/ number of employees	54,314.97	67,660.67

Notes:

- 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 Code on Environmental KPIs" published by HKEx.
- Scope 2 represents indirect GHG emissions generated from the use of purchased electricity.
- 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 Code on Environmental KPIs" published by HKEx.
- The increase in scope 3 from 2024 to 2025 was attributable to the expanded volume of office paper procured and more business travel.

The Group targets a reduction in total GHG emission intensity of at least 5% per year over the next three years, with FY2025 serving as the baseline year. Steps taken towards this goal include minimising business travel, continuing to adopt energy-efficient equipment, and monitoring monthly electricity consumption data to identify further reduction opportunities.

Environmental, Social and Governance Report

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 several measures to reduce energy consumption. Employees are encouraged to switch off unnecessary lights and electronic devices when not in use, and to maximise the use of natural light. The office is divided into separate lighting zones, each with independent switches, enabling precise control of illumination in different areas. Energy-efficient LED lighting has been adopted throughout the workplace, and light fixtures are kept clean to maintain their efficiency. To enhance air conditioning efficiency, the Group sets air conditioning systems to a minimum of 25.5 degrees Celsius and has installed variable speed drives to regulate pump and fan systems in accordance with actual air-conditioning demand. A Central Control and Monitoring System is in place to optimise building energy performance. ICT equipment, including computers, printers, and kitchen appliances such as electric water pots and microwave ovens, are set to standby mode when idle and switched off completely during non-operating hours and before breaks and holidays. The Group also uses timers to manage printer usage. Electricity data is collected on a monthly basis to monitor energy consumption and drive continuous improvement.

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. The Group aims to reduce its energy consumption intensity by at least 3% per year over the next three years.

Environmental, Social and Governance Report

Resources Consumption

The Group is committed to fostering an environmentally responsible workplace through the combined efforts of our people. By implementing a range of eco-friendly practices, we aim to lower energy usage and reduce waste in our daily operations. Our energy consumption stems from direct fuel use by company vehicles and indirect electricity consumption. The Group does not use any packaging materials in its operations. For an overview of resource consumption during the Year, please refer to the table below:

Energy Consumption	Unit	2025	2024
Total energy consumption	kWh	32,556,043.36	38,806,451.29
Direct energy (Note 5)			
Gasoline	kWh	52,847.22 ^{5a}	120,634.73
Diesel	kWh	17,265.70	16,444.14
Natural Gas	kWh	19,440.00	22,820.42
Indirect energy (Note 6)			
Electricity	kWh	32,468,388.66	38,646,552.00
Total energy consumption intensity	kWh/number of employees	97,473.18	110,559.69

Notes:

5. Direct energy consumption includes the fuel consumption (gasoline and diesel) and the stationary fuel consumption (natural gas).
- 5a. Due to the use of electrical vehicles, the consumption of gasoline reduced.
6. Indirect energy consumption includes the electricity use.

Air Emissions

The Group generates greenhouse gas emissions through its daily operations and business activities. These primarily include energy consumption, fuel used by corporate vehicles, water and wastewater treatment, office paper disposal, and employee business travel. 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	2025	2024
NO _x	g	6,860.00	10,600.00
SO _x	g	1,150.00	1,880.00
PM	g	510.00	780.00

Note:

7. The air emission is calculated with reference to the published emission factors of the “How to prepare an ESG Report Appendix 2: Reporting Code on Environmental KPIs” published by HKEx.

To improve vehicle efficiency and reduce associated air pollutant emissions, the Group conducts regular inspections to maintain correct tyre pressure and enforces a strict no-idling policy, requiring vehicle engines to be turned off whenever vehicles are stationary.

Environmental, Social and Governance Report

The Group has taken active steps to manage and reduce its 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 occupies leased premises, water supply and drainage systems are managed by the respective building owners or property management companies; accordingly, GHG data specific to water and sewage treatment are not available for disclosure. For an overview of water consumption during the Reporting Year, please refer to the table below.

Water Consumption	Unit	2025	2024
Total water consumption	m ³	32,517.70 ⁸	102,014.60
Water consumption intensity	m ³ /number of employees	97.36	290.64

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 decrease from 290.64m³ to 97.36m³. The Group has also put up water saving reminder labels in toilet areas and encourages employees to turn off taps promptly when not in use. Water meter readings are checked periodically, and regular leakage tests are conducted on concealed piping and tanks to identify and address hidden water loss in a timely manner.

Meanwhile, the Group aims to maintain or further reduce its water consumption intensity on a year-on-year basis, using the FY2025 intensity as the baseline, by continuing to promote water-saving awareness and maintaining plumbing equipment in good working order.

Note:

- Due to the new premises in Singapore, the landlord will bear the water bill and the Company did not have data, which lead to the decrease of water consumption.

Environmental, Social and Governance Report

Waste Management

The Group's waste originates solely from office operations, yet we remain committed to reducing waste generation in our day-to-day activities. Non-hazardous waste consists of general office refuse from staff, while hazardous waste includes items such as used ink cartridges and batteries. All waste is disposed of in accordance with the Waste Disposal Ordinance of Hong Kong, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and the Environmental Public Health Act of Singapore, ensuring proper and lawful handling to prevent any adverse environmental impact. As the Group is not engaged in product manufacturing or packaging, no packaging materials were used during the Reporting Period.

Waste	Unit	2025	2024
Hazardous waste produced (Note 9)	kg	166.00	130.00
Hazardous waste intensity	kg/number of employees	0.44	0.37
Non-hazardous waste produced (Note 10)	tonnes	14.48	7.12
Non-hazardous waste intensity	tonnes/number of employees	0.03	0.02

Notes:

9. The hazardous waste included toner cartridges, waste batteries and ink cartridges during the Reporting Period.
10. 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. In addition, the Group collaborates with electronics companies to properly recycle old computers and other electronic waste, ensuring responsible and compliant disposal in accordance with applicable environmental regulations. The Group aims to reduce its non-hazardous waste generation intensity by 3% per year over the next three years, using the FY2025 level as the baseline.



Environmental, Social and Governance Report

Responding to Climate Change

Climate change has remained a key area of focus and continues to draw widespread attention. The Group has deepened its understanding of the associated risks and potential impacts, and has identified and prioritised a range of climate-related risks. In the short term, the Group is primarily exposed to transitional risks, including increasingly stringent environmental regulations and rising compliance costs. In the medium term, the Group faces potential operational disruptions from more frequent extreme weather events, such as typhoons and flooding, which may affect facilities across Hong Kong, Singapore and the PRC. In the long term, chronic physical climate shifts may affect the Group's operating environment and asset values. At the same time, the accelerating transition to a lower-carbon economy is expected to create opportunities in the Group's commodity trading and financial services operations, which the Group will seek to leverage where appropriate.

In response to the growing urgency of climate action, the Group has taken a proactive approach to identifying and managing climate-related risks. Climate-related risks are identified through management-level review, stakeholder engagement, and monitoring of regulatory and market developments, and are assessed qualitatively based on their likelihood and potential magnitude of impact. These risks are integrated into the Group's broader ESG risk management process and reviewed by the Board and senior management at least annually. In terms of financial impact, the Group did not identify climate-related risks or opportunities that had a significant quantifiable effect on its financial position or cash flows during the Reporting Period. Transition risks, primarily compliance and reporting costs associated with evolving regulatory requirements, represent the most material area of current financial exposure, though these remain manageable relative to the Group's overall operating expenditure.

The Group has not conducted a formal quantitative climate scenario analysis to date, though it has qualitatively considered the implications of both a transition-focused scenario consistent with a 1.5–2° C global warming pathway, and a higher physical risk scenario reflecting more pronounced climate impacts. The Group does not currently have a formal climate-related transition plan, nor does it apply an internal carbon price in its decision-making. Climate-related performance metrics have not been incorporated into remuneration policies, and no formal quantitative climate-related targets have been set during the Reporting Period. Scope 1 and Scope 2 greenhouse gas emissions are disclosed in the Greenhouse Gas Emissions table in this Report. The Group intends to progressively strengthen its climate governance framework, including transition planning, scenario analysis, target-setting and remuneration linkages, as regulatory requirements evolve, and data availability improves.

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 378 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:

	2025	2024
Total number of employees	378	399
By gender		
Male	268	281
Female	110	118
By age group		
Below 30	60	68
30 to 50	212	223
Over 50	106	108
By employment type		
Full-time	371	393
Part-time	7	6
By geographical region		
Hong Kong	11	12
PRC	228	249
Singapore	136	135
United Kingdom	3	3

Environmental, Social and Governance Report

During the Reporting period, the turnover rate was approximately 10%. The details are summarised below:

	2025	2024
Employee turnover rate (Note 11)	10%	18%
By gender		
Male	8%	17%
Female	14%	20%
By age group		
Below 30	13%	10%
30 to 50	12%	18%
Over 50	3%	21%
By geographical region		
Hong Kong	9%	9%
PRC	9%	15%
Singapore	12%	23%
United Kingdom	0%	0%

Note:

11. 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 2025 divided by 2) and then multiplying by 100.

Health and Safety Practices

The Group has implemented an internal occupational health and safety policy to ensure that the office environment meets or exceeds the standards required by relevant laws and regulations. A clear system is in place for employees to report workplace hazards, injuries, and illnesses, and management responds promptly to all reports of unsafe or unhealthy working conditions. The causes of any work-related injuries or illnesses are thoroughly investigated to prevent recurrence, and employees are regularly kept informed of safety inspection outcomes and workplace safety statistics. Training is provided to all staff on the potential hazards relevant to their roles and the appropriate protective measures to take. Where employees are found to be engaging in behaviour that may endanger themselves or others, appropriate disciplinary measures are taken.

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To maintain a safe day-to-day working environment, smoking is strictly prohibited on all work premises, and spills or debris are cleared immediately to prevent slips and falls. The Group also provides a comfortable and pleasant office environment through the provision of adjustable chairs, adequate storage space to avoid overcrowding, regular maintenance or replacement of office equipment, and placing items and tools in appropriate locations for easy access.

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

During the Reporting Period, the Group's employee health and safety data are as follows:

Employee health and safety data	2025	2024	2023
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

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 PRC; and the Employment Act and the Employment (Children and Young Persons) Regulations in Singapore.

Child and Forced Labour-free Workplace

The Group has zero tolerance for child labour. Age verification is conducted as a standard part of the recruitment process through the review of supporting documents such as identity cards and academic certificates. Should any instance of underage employment be identified, the Group will take immediate remedial action in accordance with the applicable regulatory framework. All recruitment and promotion decisions are made on a merit-based, non-discriminatory basis, with no regard to sex, race, colour, age, religion, or nationality. Each new hire receives a clear job description prior to commencing employment, which helps to prevent any conditions conducive to forced labour. Exit interviews are arranged for departing employees to gather feedback and support continuous improvement.

Environmental, Social and Governance Report

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.

Beyond the core remuneration package, the Group provides employees with a range of supplementary benefits. These include transportation, housing, and medical allowances where applicable, as well as insurance coverage beyond statutory requirements, including medical and accident insurance. Employees also enjoy complimentary meals or meal allowances, beverages, snacks, and fruits in the workplace, as well as festive gifts or monetary gifts during holiday seasons.

Work-life Balance

Creating a work environment that supports employee wellbeing and a healthy work-life balance is a priority for the Group. We actively discourage excessive overtime and take steps to ensure workloads are distributed fairly and managed effectively. Management regularly reviews work arrangements to reduce the need for overtime; where it does arise, employees are compensated appropriately. In addition to statutory public holidays, staff are entitled to paid annual leave, sick leave, marriage leave, maternity leave, and paternity leave in accordance with local regulations.

Training and Development

Investing in the professional development of our people is integral to the Group's long-term growth strategy. 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 supports employees in pursuing external qualifications and professional development by providing sponsorships and encouraging participation in industry seminars and lectures.

Environmental, Social and Governance Report

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

	2025	2024
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%
Average hours of training (hour)	4.91	5.05
By gender		
Male	5.32	5.21
Female	4.45	4.65
By employment category		
Senior Management	5.83	7.63
Middle Management	4.57	4.12
Junior	4.61	5.07

Supporting Our Community

During the Reporting Period, the Group continued to engage in charitable activities to give back to the community. The Group donated SG\$30,000 to Singapore Management University (“SMU”) in support of education and development. In addition, the Group participated in or organised a total of 6 activities and contributed 180 volunteer hours across the focus areas of education, health, animal care, and community services. Looking ahead, the Group will continue to seek opportunities to support the community through various means.



Environmental, Social and Governance Report

HKEX ESG REPORTING CODE INDEX

Part C Index Table

HKEx ESG Reporting Code General Disclosures & KPIs		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: 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 A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION
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

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs	Reference Section
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. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	ENVIRONMENTAL PROTECTION – Minimising Environmental Impacts
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
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

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Reference Section
Aspect B: Social		
B1 Employment	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 compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
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: <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 providing a safe working environment and protecting employees from occupational hazards. 	EMPLOYEES' HEALTH AND SAFETY - Employment Conditions
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 Code General Disclosures & KPIs		Reference Section
B3 Development and Training	<p>Policies on improving employees' knowledge and skills for discharging duties at work. 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> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	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 Code General Disclosures & KPIs		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 Code General Disclosures & KPIs		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 whistleblowing 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

Environmental, Social and Governance Report

Part D Index Table

Disclosure Requirement	Reference Section
GOVERNANCE	
19. An issuer shall disclose information about:	SUSTAINABLE DEVELOPMENT – Board Oversight
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	SUSTAINABLE DEVELOPMENT – ESG Risk Management Process
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	THE CHAIRMAN'S STATEMENT
(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
<p>STRATEGY</p>	
<p>Climate-related risks and opportunities</p>	
<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <ul style="list-style-type: none"> (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>Business model and value chain</p>	
<p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>



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Disclosure Requirement	Reference Section
<p>Strategy and decision-making</p>	
<p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>ENVIRONMENTAL PROTECTION – Minimising Environmental Impact</p> <p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>

Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
<p>Financial position, financial performance and cash flows</p>	
<p>Current financial effect</p>	
<p>24. An issuer shall disclose qualitative and quantitative information about:</p> <ul style="list-style-type: none"> (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>Anticipated financial effect</p>	
<p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <ul style="list-style-type: none"> (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: <ul style="list-style-type: none"> (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>



Environmental, Social and Governance Report

Disclosure Requirement

Reference Section

Climate resilience

26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:

- (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:
 - (i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;
 - (ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and
 - (iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;
- (b) how and when the climate-related scenario analysis was carried out, including:
 - (i) information about the inputs used, including:
 - (ii) the key assumptions the issuer made in the analysis; and
 - (iii) the reporting period in which the climate-related scenario analysis was carried out.

ENVIRONMENTAL
PROTECTION –
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Change

Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
RISK MANAGEMENT	
<p>27. An issuer shall disclose information about:</p> <ul style="list-style-type: none"> (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p> <p>SUSTAINABLE DEVELOPMENT – ESG Risk Management Process</p>

METRICS AND TARGETS

Greenhouse gas emissions

<p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions. 	<p>ENVIRONMENTAL PROTECTION – Greenhouse Gas Table</p>
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Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
<p>29. An issuer shall:</p> <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	<p>ENVIRONMENTAL PROTECTION – Greenhouse Gas Table</p>
<p>Climate-related transition risks</p> <p>30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>Climate-related physical risks</p> <p>31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>

Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
<p>Climate-related opportunities</p>	
<p>32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>Capital deployment</p>	
<p>33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>Internal carbon prices</p>	
<p>34. An issuer shall disclose:</p> <ul style="list-style-type: none"> (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	
<p>Remuneration</p>	
<p>35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>Industry-based metrics</p>	
<p>36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>



Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
Climate-related targets	
<p>37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>
<p>39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>

Environmental, Social and Governance Report

Disclosure Requirement	Reference Section
<p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	<p>ENVIRONMENTAL PROTECTION – Responding to Climate Change</p>



Independent Auditor's Report

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To the shareholders of Deep Source Holdings Limited
(incorporated in Bermuda with limited liability)

Qualified Opinion

We have audited the consolidated financial statements of Deep Source Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 104 to 187, which comprise the consolidated statement of financial position as at 31 December 2025, 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 and other explanatory 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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

As stated in note 8 (a) to the consolidated financial statements, the Group discovered during the year ended 31 December 2024 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. Since the discovery of the Suspected Misappropriation, the Group has ceased all operations of the SG Subsidiary, reported the Suspected Misappropriation to the Singapore Police on 19 July 2024, engaged legal professionals to conduct 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 engaged an independent forensic accountant to 1) review the restructured financial data to provide more evidence for the legal proceedings and 2) to confirm that no other senior executives/officers of the Group management was involved in the Suspected Misappropriation. As disclosed in note 8 (a), such Investigation and Forensic Work were completed in March 2026.

In the preparation of the consolidated financial statements for the year ended 31 December 2024, as the recovery of funds and settlement of outstanding balances would depend on the outcome of the Investigation (that was not yet completed at that time) and legal proceedings, the Group recorded a loss amounted to approximately HK\$167 million in the 2024 consolidated statement of profit or loss and other comprehensive income. The resulted financial information of the SG Subsidiary, taking into account of this recognised loss, is set out in note 8 (a).

Independent Auditor's Report

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor (the “**Predecessor Auditor**”) who expressed a qualified opinion due to limitations of audit scope in relation to the aforesaid Suspected Misappropriation that audit procedures including the results of the investigation and legal proceedings, direct confirmation arrangement with customers and suppliers of the SG Subsidiary as well as interview with relevant parties are limited during the course of their audit. As a result, the Predecessor Auditor 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.

As of the date of this report, the legal proceedings are still in progress and audit procedures including but not limited to the direct confirmation with customers and suppliers of the SG Subsidiary are limited. We are not able to obtain sufficient and appropriate evidence and there were no alternative audit procedures that we could perform to satisfy ourselves as to whether completeness, accuracy and existence of the financial information of the SG Subsidiary included in the Group's consolidated financial statements for the year ended 31 December 2025 and 2024, and the accuracy and completeness of the losses from the Suspected Misappropriation of approximately HK\$167 million for the year ended 31 December 2024, have been properly accounted for and disclosed in the consolidated financial statements for the year ended 31 December 2025. Furthermore, any adjustments to the figures as described above in relation to the SG Subsidiary as at 31 December 2024 might have a consequential effect on the financial position of the Group as at 31 December 2024 presented as comparative figures in these consolidated financial statements and hence affect the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as 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**”), as applicable to audits of the consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements and 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

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed a qualified opinion in respect of limitation of scope for the Suspected Misappropriation on those statements on 31 March 2025.

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.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of net realisable value of inventories</p> <p><i>Refer to Note 4b (Key sources of estimation uncertainty) and Note 22 to the Group's consolidated financial statements</i></p> <p>As at 31 December 2025, the Group's gross carrying amount of inventories was approximately HK\$3,549,520,000, against which a write-down of approximately HK\$22,443,000 was made during the year.</p>	<p>Our audit procedures in respect of the assessment of net realisable value of inventories included the following:</p> <ul style="list-style-type: none"> — We obtained an understanding of the Group's internal controls and assessment process of net realisable value of inventories, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Inventories are stated at lower of cost and net realisable value in the consolidated financial statements. The estimation of the net realisable value of inventories involves significant judgement based on the estimated selling prices in the ordinary course of business less applicable variable selling expenses. Management may refer to the available price in the open market or the subsequent selling price if the open market information is not available, when estimating the future selling prices.</p> <p>We identified the assessment of net realisable value of inventories as a key audit matter due to the significance of inventory balance to the consolidated financial statements and the significant judgements and estimations in relation to the assessment of net realisable value of inventories are subject to higher degree of uncertainty.</p>	<ul style="list-style-type: none"> — We evaluated the design and implementation of the key controls related to the assessment of net realisable value of inventories. — We evaluated the appropriateness of the methodology and the reasonableness of key assumptions used in determination of net realisable value of inventories: (i) discussed with management the method and assumptions used in the assessment of net realisable value of inventories; (ii) evaluated the outcome of prior-period assessment to assess the effectiveness of management's estimation process; (iii) compared the actual selling prices of the goods subsequent to year end and market quotations of similar inventory as at year end, on a sample basis, to their carrying amounts to check whether the goods are measured at the lower of cost and net realisable value. — We checked the mathematical accuracy of the calculation of the net realisable value of inventories. — We observed physical inventory conditions to identify if any inventories were damaged or obsolete, and inquired management if appropriate inventory provision has been made.
<p>Based on the above, we considered that the significant judgements and estimates made by management in relation to the assessment of net realisable value of inventories were supported by the evidence obtained and procedures performed.</p>	



Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of expected credit losses (“ECL”) allowance for trade and bills receivables</p> <p><i>Refer to Note 4b (Key sources of estimation uncertainty), Note 23 to the Group’s consolidated financial statements</i></p> <p>As at 31 December 2025, the gross carrying amount of trade and bills receivables was approximately HK\$3,750,451,000 with a loss allowance of approximately HK\$5,547,000.</p> <p>The Group measures the ECL allowance for the trade and bills receivables at an amount equal to lifetime ECLs based on management’s estimated loss rates. The estimated loss rates take into account the ageing of trade and bills receivables balances and the repayment history of the Group’s customers, existing market conditions, as well as forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.</p> <p>We have identified the assessment of ECL allowance of trade and bills receivables as a key audit matter due to the significance of trade and bills receivables balance to the Group’s consolidated financial statements and the application of significant judgements by the management over assessing the credit standing of the Group’s customers and therefore the estimation of ECL allowance for trade and bills receivables.</p>	<p>Our audit procedures in respect of the assessment of ECL allowance for trade and bills receivables included the following:</p> <ul style="list-style-type: none"> – We obtained an understanding of and evaluated the design and implementation of the key internal controls over credit risk management and the assessment process for ECL allowance. – We assessed management’s judgement over the ECL and creditworthiness of the customers by assessing the available information, such as background information of the customers, past settlement records of the customers, concentration risk of customers, the Group’s actual loss experience, latest economic environment and subsequent settlement of the trade and bills receivables. – We performed tests on the ageing profile of the trade and bills receivables at the end of the year, and also checked the post year-end subsequent settlements from customers, on a sample basis, to underlying accounting records and supporting documents. <p>Based on the above, we considered that the significant judgements and estimates made by management in relation to the assessment of ECL allowance for trade and bills receivables were supported by the evidence obtained and procedures performed.</p>

Independent Auditor's Report

Other Information

The directors of the Company are responsible for the other information. The other information comprises directors' statement, management discussion and analysis and five-year financial summary included in the annual report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and directors' report, corporate governance report, environmental, social and governance report and the other sections to be included in the annual report (the "the remaining other information"), which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action considering our legal rights and obligations.

Responsibilities of Directors and Those Charged with Governance 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 HKFRS Accounting Standards as 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Independent Auditor's Report

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. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, 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 HKSA's 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.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

KWAN, Shui Cheung, Esmond

Practising Certificate Number: P05371

Hong Kong

31 March 2026



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	7	21,352,287	40,913,965
Cost of sales		(20,536,265)	(39,881,451)
Gross profit		816,022	1,032,514
Other income, gains and losses	8	340,583	(135,648)
Selling and distribution expenses		(52,667)	(95,695)
Administrative expenses		(344,226)	(390,860)
Impairment loss on financial assets, net		(5,425)	—
Profit from operations		754,287	410,311
Finance costs	9	(28,226)	(20,310)
Share of profits of associates		200,361	45,718
Profit before taxation		926,422	435,719
Income tax	10	(103,799)	(63,798)
Profit for the year	11	822,623	371,921
Profit for the year attributable to:			
Owners of the Company		719,661	296,242
Non-controlling interests		102,962	75,679
		822,623	371,921
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		823	(663)
<i>Items that may be reclassified to profit or loss:</i>			
Share of other comprehensive income of associates		22,934	(6,167)
Exchange differences on translating foreign operations		69,540	(104,272)
		92,474	(110,439)
Other comprehensive expenses for the year, Net of tax		93,297	(111,102)
Total comprehensive income for the year		915,920	260,819
Total comprehensive income for the year Attributable to:			
Owners of the Company		821,829	187,932
Non-controlling interests		94,091	72,887
		915,920	260,819
Earnings per share			
— Basic (HK cents per share)	14	5.18	2.20
— Diluted (HK cents per share)	14	5.18	2.20

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	15	155,313	158,647
Right-of-use assets	16	41,900	26,391
Goodwill	17	917	37,945
Interest in associates	18	2,573,487	2,367,909
Financial assets at fair value through other comprehensive income	19	20,395	19,572
Financial assets at fair value through profit or loss	20	1,879	79,809
Deferred tax assets	21	32,217	47
		2,826,108	2,690,320
Current assets			
Inventories	22	3,527,077	3,635,351
Trade and bills receivables	23	3,744,904	2,344,683
Accounts receivables	24	2,771,690	2,895,762
Financial assets at fair value through profit or loss	20	348,503	3,822
Financial assets at fair value through other comprehensive income	19	44,119	—
Derivative instruments	25	703,050	415,765
Prepayments, deposits and other assets	26	946,326	594,827
Cash and bank balances	27	7,719,611	6,396,262
		19,805,280	16,286,472
Current liabilities			
Trade and bills payables	28	5,805,074	3,870,101
Trust receipt loans	29	110,889	139,945
Bank borrowings	30	435,091	1,238
Accounts payables	31	4,903,174	5,775,864
Contract liabilities	32	725,750	155,034
Accruals and other payables	33	272,122	169,907
Amount due to an associate		1,170,000	1,141,920
Derivative instruments	25	634,924	397,397
Lease liabilities	34	19,676	10,021
Current tax payable		137,709	64,393
		14,214,409	11,725,820
Net current assets		5,590,871	4,560,652
Total assets less current liabilities		8,416,979	7,250,972

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Bank borrowings	30	603	1,747
Lease liabilities	34	6,006	—
Deferred tax liabilities	21	9,287	12,938
		15,896	14,685
Net assets			
		8,401,083	7,236,287
Capital and reserves			
Share capital	35	35,716	33,679
Reserves	36	7,295,044	6,081,843
Equity attributable to owners of the Company		7,330,760	6,115,522
Non-controlling interests		1,070,323	1,120,765
Total equity		8,401,083	7,236,287

The consolidated financial statements on pages 104 to 187 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 2025

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 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	–	–	–	–	(101,480)	–	(101,480)	(2,792)	(104,272)
– Fair value changes of financial assets at fair value through other comprehensive income	–	–	–	(663)	–	–	(663)	–	(663)
Share of other comprehensive income of associates	–	–	–	–	(6,167)	–	(6,167)	–	(6,167)
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	–	–	–	–	–	(269,427)	(269,427)	–	(269,427)
Dividend distributions of non-wholly owned subsidiaries	–	–	–	–	–	–	–	(64,238)	(64,238)
At 31 December 2024 and 1 January 2025	33,679	1,877,644	486,616	(2,995)	(278,229)	3,998,807	6,115,522	1,120,765	7,236,287
Profit for the year	–	–	–	–	–	719,661	719,661	102,962	822,623
Other comprehensive expenses for the year:									
– Exchange difference arising on translating foreign operations	–	–	–	–	78,411	–	78,411	(8,871)	69,540
– Fair value changes of financial assets at fair value through other comprehensive income	–	–	–	823	–	–	823	–	823
– Share of other comprehensive income of associates	–	–	(1,575)	91	24,418	–	22,934	–	22,934
Total comprehensive income for the year	–	–	(1,575)	914	102,829	719,661	821,829	94,091	915,920
Issue ordinary shares	2,037	405,392	–	–	–	–	407,429	–	407,429
Capital injection by non-controlling interests of subsidiaries	–	–	–	–	–	–	–	2,760	2,760
Capital redemption of non-controlling interests of subsidiaries	–	–	–	–	–	–	–	(115,311)	(115,311)
Increase in special reserve	–	–	691	–	–	–	691	–	691
Liquidation of a subsidiary	–	–	–	–	–	–	–	(16,928)	(16,928)
Acquisition of remaining non-controlling interests of a subsidiary (Note b)	–	–	(1,398)	–	–	–	(1,398)	(13,558)	(14,956)
Share of other reserves of an associate	–	–	(13,313)	–	–	–	(13,313)	–	(13,313)
Dividend distributions of non-wholly owned subsidiaries	–	–	–	–	–	–	–	(1,496)	(1,496)
At 31 December 2025	35,716	2,283,036	471,021	(2,081)	(175,400)	4,718,468	7,330,760	1,070,323	8,401,083

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Note a: Included in accumulated profits approximately of HK\$4,718,468,000 and HK\$3,998,807,000 at 31 December 2025 and 2024 respectively, approximately of HK\$70,787,000 and HK\$69,050,000 as at 31 December 2025 and 2024 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 2025, the Group had further acquired 30% equity interests of 競點紅一國際貿易有限公司 ("競點紅一"), the non-wholly owned subsidiary of the Group, from non-controlling shareholders of 競點紅一 with consideration of RMB14,100,000. The difference of approximately HK\$1,398,000 (RMB1,318,000) between the amount of the non-controlling interests of HK\$13,558,000 (RMB12,782,000) adjusted and the fair value of consideration paid of approximately HK\$14,956,000 (RMB14,100,000), had been recognised directly in equity as capital reserve.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Profit before taxation:		926,422	435,719
Adjustments for:			
Interest income	8	(116,749)	(99,481)
Finance costs	9	28,226	20,310
Loss on disposal/written-off of property, plant and equipment	8	23	12
Loss on misappropriation of funds		—	167,462
Depreciation on:			
— property, plant and equipment	11	15,561	18,774
— right-of-use assets	11	19,379	14,086
Share of profits of associates		(200,361)	(45,718)
Net realised gain on derivative instruments	8	(264,691)	—
Gain on disposal of financial assets at fair value through profit or loss	8	(32,662)	—
Loss/(gain) on fair value changes of financial assets at fair value through profit or loss, net	8	22,376	(1,818)
Loss on client default	8	61,092	—
Impairment of goodwill	8	37,028	—
Impairment of inventories		21,949	—
Operating cash flows before working capital changes		517,593	509,346
Change in inventories		186,451	(1,594,656)
Change in trade and bills receivables		(1,366,030)	(383,184)
Change in accounts receivables		62,980	374,918
Change in derivative instruments		(49,758)	229,020
Change in prepayments, deposits and other receivables		(515,081)	166,516
Change in cash and bank balances – trust and customer segregated accounts		(1,382,778)	(1,305,714)
Change in trade and bills payables		4,280,760	5,556,397
Change in accounts payables		(872,690)	899,239
Change in contract liabilities		551,890	(16,451)
Change in accruals and other payables		99,845	(34,408)
Cash generated from operations		1,513,182	4,401,023
Income tax paid		(66,304)	(111,993)
Interest received		116,315	99,481
Net cash generated from operating activities		1,563,193	4,388,511

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(6,749)	(11,882)
Proceeds from disposal of property, plant and equipment		616	6
Dividend received from an associate	18	6,832	97,913
Acquisition of remaining non-controlling interests of a subsidiary		(14,956)	—
Capital injection of associates		—	(1,328,000)
Acquisition of financial assets at fair value through profit or loss		(488,316)	(81,827)
Proceeds from disposal of financial assets at fair value through profit or loss and derivative instruments		496,542	16,018
Prepayment for equity interest subscription	26	221,779	—
Loans granted to third parties		(78,700)	—
Increase in restricted deposits		(140,310)	(305,313)
Net cash used in investing activities		(3,262)	(1,613,085)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		407,429	—
Capital injection by non-controlling interests of the Group		2,760	39,305
Capital redemption of non-controlling interests of subsidiaries		(115,311)	—
Payment to non-controlling interests upon liquidation of non-wholly owned subsidiary		(16,928)	—
Repayment of trust receipt loans and bank borrowings	37(ii)	(2,017,048)	(4,109,171)
Advance from an associate	37(ii)	1,170,000	1,141,920
Repayment of loan from an associate	37(ii)	(1,141,920)	—
Payment of lease liabilities	37(ii)	(18,930)	(13,622)
Interest paid		(28,226)	(20,310)
Dividend paid in relation to distribution to non-controlling shareholders of subsidiaries		(1,496)	(64,238)
Special interim dividend paid		—	(269,427)
Net cash used in financing activities		(1,759,670)	(3,295,543)
Net decrease in cash and cash equivalents			
Effect of changes in foreign exchange rates		(3,038)	(4,497)
Cash and cash equivalents at beginning of year		2,165,073	2,689,687
Cash and cash equivalents at end of year		1,962,296	2,165,073
Analysis of cash and cash equivalents			
Cash and bank balances - general accounts	27	1,962,296	2,165,073

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. General Information

Deep Source Holdings Limited (formerly known as “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 Accounting Standards

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards as 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 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (“**HKAS**”); and Interpretations.

(a) New and amended standards adopted by the Group

A number of new or amended standards and interpretation became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group’s financial position or operating result and did not require retrospective adjustment.

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 - Lack of Exchangeability	1 January 2025

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. Adoption of New and Revised Hong Kong Financial Reporting Accounting Standards (continued)

(b) New and amended standards not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group.

The Group has already commenced an assessment of the impact of these new or revised standards. According to the preliminary assessment made by the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective. The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

Standards and amendments	Effective for accounting periods beginning on or after
Amendments to HKFRS 7 and HKFRS 9 - Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 7 and HKFRS 9 - Contracts referencing nature-dependent electricity	1 January 2026
Annual improvements to HKFRS - Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28 - Sale or contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027

Except for new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. Adoption of New and Revised Hong Kong Financial Reporting Accounting Standards (continued)

(b) New and amended standards not yet adopted (continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 has no impact on the Group's financial positions and performance but has impact on presentation of the consolidated statements of profit and loss and other comprehensive income.

3. Material Accounting Policy Information

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as 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 of 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 HKFRS Accounting Standards 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 2025

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 2025

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 2025

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 2025

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 ("HK\$"), 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 2025

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 2025

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 2025

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 2025

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 2025

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 HKFRS Accounting Standards. 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 financial instruments

Derivatives are initially measured at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are remeasured at fair value at the end of each reporting period and change therein are generally recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material Accounting Policy Information (continued)

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.

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) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material Accounting Policy Information (continued)

Employee benefits (continued)

(b) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have a right, at the end of the reporting period, to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(c) 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.

(d) 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. Material Accounting Policy Information (continued)

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 2025

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 2025

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 2025

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 2025

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 one of its subsidiaries, namely, Theme International VCC - Theme International Trading, fund incorporated in Singapore, this corporation is treated as a subsidiary because the Group is able to control the relevant activities of this corporation as a result of the shareholders' agreement between the Group and other shareholders of this corporation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Critical Judgements and Key Estimates (continued)

4a. Critical Judgments in Applying Accounting Policies (continued)

Goodwill impairment

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2025 was HK\$37,945,000 (2024: HK\$37,945,000). The carrying amount of certain business cash-generating unit exceeded its recoverable amount as of 31 December 2025, and a goodwill impairment charge of HK\$37,028,000 (2024: nil) was recognised in the consolidated financial statements based on the results of the goodwill impairment test. Further details are included in Note 17 to the consolidated financial statements.

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.

Expected credit loss allowance for trade and bills receivables

The Group measures the expected credit loss allowance for trade and bills receivables at an amount equal to lifetime expected credit loss based on management's estimated loss rates. The estimated loss rates take into account the ageing of trade and bills receivables balances, the repayment history of the Group's customers, existing market conditions, as well as forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, which requires the use of management's judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and bills receivables and loss allowance in the year in which such estimate has been changed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. Critical Judgements and Key Estimates (continued)

4b. Key sources of estimation uncertainty (continued)

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 2025

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 HK\$, United States dollars ("US\$") and Renminbi ("RMB"). 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 2025, if the RMB had weakened/strengthened 5% (2024: 5%) against the US\$ with all other variables held constant, pre-tax profit for the year would have been approximately of HK\$61,869,000 (2024: HK\$69,613,000) lower/higher, arising mainly as a result of the foreign exchange loss on trade and bills payables of China subsidiaries denominated in US\$.

(b) Price risk

The Group's 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% (2024: 10%) in current year as a result of the volatile financial market.

At 31 December 2025, if the share prices of the investments and derivative instruments increase/decrease by 10%, pre-tax profit for the year would have been approximately of HK\$41,700,000 (2024: HK\$2,184,000) 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 2025

5. Financial Risk Management (continued)

(c) Credit risk

The carrying amounts of the cash and bank balances, trade, bills and other receivables, and accounts receivables 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 32% (2024: 20%) and 77% (2024: 63%) 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 2025

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 2025

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 2025			
Trade and bills payables	5,805,074	—	—
Trust receipt loans	110,889	—	—
Bank borrowings	435,240	706	—
Accounts payables	4,903,174	—	—
Accruals and other payables	138,265	—	—
Lease liabilities	20,387	7,684	850
Derivative instruments	634,924	—	—
	12,047,953	8,390	850
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	45,981	—	—
Lease liabilities	10,153	—	—
Derivative instruments	397,397	—	—
	10,240,890	1,315	666

(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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. Financial Risk Management (continued)

(f) Categories of financial instruments at 31 December

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at fair value through other comprehensive income ("FVTOCI")		
Bills receivables measured at fair value	44,119	—
Private equity investment in the PRC	20,395	19,572
	64,514	19,572
Financial assets at fair value through profit or loss		
Listed securities	319,323	3,473
Unlisted funds	31,059	80,158
Derivative instruments	703,050	415,765
	1,053,432	499,396
Financial assets at amortised cost		
Trade and bills receivables	3,744,904	2,344,683
Accounts receivables	2,771,690	2,895,762
Deposits and other receivables	376,515	268,376
Cash and bank balances	7,719,611	6,396,262
	14,612,720	11,905,083
	15,730,666	12,424,051
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative instruments	634,924	397,397
Financial liabilities at amortised cost		
Trade and bills payables	5,805,074	3,870,101
Trust receipt loans	110,889	139,945
Bank borrowings	435,694	2,985
Accounts payables	4,903,174	5,775,864
Amount due to an associate	1,170,000	1,141,920
Accruals and other payables	138,265	45,981
	12,563,096	10,976,796
	13,198,020	11,374,193

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 2025

6. Fair Value Measurements (continued)

Disclosures of level in fair value hierarchy:

At 31 December 2025

Description	Fair value measurements using:			Total 2025 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Bills receivables measured at fair value	—	—	44,119	44,119
Private equity investment in the PRC	—	—	20,395	20,395
	—	—	64,514	64,514
Financial assets at fair value through profit or loss				
Listed securities in Hong Kong and overseas				
	319,323	—	—	319,323
Unlisted funds	—	—	31,059	31,059
	319,323	—	31,059	350,382
Derivative instruments				
— Assets	703,050	—	—	703,050
— Liabilities	(634,924)	—	—	(634,924)
	68,126	—	—	68,126
Total recurring fair value measurements	387,449	—	95,573	483,022

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. Fair Value Measurements (continued)

Disclosures of level in fair value hierarchy: (continued)

At 31 December 2024

Description	Fair value measurements using:			Total 2024 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 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				
Unlisted debt investment in overseas Option	3,473	—	—	3,473
	—	—	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

During the years ended 31 December 2025 and 2024, 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 2025

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		2025
	Fund	Bills	Equity	Total
	HK\$'000	receivables HK\$'000	investment HK\$'000	HK\$'000
Recurring fair value measurements:				
At 1 January 2025	80,158	—	19,572	99,730
Additions	29,432	44,119	—	73,551
Total gains or losses recognised				
— in profit or loss ^(#)	(14,197)	—	—	(14,197)
— in other comprehensive income	—	—	823	823
Disposals	(64,334)	—	—	(64,334)
At 31 December 2025	<u>31,059</u>	<u>44,119</u>	<u>20,395</u>	<u>95,573</u>
^(#) Include gains or losses for assets held at end of reporting period	<u>(14,197)</u>	<u>—</u>	<u>—</u>	<u>(14,197)</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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	
	Equity investment HK\$'000	Option HK\$'000	Equity investment HK\$'000	2024 Total HK\$'000
Recurring fair value measurements				
At 1 January 2024	—	480,383	20,235	500,618
Additions	78,349	—	—	78,349
Total gains or losses recognised				
— in profit or loss ^(#)	1,809	—	—	1,809
— in other comprehensive income	—	—	(663)	(663)
Recognition of interest in 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

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 2025

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 2025 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	20,395	Increase
		Marketability discount and P/E multiple		Decrease
Bills receivables measured at FVTOCI	Discounted cash flow	Discount rate	44,119	Decrease
Unlisted funds classified as equity investment at fair value through profit or loss	Net asset approach	Net asset value	31,059	Increase

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	19,572	Increase
		Marketability discount and P/E multiple		Decrease
Unlisted funds classified as equity investment at fair value through profit or loss	Net asset approach	Net asset value	80,158	Increase

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. Revenue and Segment Information

(a) Revenue

	2025 HK\$'000	2024 HK\$'000
Sales from trading and processing of goods	20,516,007	40,036,179
Commission income and brokerage fees from the provision of financial services	289,402	252,719
Less: Sales taxes and levies	(11,263)	(14,432)
Revenue from contracts with customers	20,794,146	40,274,466
Gain from derivative trading	354,717	415,499
Interest income from trust and segregated accounts	203,424	224,000
	558,141	639,499
Total revenue	21,352,287	40,913,965

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 2025

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 2025

Segments	Distribution, trading and processing HK\$'000	Financial services HK\$'000	2025 Total HK\$'000
Geographical markets			
Hong Kong	94,087	95,692	189,779
Singapore	9,304,972	193,710	9,498,682
The PRC	11,105,685	—	11,105,685
Total	20,504,744	289,402	20,794,146
Major products/services			
Trading and processing of bulk commodities	20,504,744	—	20,504,744
Commission income and brokerage fees	—	289,402	289,402
Total	20,504,744	289,402	20,794,146
Time of revenue recognition			
At a point in time	20,504,744	289,402	20,794,146

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. Revenue and Segment Information (continued)

(a) Revenue (continued)

Disaggregation of revenue from contracts with customers (continued)

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

(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 2025 and 2024, 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 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 2025

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 2025

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
Revenue	20,504,744	847,543	21,352,287
Segment profit	490,531	248,047	738,578
Finance costs	(21,522)	(6,640)	(28,162)
Unallocated other income, gains and losses			34,315
Share of profits of associates			200,361
Corporate expenses and other finance costs			(18,670)
Profit before taxation			926,422

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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 2025

	Distribution, trading and processing HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment assets	<u>11,978,443</u>	<u>7,663,760</u>	<u>19,642,203</u>
Unallocated prepayments, deposits and other receivables			3,234
Financial assets at fair value through profit or loss			350,382
Interest in associates			2,573,487
Unallocated cash and bank balances			<u>62,082</u>
Consolidated assets			<u>22,631,388</u>
Segment liabilities	<u>6,710,520</u>	<u>5,662,040</u>	<u>12,372,560</u>
Trust receipt loans and bank borrowings	<u>546,583</u>	—	<u>546,583</u>
Current tax payable	<u>123,779</u>	<u>13,930</u>	<u>137,709</u>
Amount due to an associate			1,170,000
Unallocated accruals and other payables			<u>3,453</u>
Consolidated liabilities			<u>14,230,305</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. Revenue and Segment Information (continued)

(b) Segment information (continued)

Segment assets and liabilities: (continued)

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 2025

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 2025			
<i>Amounts included in the measure of segment results or segment assets:</i>			
Additions of property, plant and equipment	6,221	528	6,749
Depreciation of property, plant and equipment	14,424	1,137	15,561
Year ended 31 December 2024			
<i>Amounts included in the measure of segment results or segment assets:</i>			
Additions of property, plant and equipment	8,423	3,459	11,882
Depreciation of property, plant and equipment	17,298	1,476	18,774

Geographical information

	Revenue		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	263,237	327,522	13	3,584
Singapore	9,983,365	24,212,330	2,034,424	1,966,833
The PRC	11,105,685	16,374,113	737,180	700,284
	21,352,287	40,913,965	2,771,617	2,670,701

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:

Revenue of approximately HK\$2,710,229,000 (2024: nil) to one customer (2024: nil) 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 2025 and 2024.

Notes to the Consolidated Financial Statements

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8. Other Income, Gains and Losses

	2025 HK\$'000	2024 HK\$'000
Interest income	116,749	99,481
Net foreign exchange loss	(44,119)	(93,028)
Loss on misappropriation of funds (Note a)	—	(167,462)
(Loss)/gain on fair value changes of financial assets at fair value through profit or loss, net	(22,376)	1,818
Gain on disposal of financial assets at fair value through profit or loss	32,662	—
Net realised gain on derivative instruments	264,691	—
Loss on client default (Note c)	(61,092)	—
Impairment loss on goodwill (Note 17)	(37,028)	—
Government grants (Note b)	96,975	13,663
Loss on disposal/written off of property, plant and equipment	(23)	(12)
Others	(5,856)	9,892
	340,583	(135,648)

Note a: 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.

Since the discovery of the Suspected Misappropriation, the Group has ceased all operations of the SG Subsidiary, reported the Suspected Misappropriation to the Singapore Police on 19 July 2024, engaged legal professionals to conduct 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 engaged an independent forensic accountant to 1) review the restructured financial data to provide more evidence for the legal proceedings (the "**Investigation**") and 2) to confirm that no other senior executives/officers of the Group management was involved in the Suspected Misappropriation (the "**Forensic Work**").

In the preparation of the consolidated financial statements for the year ended 31 December 2024, as the recovery of funds and settlement of outstanding balances would depend on the outcome of the investigation and legal proceedings, the Group recorded a loss amounted to approximately HK\$167,462,000 as a result of the Suspected Misappropriation for the year ended 31 December 2024 in the consolidated statement of profit or loss and other comprehensive income.

The financial information of the SG Subsidiary for the years ended 31 December 2025 and 2024 taking into account of the aforesaid loss adjustments are as follow:

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

	2025 HK\$'000	2024 HK\$'000
Revenue	—	11,819,066
Cost of sales	—	(11,802,200)
Other income, gains and losses	468	(168,985)
Administrative and other expenses	(16,191)	(14,675)
Finance costs	—	(2,951)
Income tax	1,053	(1,537)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. Other Income, Gains and Losses (continued)

Note a: (continued)

(b) Assets and liabilities as at 31 December

	2025 HK\$'000	2024 HK\$'000
Prepayments, deposits and other receivables	188	—
Cash and bank balances	2,817	15,372
Accruals and other payables	(6,717)	(3,374)
Current tax payable	—	(1,053)
Amount due to a related party	(215)	(202)

As at the date of this report, the aforesaid Investigation and Forensic Work have been completed with reports issued in March 2026, covering the below scope of work:

- 1) review of the restructured accounts of the SG Subsidiary and cryptocurrency transactions and the transactions with certain customer, in order to quantify the amounts of losses suffered by SG Subsidiary for the legal proceedings;
- 2) forensics and investigative review of the internal communication emails of the senior executives/officers of the Group and the staff of SG Subsidiary stored in the Group's servers to confirm no others are involved in the Suspected Misappropriation.

According to the Forensic Work as mentioned above, the Board of Directors considered the Suspected Misappropriation, and the related irregularities were confined and no other personnel or officers of the Group were involved.

Since the discovery of the Suspected Misappropriation, the Group management has engaged legal advisors in dealing with claims/alleged claims to the SG Subsidiary and legal proceedings for the recovery of funds from the individuals and counterparties involved in the Suspected Misappropriation. Legal proceedings are still in progress and the Group will take all reasonable effort to recover funds and minimize further loss to the Group. However, it is uncertain as to the time required in the legal proceedings and their ultimate outcome. The Group is of the view that the loss recorded in 2024 is sufficient and appropriate based on available evidence up to the date of this report.

Note b: Government grants mainly consisted of one-off subsidies to support the operation of the PRC subsidiaries, and the trade development grant (the "TDG") in Singapore. For the year ended 31 December 2025, the one-off subsidies of approximately HK\$39,195,000 (2024: HK\$13,663,000) received by the PRC subsidiaries had no conditions or contingencies that needed to be fulfilled and they were non-recurring in nature. The TDG was granted to large global traders who have committed significant local business spending and manpower to their trading operations in Singapore, in order to support the trading ecosystem in Singapore. For the year ended 31 December 2025, the TDG of approximately HK\$57,780,000 (2024: nil) was granted to the Group's subsidiary, Deep Source Pte. Ltd. (formerly known as "Bright Point Trading Pte. Ltd.").

Note c: For the year end 31 December 2025, geopolitical developments in the Middle East caused front-month crude oil prices to rise sharply. This resulted in an exceptional adverse movement in the trading position of a client in the future brokerage business, leading to a significant deficit within a short period of time. The client did not respond to the margin calls and no settlement was made by the client. After unsuccessful constructive margin calls, the Company initiated legal proceedings in Hong Kong and subsequently obtained a default judgment against the client. The Company considered the balance to be credit-impaired and has recognised a loss on customer default amounting to approximately HK\$61,092,000.

Notes to the Consolidated Financial Statements

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9. Finance Costs

	2025 HK\$'000	2024 HK\$'000
Bills discounting interest expenses and interest expenses on bank borrowings and trust receipt loans	27,479	19,749
Lease interest expenses	747	561
	28,226	20,310

10. Income Tax

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong Profits Tax		
– Provision for the year	962	210
– PRC Corporate Income Tax		
– Provision for the year	5,400	16,184
– Singapore Corporate Income Tax		
– Provision for the year	133,258	46,732
Deferred tax (Note 21)	(35,821)	672
	103,799	63,798

Hong Kong Profits Tax is calculated at 16.5% (2024: 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% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5%.

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 2025 and 2024. With the Global Trader Programme ("GTP") incentive awarded to Deep Source 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 2025 and 2024 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 2025 and 2024.

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For the year ended 31 December 2025

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 2025, 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 Group has operations mainly in Singapore, PRC and Hong Kong. It is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. The Pillar Two model rules in Singapore and Hong Kong come into effect from 1 January 2025. The Group entities, except for those subsidiaries in Singapore and Hong Kong, apply the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group is subject to the global minimum top-up tax under the Pillar Two tax legislation effective from 1 January 2025. Under the legislation, the Group is liable to pay a top-up tax for the difference between their Global Anti-Base Erosion effective tax rate per jurisdiction and the 15% minimum rate. The top-up tax relates to the Group’s operations in Hong Kong and Singapore, where the effective tax rate for entities was below 15% during the year ended 31 December 2025. As a result, the Group recognised a current tax charge of approximately HK\$29,301,000 related to the top-up tax in 2025 (2024: nil).

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

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	926,422	435,719
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdiction concerned	149,879	65,167
Tax effect on income that is not taxable	(58,309)	(32,820)
Tax effect of expenses that are not deductible	9,310	29,993
Utilisation of tax losses previously not recognised	(9,386)	(3,088)
Tax effect of temporary differences not recognised	6,843	—
Effect of GTP incentive award	(39,751)	(32,101)
Tax losses not recognised	49,759	42,800
Adjustment of Pillar II	29,301	—
Tax effect of share of profits of an associate	(31,420)	(8,113)
Others	(2,427)	1,960
	103,799	63,798

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10. Income Tax (continued)

At the end of the reporting period, subject to agreement with tax authorities, the Group has unused tax losses of approximately HK\$810,380,000 (2024: approximately HK\$621,925,000) 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\$312,963,000 (2024: approximately HK\$219,679,000) 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.

As at 31 December 2025, the Group has not recognised deferred income tax liabilities of approximately HK\$94,297,000 (31 December 2024: approximately HK\$93,841,000) in respect of the withholding tax on the undistributed earnings of subsidiaries in PRC amounting to approximately HK\$942,970,000 (31 December 2024: approximately HK\$938,407,000) that would be payable upon the distribution of these retained profits out of the PRC subsidiaries, as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

11. Profit for the Year

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories recognised as cost of sales	19,642,850	39,378,056
Depreciation		
– Property, plant and equipment	15,561	18,774
– Right-of-use assets	19,379	14,086
Auditors' remuneration		
– audit services	2,000	1,500
– other audit related service	2,169	—
– non-audit services	271	250
	4,440	1,750
Expenses related to short-term leases	—	2,470
Directors' remuneration (Note 12(a))	12,164	12,358
Other staff costs		
– salaries, discretionary bonuses and allowances	207,926	247,196
– retirement benefits scheme contributions	8,177	14,221
	216,103	261,417

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For the year ended 31 December 2025

12. Directors' and Senior Management's Emoluments

(a) Directors' emoluments

The remuneration of each Director for the year ended 31 December 2025 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	103	4,078
<i>Non-executive directors:</i>						
Mr. Ding Lin		—	1,080	—	18	1,098
Mr. Kang Jian		—	1,438	1,220	103	2,761
<i>Independent non-executive directors:</i>						
Mr. Liu Song		180	—	—	—	180
Ms. Chan Lai Ping		180	—	—	—	180
Mr. Wong Hok Bun Mario	b	240	—	—	—	240
		600	5,274	6,066	224	12,164

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For the year ended 31 December 2025

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

(a) Directors' emoluments (continued)

The remuneration of each Director for the year ended 31 December 2024 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	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	c	—	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	a	100	—	—	—	100
Ms. Chan Lai Ping		120	—	—	—	120
Mr. Wong Hok Bun Mario	b	17	—	—	—	17
		357	6,360	5,459	182	12,358

Notes:

- a. Resigned on 31 October 2024
- b. Appointed on 6 October 2024
- c. Resigned on 31 December 2024

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

(b) Five highest paid individuals

Of the five individuals with the highest emoluments, none (2024: 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 are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	7,435	6,456
Discretionary bonuses	38,345	56,327
Retirement benefit scheme contributions	518	491
	46,298	63,274

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

	2025	2024
HK\$5,000,001 to HK\$5,500,000	—	2
HK\$6,500,001 to HK\$7,000,000	1	—
HK\$7,000,001 to HK\$7,500,000	1	—
HK\$8,500,001 to HK\$9,000,000	1	—
HK\$9,000,001 to HK\$9,500,000	1	—
HK\$11,000,001 to HK\$11,500,000	—	1
HK\$14,000,001 to HK\$14,500,000	1	—
HK\$17,000,001 to HK\$17,500,000	—	1
HK\$24,000,001 to HK\$24,500,000	—	1

Save as disclosed above, for the years ended 31 December 2025 and 2024, 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 2025

13. Dividend

	2025 HK\$'000	2024 HK\$'000
Declared interim dividend of HK\$ nil (2024: nil) per ordinary share	—	—

At a board meeting held on 28 March 2024, the Board of Directors declared an interim dividend of HK 2 cents per ordinary share, amounting to HK\$269,427,000 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 2025 and 2024.

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.

	2025 HK\$'000	2024 HK\$'000
Profit:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	719,661	296,242

	2025 '000	2024 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	13,891,125	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 years ended 31 December 2025 and 2024.

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For the year ended 31 December 2025

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 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
Transfers	(5,789)	1,585	—	4,204	—	—	—
Loss on misappropriation of funds	—	—	—	—	(195)	—	(195)
Disposals/write-offs	—	—	—	(18)	(10)	—	(28)
Exchange adjustments	(239)	(3,980)	—	(2,453)	(231)	(183)	(7,086)
At 31 December 2024 and 1 January 2025	6,990	114,262	14,000	68,132	10,758	6,338	220,480
Additions	390	398	2,717	2,099	1,145	—	6,749
Transfers	(7,353)	—	—	7,353	—	—	—
Disposals/write-offs	—	—	—	(941)	(1,341)	—	(2,282)
Exchange adjustments	507	5,172	61	2,399	278	252	8,669
At 31 December 2025	534	119,832	16,778	79,042	10,840	6,590	233,616
Accumulated depreciation:							
At 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 disposals/ write-offs	—	—	—	(3)	(7)	—	(10)
Exchange adjustments	—	(668)	—	(1,073)	(96)	(67)	(1,904)
At 31 December 2024 and 1 January 2025	—	18,076	14,000	18,863	8,264	2,630	61,833
Charge for the year	—	6,075	91	6,835	1,296	1,264	15,561
Elimination on disposals/ write-offs	—	—	—	(360)	(1,283)	—	(1,643)
Exchange adjustments	—	646	2	1,636	139	129	2,552
At 31 December 2025	—	24,797	14,093	26,974	8,416	4,023	78,303
Carrying amount:							
At 31 December 2025	534	95,035	2,685	52,068	2,424	2,567	155,313
At 31 December 2024	6,990	96,186	—	49,269	2,494	3,708	158,647

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For the year ended 31 December 2025

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 2024	17,581	23,145	40,726
Depreciation	(781)	(13,305)	(14,086)
Exchange differences	(249)	—	(249)
At 31 December 2024 and 1 January 2025	16,551	9,840	26,391
Additions	—	34,591	34,591
Depreciation	(324)	(19,055)	(19,379)
Exchange differences	297	—	297
At 31 December 2025	16,524	25,376	41,900

The maturity analysis of lease liabilities is disclosed in Note 5(d) to the consolidated financial statements.

The amounts recognised in profit or loss and cashflow information in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
For the year ended 31 December:		
Depreciation charge of right-of-use assets	19,379	14,086
Lease interests	747	561
Expenses related to short-term leases	—	2,470
Total cash outflow for leases	19,677	16,653
Additions to right-of-use assets	34,591	—

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 (2024: 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

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17. Goodwill

	2025 HK\$'000	2024 HK\$'000
Cost at 1 January 2024, 31 December 2024 and 1 January 2025	37,945	37,945
Provision for impairment	(37,028)	—
	917	37,945

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

	2025 HK\$'000	2024 HK\$'000
Distribution, trading and processing - PRC	917	917
Chemical trading — Hong Kong and Singapore (Note)	—	37,028
	917	37,945

Note:

Impairment tests for material CGUs containing goodwill

The directors of the Company performed an assessment on recoverability of the goodwill arising from investments in the subsidiaries as at 31 December 2025 and 2024. The impairment tests were based on valuation on the recoverable amount of each CGU, respectively, which was determined on value in use (“VIU”). The following table sets out the key assumptions used in the valuation for the impairment tests for the chemical trading CGU:

Assumption	2025	2024	Approach used to determine values
Terminal growth rate	2.0%	3.0%	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with existing revenue contracts, past performance and historic price index.
Pre-tax weighted average cost of capital (discount rate)	14.10%	16.2%	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows.

As at 31 December 2025, the recoverable amount of chemical trading CGU was nil based on the impairment test performed. Compared with the carrying amount of the CGU, which amounted to HK\$37,028,000 as at 31 December 2025, the directors of the Company were of the opinion that chemical trading CGU was fully impaired.

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18. Interest in Associates

	2025 HK\$'000	2024 HK\$'000
Unlisted investments in the PRC:		
Share of net assets	553,034	513,111
Goodwill	12,993	12,993
	566,027	526,104
Unlisted investments in Singapore:		
Share of net assets	1,910,596	1,744,941
Goodwill	96,864	96,864
	2,007,460	1,841,805
	2,573,487	2,367,909

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	
			2025	2024
連雲港恆鑫通礦業有限公司 ("連雲港恆鑫通")	The PRC	Ore commodity trading and processing	30%	30%
Green EsteeL Pte. Ltd. ("EsteeL")	Singapore	Ore commodity trading	20.21%	20.40%
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%	49%

山東榮暉 was 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.

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18. Interest in Associates (continued)

	連雲港恆鑫通		Esteel		山東榮暉	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
At 31 December						
Non-current assets	251,282	319,579	5,990,322	3,786,830	140	—
Current assets	282,600	344,106	12,619,300	10,721,576	6,116,273	1,480,226
Non-current liabilities	—	—	(1,078,077)	(666,565)	—	—
Current liabilities	(64,127)	(232,953)	(6,101,722)	(5,100,974)	(5,275,380)	(696,776)
Net assets	469,755	430,732	11,429,823	8,740,867	841,033	783,450
Group's share of net assets	140,927	129,220	1,910,596	1,744,942	412,107	383,890
Goodwill	12,993	12,993	96,864	96,864	—	—
Group's share of carrying amount of interests	153,920	142,213	2,007,460	1,841,806	412,107	383,890
Revenue	1,412,826	1,462,505	17,790,115	12,824,643	16,465,232	3,627,947
Profit for the year	20,461	22,327	1,061,798	469,147	27,414	7,235
Other comprehensive income/(loss) for the year	18,563	(12,892)	214,968	(34,196)	30,171	(23,785)
Total comprehensive income/(loss) for the year	39,024	9,435	1,276,766	434,951	57,585	(16,550)
Dividends received from the associate	6,832	97,913	—	—	—	—

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19. Financial Assets at Fair Value through Other Comprehensive Income

	2025 HK\$'000	2024 HK\$'000
Equity securities, at fair value		
Unlisted investment in the PRC - non-current	20,395	19,572
Bills receivable, at fair value - current	44,119	—
	64,514	19,572

The unlisted investment represents approximately 0.3% interest as at 31 December 2025 and 2024 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 2025 and 2024. 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.

The balance represents bills receivables held by the Group which are issued or guaranteed by reputable PRC banks with high credit ratings. The bills receivables had a maturity of within six months at the end of each year. The bills receivables are measured at FVTOCI since the bills are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The Group believes that the bills receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the bills receivables are minimal due to its short-term nature.

In addition, the Group has discounted certain bills receivables to banks and endorsed certain bills receivables to its suppliers to settle its payables. The Group consider the probabilities on default of the discounted or endorsed bills receivables are limited and the Group has derecognised the full carrying amount of these bills receivables and the associated trade and other payables when the bills receivables are endorsed or discounted.

The maximum exposure to the Group that may result from the default of these endorsed and discounted bills receivables as at 31 December 2025 are approximately HK\$485,827,000.

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20. Financial Assets at Fair Value through Profit or Loss

	2025 HK\$'000	2024 HK\$'000
Equity securities, at fair value		
Listed securities in Hong Kong and overseas	319,323	3,473
Unlisted investment in overseas	31,059	80,158
	350,382	83,631
Analysed as:		
Current assets	348,503	3,822
Non-current assets	1,879	79,809
	350,382	83,631

21. Deferred Tax

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

	Tax effect of unrealised intra-group profits HK\$'000	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 2024	—	143	(3,067)	(9,295)	(12,219)
(Charge)/credit to profit or loss	—	(96)	655	(1,231)	(672)
At 31 December 2024 and 1 January 2025	—	47	(2,412)	(10,526)	(12,891)
Credit/(charge) to profit or loss	32,217	(47)	272	3,379	35,821
At 31 December 2025	32,217	—	(2,140)	(7,147)	22,930

	2025 HK\$'000	2024 HK\$'000
Analysed as:		
Deferred tax assets	32,217	47
Deferred tax liabilities	(9,287)	(12,938)
	22,930	(12,891)

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22. Inventories

	2025 HK\$'000	2024 HK\$'000
Raw materials	47,916	33,288
Finished goods	3,501,604	3,602,063
	3,549,520	3,635,351
Less: provision for impairment	(22,443)	—
	3,527,077	3,635,351

23. Trade and Bills Receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	2,313,588	1,721,926
Bills receivables (Note)	1,436,863	622,757
	3,750,451	2,344,683
Less: allowance for expected credit loss	(5,547)	—
	3,744,904	2,344,683

Note:

As at 31 December 2025, the Group discounted or endorsed certain bills receivables with a total carrying amount of HK\$493,612,000 (2024: nil), against settlement of trade payables of the Group but not yet matured. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such discounted or endorsed bills, and accordingly, the full carrying amounts of the discounted or endorsed bills were recognised continuously with relevant bank loans and other payables balances recognised as at the end of the reporting period.

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 (2024: 30 to 90 days).

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23. Trade and Bills Receivables (continued)

The aging analysis of trade receivables, based on the invoice due date and before loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 90 days	2,308,575	1,707,404
91 to 180 days	92	3,941
Over 180 days	4,921	10,581
	2,313,588	1,721,926

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.

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. To measure the expected credit losses, trade and bills 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 2025					
Weighted average expected loss rate	0.15%	0%	0%	0%	0.15%
Receivable amount (HK\$'000)	3,745,511	—	18	4,922	3,750,451
Loss allowance (HK\$'000)	(5,547)	—	—	—	(5,547)
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)	—	—	—	—	—

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24. Accounts Receivables

	2025 HK\$'000	2024 HK\$'000
Arising from the business of dealing in futures contracts:		
— Brokers and dealers		
— representing customer balances	2,700,498	2,477,386
— representing house balances	47,616	396,971
	2,748,114	2,874,357
Arising from financial services provided:		
— Customers	23,576	21,405
	2,771,690	2,895,762

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 2025 HK\$'000	Assets 2025 HK\$'000	Liabilities 2025 HK\$'000	Contract/ Notional amount 2024 HK\$'000	Assets 2024 HK\$'000	Liabilities 2024 HK\$'000
Future contracts						
— Sale	14,272,761	163,369	(450,511)	10,838,250	115,900	(269,763)
— Purchases	13,498,571	539,681	(184,413)	9,890,571	299,865	(127,634)
Total derivative instruments		703,050	(634,924)		415,765	(397,397)

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26. Prepayments, Deposits and Other Receivables

	2025 HK\$'000	2024 HK\$'000
Trade deposits	207,181	191,811
Prepayment for equity interest subscription (Note a)	221,779	—
Prepayment under framework supply agreement (Note b)	166,334	—
Loans granted to third parties (Note c)	78,700	—
Prepayments	5,758	12,814
Value added tax (“VAT”) receivables	175,940	313,637
Other deposits and receivables	90,634	76,565
	946,326	594,827

Note a: In 2025, Jingdian (Shanghai) Trading Co. Ltd. (“Shanghai Jingdian”), a subsidiary of the Company, entered into a framework agreement with Xizang Ali Mamucuo Mining Development Co., Ltd. (“Mamucuo Mining”), pursuant to which, Shanghai Jingdian made a prepayment to secure the right to subscribe for equity interests in the entities controlled by Mamucuo Mining within one year.

Note b: In 2025, Shanghai Jingdian, entered into a supply agreement with Xiaoyi Jindexu Mining Co., Ltd., pursuant to which, Shanghai Jingdian made an upfront prepayment for the purchase of certain ores over a two-year period.

Note c: The subsidiary of the Group, Asia Develop Limited, made a loan to a third party, amounting to HK\$24,100,000 during the year ended 31 December 2025. The loan was unsecured, interest-bear and receivable within 6 months. And Deep Source Pte. Ltd., the subsidiary of the Group, made a loan to a third party amounting to US\$6,000,000 (approximately HK\$46,800,000) during the year ended 31 December 2025 to finance the acquisition of a company in Australia (“Target Company”) and acquire 40% shares in the Target Company. The loan was interest-free, secured by third party’s directors and receivable within 12 months.

27. Cash and Bank Balances

	2025 HK\$'000	2024 HK\$'000
Cash at bank		
— General accounts	1,962,296	2,165,073
— Restricted deposits	725,462	582,129
— Trust and customer segregated accounts	5,031,853	3,649,060
	7,719,611	6,396,262

The Group’s restricted bank deposits represented deposits for securing banking facilities granted to the Group as set out in notes 28 to the consolidated financial statements.

The Group maintains segregated trust accounts with authorised financial institutions to hold clients’ monies arising from its normal course of business. The Group has classified the clients’ monies as “Cash and bank balances - trust and customer segregated accounts” under the current assets section of the statement of financial position and recognised the corresponding accounts payables 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. Trade and Bills Payables

	2025 HK\$'000	2024 HK\$'000
Trade payables	5,176,440	3,234,673
Bills payables	628,634	635,428
	5,805,074	3,870,101

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

	2025 HK\$'000	2024 HK\$'000
Within 90 days	4,886,167	2,675,979
90–180 days	260,648	542,048
181–365 days	17,537	11,364
Over 1 year	12,088	5,282
	5,176,440	3,234,673

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

	2025 HK\$'000	2024 HK\$'000
Trust receipt loans	110,889	139,945

The maturity of trust receipt loans is as follows:

	2025 HK\$'000	2024 HK\$'000
Repayable on demand or within 1 year	110,889	139,945

Trust receipt loans at 31 December 2025 are backed by deed of charge and assignment.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. Trust Receipt Loans (continued)

The average effective interest rate per annum at 31 December 2025 and 2024 is as follows:

	2025	2024
Trust receipt loans	5.22%	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.

	As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000
Carrying amount of liabilities of which suppliers have received payment	110,889	139,945
Range of payment due dates after invoice dates:		
Supplier finance arrangement liabilities	60 – 180 days	60 - 90 days
Comparable trade payable not part of the supplier finance arrangement	30 – 60 days	30 - 60 days

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

	2025 HK\$'000	2024 HK\$'000
Trade payable settlements	1,986,854	4,247,764

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30. Bank Borrowings

	2025 HK\$'000	2024 HK\$'000
Bank loans, secured	1,847	2,985
Other bank loans, secured (Note 23)	433,847	—
	435,694	2,985
The borrowings are repayable as follows:		
On demand or within one year	435,091	1,238
In the second year	603	1,177
In the third to fifth years, inclusive	—	570
	435,694	2,985
Less: Amount due for settlement within 12 months (shown under current liabilities)	(435,091)	(1,238)
Amount due for settlement after 12 months	603	1,747

The average interest rates at 31 December 2025 were 6% (2024: 6%) per annum.

Bank loans of HK\$1,847,000 (2024: HK\$2,985,000) 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.

Bank loans of HK\$1,847,000 (2024: HK\$2,985,000) are backed by a personal guarantee and a corporate guarantee executed by Group's holding company.

31. Accounts Payables

	2025 HK\$'000	2024 HK\$'000
Arising from the business of dealing in futures contracts	4,903,174	5,775,864

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 2025

32. Contract Liabilities

	As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000
Contract liabilities		
– sales of bulk commodities and related products	725,750	155,034
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
– 2025	–	155,034
– 2026	725,750	–
	725,750	155,034
Year ended 31 December	2025 HK\$'000	2024 HK\$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	155,034	176,846
Significant changes in contract liabilities during the year:		
	2025 HK\$'000	2024 HK\$'000
Increase due to operations in the year	7,007,845	12,721,013
Transfer of contract liabilities to revenue	(6,437,129)	(12,742,825)

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 2025

33. Accruals and other payables

	2025 HK\$'000	2024 HK\$'000
Staff cost payables	60,534	86,198
VAT payables	69,999	32,812
Other tax payables	3,324	4,916
Accruals	54,154	19,831
Deposit received	3,627	1,180
Endorsed bills receivables that have not been derecognised and not yet due (Note 23)	59,765	—
Others	20,719	24,970
	272,122	169,907

34. Lease Liabilities

	Lease payments		Present value of lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	20,387	10,153	19,676	10,021
In the second to fifth years, inclusive	8,534	—	6,006	—
	28,921	10,153	25,682	10,021
Less: Future finance charges	(3,239)	(132)		
Present value of lease liabilities	25,682	10,021		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(19,676)	(10,021)
Amount due for settlement after 12 months			6,006	—

At the end of reporting period, the average effective borrowing rate was ranged from 2.75%-4.00% (2024: 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 2025

35. Share Capital

	Number of ordinary shares of HK\$0.0025 each (‘000)	HK\$’000
Authorised:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	200,000,000	500,000
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 1 January 2025	13,471,345	33,679
Issue of ordinary shares (Note)	815,000	2,037
At 31 December 2025	14,286,345	35,716

Note:

On 13 June 2025, the Company entered into certain subscription agreements with no fewer than 6 independent third parties to allot and issue an aggregate of 815,000,000 new shares of the Company at the subscription price of HK\$0.5 per subscription share. These subscription agreements have been fulfilled and the completion of the subscription took place on 27 June 2025. The net proceeds from the subscription was approximately HK\$407,400,000. Details of the subscription are set out in the announcements of the Company dated 13 June 2025, 17 June 2025 and 27 June 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. Share Capital (continued)

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 2025 and 2024.

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 debt to total equity. The gearing ratios at 31 December 2025 and 2024 were as follows:

	2025	2024
	HK\$'000	HK\$'000
Total debt	546,583	142,930
Total equity	8,401,083	7,236,287
Gearing ratio	7%	2%

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.

(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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

36. Reserves (continued)

(a) Group (continued)

(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.

(b) Company

	Share premium account HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Investment revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 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 and 1 January 2025	1,877,644	433,621	(2,299)	—	571,584	2,880,550
Profit for the year	—	—	—	—	206,986	206,986
Other comprehensive income for the year	—	—	15,081	—	—	15,081
Share of other comprehensive income of associates	—	(1,575)	24,418	91	—	22,934
Total comprehensive income for the year	—	(1,575)	39,499	91	206,986	245,001
Issurance of new shares	405,392	—	—	—	—	405,392
share of other reserves of associate	—	(13,313)	—	—	—	(13,313)
At 31 December 2025	2,283,036	418,733	37,200	91	778,570	3,517,630

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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\$1,986,854,000 (2024: HK\$4,247,764,000) 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		Lease liabilities		Trust receipt loans and bank borrowings	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At beginning of year	1,141,920	—	10,021	23,643	142,930	4,337
Changes in cash flows						
– Lease paid	—	—	(18,930)	(13,622)	—	—
– Repayment of trust receipt loans and bank borrowings	—	—	—	—	(2,017,048)	(4,109,171)
– Repayment of amount due to an associate	(1,141,920)	—	—	—	—	—
– Interest paid	—	—	(747)	(561)	(26,631)	(19,749)
– Advance from an associate	1,170,000	1,141,920	—	—	—	—
Non-cash changes						
– Additions	—	—	34,591	—	—	—
– Finance costs	—	—	747	561	26,631	19,749
– Discounted bills receivables that have not been recognised and not yet due	—	—	—	—	433,847	—
– Proceed from trust receipt loans facilities for purchasing the trading commodities	—	—	—	—	1,986,854	4,247,764
At end of year	1,170,000	1,141,920	25,682	10,021	546,583	142,930

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. Statement of Financial Position of The Company

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Right-of-use assets	—	3,581
Investments in subsidiaries	1,600,362	1,359,527
Investments in associate	2,419,567	2,225,696
Financial assets at fair value through profit or loss	1,271	79,809
	4,021,200	3,668,613
Current assets		
Amounts due from subsidiaries	961,802	823,939
Prepayments, deposits and other receivables	3,236	2,849
Financial assets at fair value through profit or loss	235,342	—
Cash and bank balances	673,680	581,010
	1,874,060	1,407,798
Current liabilities		
Accruals and other payables	2,693	1,190
Amounts due to subsidiaries	1,169,221	1,143,501
Amount due to an associate	1,170,000	1,014,000
Lease liabilities	—	3,491
	2,341,914	2,162,182
Net current liabilities	(467,854)	(754,384)
Total assets less current liabilities	3,553,346	2,914,229
NET ASSETS	3,553,346	2,914,229
Capital and reserves		
Share capital	35,716	33,679
Reserves	3,517,630	2,880,550
TOTAL EQUITY	3,553,346	2,914,229

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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:

	2025	2024
Financial services:		
<i>Outstanding balances with related parties:</i>		
Accounts payable to the ultimate controlling shareholder of the Company	54	53
Accounts payable to a related party controlled by a close family member of the ultimate controlling shareholder of the Company	40,339	32,562
Accounts payable to a related party owned by the ultimate controlling shareholder of the Company	347,282	201,151
Accounts payable to a certain non-controlling interest party	25,829	30,083
Accounts payable to a related party controlled by the ultimate controlling shareholder of the Company	—	4,663
Accounts payable to an associate of the Company	17,053	—
<i>Material transactions with related parties:</i>		
Brokerage, interest income and commission fee income from a related party owned by the ultimate controlling shareholder of the Company	36,409	7,625
Brokerage and commission fee income from a certain non-controlling interest party	715	10,299
Brokerage and commission fee income from a related party controlled by a close family member of the ultimate controlling shareholder of the Company	4,338	5,687

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. Related Party Transactions (continued)

	2025	2024
Distribution, trading and processing:		
<i>Outstanding balances with related parties:</i>		
Trade receivables from related parties controlled by a close family member of the ultimate controlling shareholder of the Company	56,649	58,035
Deposits paid to related parties controlled by a close family member of the ultimate controlling shareholder of the Company	18,335	17,992
Trade payables to related parties controlled by a close family member of the ultimate controlling shareholder of the Company	90,252	67,116
Trade receivables from an associate of the Company	140,696	820,661
<i>Material transactions with related parties:</i>		
Sales of trading commodities to a related party owned by the ultimate controlling shareholder of the Company	43,535	68,513
Purchase of trading commodities from a related party owned by the ultimate controlling shareholder of the Company	126,652	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	263,991	206,935
Purchase of trading commodities from related parties controlled by a close family member of the ultimate controlling shareholder of the Company	157,624	30,028
Logistics fees paid to related parties controlled by a close family member of the ultimate controlling shareholder of the Company	209,586	280,925
Purchase of trading commodities from an associate of the Company	50,353	—
Sales of trading commodities to associates of the Company	2,001,330	1,141,974
Others:		
Lease payment made to a related party owned by the ultimate controlling shareholder of the Company	9,862	10,533
Lease payment made to an associate of the Company	5,809	—
Loan from an associate of the Company (Note)	1,170,000	1,141,920
Loan repayment to an associate of the Company	1,141,920	—

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

As at 31 December 2025 and 2024, the Group had trade receivable from related parties and accounts/trade payable due to related parties which was arising from the Group's ordinary course of distribution, trading and processing commodities and finance services. Accounts/trade 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.

Notes to the Consolidated Financial Statements

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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.

Particulars of the principal subsidiaries as at 31 December 2025 and 2024 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
			2025	2024	
Swift Win Holdings Limited	BVI	US\$1	100%	100%	Investment holding
BPI Financial Group Limited	Hong Kong	HK\$345,614,300	76.5%	76.6%	Investment holding
BPI Futures (HK) Holdings Limited	Hong Kong	HK\$65,600,000	76.5%	76.6%	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	76.5%	76.6%	Provision of futures contract brokerage services
Bright Point International Asset Management Limited	Hong Kong	HK\$1	100%	100%	Business not yet commenced
Deep Source Pte. Ltd.	Singapore	US\$80,000,000	100%	100%	Distribution and trading
Bright Point International Digital Assets Ltd.	Singapore	US\$2,500,000	76.5%	76.6%	Business not yet commenced
BPI Futures (SG) Holdings Pte. Ltd.	Singapore	US\$3,602,577	76.5%	76.6%	Investment holding
BPI Trading (SG) Holdings Pte. Ltd.	Singapore	US\$5,426,700	76.5%	76.6%	Investment holding
BPI Financial (SG) Holdings Pte. Ltd.	Singapore	US\$28,089,229	76.5%	76.6%	Investment holding

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

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
			2025	2024	
Bright Point International Financial (SG) Pte. Ltd.	Singapore	US\$28,089,229	76.5%	76.6%	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	76.5%	76.6%	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))	RMB10,589,100	76.5%	76.6%	Provision of financial derivatives consulting services, interdealer broking, commodity trading
Bright Point Capital Pte. Ltd.	Singapore	SG\$2,225,000	88.9%	88.9%	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\$91,000,000	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	100%	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

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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
			2025	2024	
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))	RMB835,793,000	100%	100%	Distribution and trading
Theme International Vcc – Theme International Trading (Note a)	Singapore	US\$48,352,958	32%	29.8%	Derivative trading
Bright Point International Financial (UK) Ltd	United Kingdom	GBP912,910	76.5%	76.6%	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 2025

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 2025	2024	
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%	100%	Distribution and trading
Bright Point Funds Vcc – Bright Point Fund 13	Singapore	US\$14,011,810	72.6%	72.6%	Derivative trading
Bright Point Funds Vcc – Beta Theme International Trading	Singapore	US\$14,989,985	51.9%	48.9%	Derivative trading
Theme Capital Group Limited	Hong Kong	HK\$22,000,000	90%	90%	Investment holding
Deep Source Asset Holding (SG) Pte. Ltd.	Singapore	US\$30,000,000	100%	–	Investment holding
銅陵至源控股有限公司	PRC (有限責任公司 (外國法人獨資))	RMB211,649,929	100%	–	Investment holding
Theme Capita Limited.	Hong Kong	HK\$15,000,000	90%	90%	Provision of wealth management services
King Topwell International (Macau) Limited	Macau	MOP\$25,000	100%	100%	Distribution and trading

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

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For the year ended 31 December 2025

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	
	2025	2024	2025	2024
Principal place of business/ country of incorporation	Singapore/Singapore		PRC/PRC	
% of ownership interests/ voting rights held by NCI	68%/0%	70.2%/0%	40%/40%	40%/40%
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 31 December:				
Non-current assets	42	169	111,778	112,942
Current assets	1,166,490	1,159,247	127,476	95,548
Current liabilities	(42,572)	(50,857)	(84,800)	(28,340)
Non-current liabilities	–	–	(6,873)	(6,236)
Net assets	1,123,960	1,108,559	147,581	173,914
Accumulated NCI	765,702	778,116	58,217	62,800
Year ended 31 December:				
Revenue	596,057	600,661	322,542	616,914
Profit	140,297	170,151	10,720	23,103
Total comprehensive income	140,297	170,151	10,720	17,533
Profit allocated to NCI	95,402	119,413	4,288	7,013
Dividends paid to NCI	–	(16,422)	–	(8,681)
Net cash (used in)/generated from operating activities	(314,347)	127,999	26,613	39,634
Net cash used in investing activities	–	–	(2,583)	(4,148)
Net cash used in financing activities	(39,000)	(23,400)	(21,690)	(21,701)
Net (decrease)/increase in cash and cash equivalents	(353,347)	104,599	2,340	13,785

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41. CAPITAL COMMITMENT

As at 31 December 2025, the Group had no material capital commitments (2024: nil).

42. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 18 December 2025, the Company entered into certain subscriptions agreements with no fewer than six independent third parties to allot and issue an aggregate of 515,000,000 new shares under the general mandate, at the subscription price of HK\$0.69 per subscription share. The subscriptions were completed on 13 February 2026 and the gross proceeds from the subscriptions were approximately HK\$355.3 million. For details, please refer to the announcements of the Company dated 18 December 2025, 28 January 2026 and 13 February 2026.

Save that, the Directors are not aware of any events that have taken place subsequent to 31 December 2025 and up to the date of these consolidated financial statements.

43. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026.

Five-Year Financial Summary

Results

	For the years ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	21,352,287	40,913,965	55,376,948	39,090,928	34,644,900
Profit before taxation	926,422	435,719	1,522,165	1,739,084	1,294,700
Income tax	(103,799)	(63,798)	(140,084)	(169,910)	(92,080)
Profit for the year	822,623	371,921	1,382,081	1,569,174	1,202,620

Assets and Liabilities

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	22,631,388	18,976,792	16,331,129	13,616,683	9,095,281
Total liabilities	(14,230,305)	(11,740,505)	(9,061,301)	(7,707,730)	(4,765,965)
Net assets	8,401,083	7,236,287	7,269,828	5,908,953	4,329,316