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## **CWT INTERNATIONAL LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 521)**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of CWT International Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 with comparative figures for the six months ended 30 June 2023. These interim results have been reviewed by the audit committee of the Board and the Company’s auditor.

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<b>NOTES</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
<b>Continuing operations</b>			
Revenue	4	<b>20,275,771</b>	15,970,654
Cost of sales		<b>(19,415,626)</b>	(15,094,569)
Gross profit		<b>860,145</b>	876,085
Other income		<b>351,720</b>	219,100
Other net loss	6	<b>(52,690)</b>	(940)
Selling and distribution costs		<b>(242,359)</b>	(226,944)
Administrative expenses		<b>(418,570)</b>	(405,677)
Finance costs	7	<b>(306,603)</b>	(247,288)
Share of profits less losses of associates, net of tax		<b>22,473</b>	15,878
Share of profits less losses of joint ventures, net of tax		<b>(12,128)</b>	(3,417)

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – CONTINUED

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	NOTES	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited and restated)
Profit before taxation	8	201,988	226,797
Income tax expense	9	<u>(65,541)</u>	<u>(69,211)</u>
Profit for the period from continuing operations		<u>136,447</u>	<u>157,586</u>
<b>Discontinued operation</b>			
Profit for the period from discontinued operation	11	<u>–</u>	<u>1,657</u>
Profit for the period		<u><u>136,447</u></u>	<u><u>159,243</u></u>
<b>Other comprehensive (expense)/income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Tax on defined benefit plan remeasurements		<u>(58)</u>	<u>–</u>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising from translation of financial statements of oversea subsidiaries		(93,290)	(18,372)
Exchange differences reclassified to profit or loss on disposal of subsidiaries		(12)	4,603
Effective portion of changes in fair value of cash flow hedges		(185)	(33)
Share of other comprehensive income/(expense) of associates and joint ventures		<u>7,573</u>	<u>(1,748)</u>
		<u>(85,914)</u>	<u>(15,550)</u>
Other comprehensive expense for the period		<u>(85,972)</u>	<u>(15,550)</u>
Total comprehensive income for the period		<u><u>50,475</u></u>	<u><u>143,693</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – CONTINUED

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
NOTES	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited and restated)
Profit for the period attributable to:		
Owners of the Company		
– from continuing operations	120,860	133,436
– from discontinued operation	–	1,587
	<u>120,860</u>	<u>135,023</u>
Non-controlling interests		
– from continuing operations	15,587	24,150
– from discontinued operation	–	70
	<u>15,587</u>	<u>24,220</u>
Profit for the period	<u>136,447</u>	<u>159,243</u>
Total comprehensive income from continuing and discontinued operations attributable to:		
Owners of the Company	39,682	119,972
Non-controlling interests	<u>10,793</u>	<u>23,721</u>
Total comprehensive income for the period	<u>50,475</u>	<u>143,693</u>
<b>EARNINGS PER SHARE</b>	12	
Basic and diluted ( <i>HK cents</i> ) – from continuing and discontinued operations	<u>1.06</u>	<u>1.18</u>
Basic and diluted ( <i>HK cents</i> ) – from continuing operations	<u>1.06</u>	<u>1.17</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	30 June 2024	31 December 2023
NOTES	HK\$'000 (Unaudited)	HK\$'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	3,229,138	3,399,267
Right-of-use assets	1,986,309	2,150,935
Intangible assets	116,902	134,019
Interests in associates	312,992	292,363
Interests in joint ventures	123,974	139,372
Other financial assets	29,738	30,447
Prepayments, deposits and other receivables	84,796	82,350
Other non-current assets	18,544	18,532
Derivative financial instruments	5,107	8,313
Deferred tax assets	57,165	60,383
	<u>5,964,665</u>	<u>6,315,981</u>
<b>Current assets</b>		
Other financial assets	1,336,217	1,337,753
Inventories	2,552,600	2,984,637
Trade receivables	13 3,606,276	2,275,364
Prepayments, deposits and other receivables	11,798,390	9,946,945
Contract assets	127,664	112,416
Derivative financial instruments	439,031	288,252
Tax recoverable	22,977	32,966
Pledged bank deposits	222,320	145,075
Cash and cash equivalents	2,135,001	1,998,840
	<u>22,240,476</u>	<u>19,122,248</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONTINUED

At 30 June 2024

		30 June 2024	31 December 2023
	NOTES	HK\$'000 (Unaudited)	HK\$'000 (Audited)
<b>Current liabilities</b>			
Contract liabilities		60,663	58,485
Trade and other payables	14	14,139,227	11,606,176
Loans and borrowings		4,827,996	4,201,446
Lease liabilities		245,063	289,875
Derivative financial instruments		1,082,295	496,693
Current tax payable		78,596	64,943
		<u>20,433,840</u>	<u>16,717,618</u>
<b>Net current assets</b>		<u>1,806,636</u>	<u>2,404,630</u>
<b>Total assets less current liabilities</b>		<u>7,771,301</u>	<u>8,720,611</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	133,997	130,705
Loans and borrowings		646,424	1,444,832
Lease liabilities		1,935,451	2,059,737
Derivative financial instruments		–	11,089
Defined benefit obligations		27,467	27,046
Deferred tax liabilities		234,868	249,040
		<u>2,978,207</u>	<u>3,922,449</u>
<b>Net assets</b>		<u><u>4,793,094</u></u>	<u><u>4,798,162</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CONTINUED

At 30 June 2024

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
<b>Capital and reserves</b>		
Share capital	4,731,480	4,731,480
Reserves	<u>(50,206)</u>	<u>(60,199)</u>
Equity attributable to owners of the Company	4,681,274	4,671,281
Non-controlling interests	<u>111,820</u>	<u>126,881</u>
<b>Total equity</b>	<u><u>4,793,094</u></u>	<u><u>4,798,162</u></u>

## NOTES:

### 1 GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Hong Kong HNA Holding Group Co. Limited, a company incorporated in Hong Kong with limited liability, is the immediate parent of the Company. Hainan HNA No. 2 Trust Management Service Co., Ltd.\* (海南海航二號信管服務有限公司), a limited liability company incorporated in the People’s Republic of China (the “**PRC**”), is the intermediate parent of the Company. HNA Group Bankruptcy Reorganisation Specialised Service Trust\* (海航集團破產重整專項服務信託) (the “**Trust**”), a trust registered in the PRC, is the ultimate controlling party of the Company. Neither of these Companies produces financial statements available for public use.

### 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). It was authorised for issue on 28 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”).

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (the "**Companies Ordinance**") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those consolidated financial statements. The auditor's report for the year ended 31 December 2023 was qualified and contained a statement under sections 407(2) and 407(3) of the Companies Ordinance; and did not contain an emphasis of matter or a statement under section 406(2) of the Companies Ordinance.

### **3 CHANGES IN ACCOUNTING POLICIES**

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*
- Amendments to HKAS 1, *Non-current Liabilities with Covenants*
- Amendments to HKAS 7 and HKFRS 7, *Supplier Finance Arrangements*

None of these amendments to HKFRSs have had a material effect on the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.



## 4 REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers within the scope of HKFRS 15.

Disaggregation of revenue from contracts with customers by major products and service lines and geographical location of customers from continuing operations is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
<b>Continuing operations</b>		
Disaggregated by major products and service lines		
Freight services	<b>1,748,962</b>	1,577,214
Logistics services	<b>761,617</b>	736,017
Commodity trading and related services	<b>17,000,820</b>	12,862,945
Equipment and facility maintenance services	<b>320,239</b>	352,326
Design-and-build	<b>735</b>	902
Broking services	<b>317,825</b>	320,850
Others	<b>78,200</b>	75,818
	<hr/>	<hr/>
Revenue from contract with customers	<b>20,228,398</b>	15,926,072
Revenue from leases	<b>47,373</b>	44,582
	<hr/>	<hr/>
	<b>20,275,771</b>	15,970,654
	<hr/>	<hr/>

<b>Six months ended 30 June</b>		
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited and restated)</b>
<b>Continuing operations</b>		
Disaggregated by geographical location of customers		
PRC	<b>13,897,982</b>	10,881,421
Singapore	<b>1,477,156</b>	1,271,666
Korea	<b>577,026</b>	806,008
Hong Kong Special Administrative Region of the PRC	<b>44,322</b>	32,138
Other Asia Pacific jurisdictions	<b>1,637,331</b>	1,877,094
Europe	<b>2,442,830</b>	863,374
North America	<b>100,891</b>	155,354
Africa Continent	<b>86,972</b>	67,074
South America	<b>11,261</b>	16,525
	<b>20,275,771</b>	15,970,654

## 5 SEGMENT INFORMATION

Information reported to the chief operating decision maker (“**CODM**”), being the most senior executive management of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

In a manner consistent with the way in which information is reported internally to the CODM for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments.

### **Logistics services**

This reportable segment includes warehousing, transportation, freight forwarding and cargo consolidation, supply chain management services.

### **Commodity marketing**

This reportable segment includes physical trading and supply chain management of base metal nonferrous concentrates with predominant focus on copper, lead, zinc and other minor metals.

### **Engineering services**

This reportable segment includes management and maintenance of facilities, vehicles and equipments, supply and installation of engineering products, property management, and design-and-build for logistic properties.

## **Financial services**

This reportable segment includes provision of financial brokerage services and assets management services.

The operation of the structured trading services included in the financial services segment was discontinued in 2023. The segment information reported does not include any amounts for the discontinued operation, which are described in more details in Note 11. Accordingly, the segment information for the period ended 30 June 2023 has been restated.

## **Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment profit includes the Group's share of profit arising from the activities of the Group's associates and joint ventures. Items not managed by or derived from the operations of reportable segments are classified as "unallocated" in the segment reconciliations.

Segment profit before taxation represents operating revenue less expenses. Segment assets represents assets directly managed by each segment, and primarily include inventories, receivables, property, plant and equipment and right-of-use assets. Segment liabilities represent liabilities directly managed by each segment, and primarily include payables, loans and borrowings and lease liabilities.

**(a) Segment revenue and results**

Disaggregation of revenue from contracts with customers by timing of revenue recognition as well as information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 2023 is set out below:

	Logistics services		Commodity marketing		Engineering services		Financial services		Elimination		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited) and restated	(Unaudited) and restated	(Unaudited) and restated	(Unaudited) and restated	(Unaudited)	(Unaudited)
<b>Continuing operations</b>												
Reportable segment revenue	2,599,056	2,398,928	17,000,820	12,862,945	322,625	358,967	317,825	320,850	(11,928)	(15,618)	20,228,398	15,926,072
Inter-segment revenue	(11,586)	(15,366)	-	-	(342)	(252)	-	-	11,928	15,618	-	-
<b>Revenue from external customers</b>	<b>2,587,470</b>	<b>2,383,562</b>	<b>17,000,820</b>	<b>12,862,945</b>	<b>322,283</b>	<b>358,715</b>	<b>317,825</b>	<b>320,850</b>	<b>-</b>	<b>-</b>	<b>20,228,398</b>	<b>15,926,072</b>
<b>Revenue from external customers disaggregated by timing of revenue recognition</b>												
Point in time	921,067	806,061	16,958,095	12,862,945	75,698	78,857	317,825	320,850	-	-	18,272,685	14,068,713
Over time	1,666,403	1,577,501	42,725	-	246,585	279,858	-	-	-	-	1,955,713	1,857,359
	<b>2,587,470</b>	<b>2,383,562</b>	<b>17,000,820</b>	<b>12,862,945</b>	<b>322,283</b>	<b>358,715</b>	<b>317,825</b>	<b>320,850</b>	<b>-</b>	<b>-</b>	<b>20,228,398</b>	<b>15,926,072</b>
<b>Revenue from external customers disaggregated by major products and service lines</b>												
Freight services	1,748,962	1,577,214	-	-	-	-	-	-	-	-	1,748,962	1,577,214
Logistics services	761,617	736,017	-	-	-	-	-	-	-	-	761,617	736,017
Commodity trading and related services	-	-	17,000,820	12,862,945	-	-	-	-	-	-	17,000,820	12,862,945
Equipment and facility maintenance services	-	-	-	-	320,239	352,326	-	-	-	-	320,239	352,326
Design-and-build	-	-	-	-	735	902	-	-	-	-	735	902
Broking services	-	-	-	-	-	-	317,825	320,850	-	-	317,825	320,850
Others	76,891	70,331	-	-	1,309	5,487	-	-	-	-	78,200	75,818
	<b>2,587,470</b>	<b>2,383,562</b>	<b>17,000,820</b>	<b>12,862,945</b>	<b>322,283</b>	<b>358,715</b>	<b>317,825</b>	<b>320,850</b>	<b>-</b>	<b>-</b>	<b>20,228,398</b>	<b>15,926,072</b>
Leases	47,373	44,582	-	-	-	-	-	-	-	-	47,373	44,582
	<b>2,634,843</b>	<b>2,428,144</b>	<b>17,000,820</b>	<b>12,862,945</b>	<b>322,283</b>	<b>358,715</b>	<b>317,825</b>	<b>320,850</b>	<b>-</b>	<b>-</b>	<b>20,275,771</b>	<b>15,970,654</b>
<b>Reportable segment profit before taxation</b>	<b>107,329</b>	<b>97,350</b>	<b>19,312</b>	<b>44,089</b>	<b>15,025</b>	<b>15,846</b>	<b>121,399</b>	<b>142,852</b>	<b>(636)</b>	<b>1,705</b>	<b>262,429</b>	<b>301,842</b>
<b>As at 30 June/31 December</b>												
Reportable segment assets	6,756,512	7,317,911	7,655,676	6,205,455	465,757	528,444	12,647,128	11,141,490	(382,548)	(419,428)	27,142,525	24,773,872
Reportable segment liabilities	4,168,204	4,305,575	4,871,892	5,011,896	305,059	313,927	9,711,365	9,902,966	(408,029)	(419,624)	18,648,491	19,114,740

**(b) Reconciliation of reportable segment profit before taxation**

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited and restated)
<b>Continuing operations</b>		
Reportable segment profit before taxation	262,429	301,842
Unallocated amounts:		
Net foreign exchange loss	(17,984)	(9,057)
Net gain/(loss) on financial instruments carried at fair value through profit or loss ("FVPL")	351	(263)
Finance costs	(17,966)	(18,020)
Depreciation of right-of-use assets	(1,408)	(1,284)
Unallocated income and gains	13,359	1,549
Unallocated expenses	(36,793)	(47,970)
Profit before taxation	<u>201,988</u>	<u>226,797</u>

**(c) Information about major customers**

No single customer contributed 10% or more to the Group's consolidated revenue for the six months ended 30 June 2024 and 2023.

**6 OTHER NET LOSS**

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited and restated)
<b>Continuing operations</b>		
Net gain on disposal of property, plant and equipment	1,974	1,482
Net gain/(loss) on disposal of subsidiaries, associates and joint ventures	12	(4,603)
Net foreign exchange (loss)/gain	(13,316)	7,709
(Recognition)/reversal of impairment losses on trade and other receivables	(724)	2,161
Net gain/(loss) on financial instruments carried at FVPL	368	(849)
Others	(41,004)	(6,840)
	<u>(52,690)</u>	<u>(940)</u>

## 7 FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited and restated)
<b>Continuing operations</b>		
Interest expense on:		
– Bank borrowings and other facilities	166,830	129,287
– Lease liabilities	47,769	51,945
– Others	42,302	23,225
Other finance cost	<u>21,875</u>	<u>20,139</u>
	278,776	224,596
Bank charges	<u>27,827</u>	<u>22,692</u>
	<u><b>306,603</b></u>	<u><b>247,288</b></u>

## 8 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited and restated)
<b>Continuing operations</b>		
Staff costs, including Directors' emoluments:		
Salaries, wages and other benefits	670,539	687,526
Retirement benefit scheme contributions	<u>55,835</u>	<u>52,998</u>
	<u>726,374</u>	<u>740,524</u>
Depreciation of property, plant and equipment	107,027	106,199
Depreciation of right-of-use assets	154,329	167,309
Amortisation of intangible assets	14,804	13,890
Cost of inventories sold	15,910,719	13,586,612
Interest income	<u>(275,810)</u>	<u>(204,775)</u>

## 9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited and restated)
Current tax		
Provision for the period – overseas income tax	59,134	65,283
Under-provision in respect of prior years	10,654	1,429
	<b>69,788</b>	66,712
Deferred tax (credited)/charged for the period	(5,075)	1,369
Withholding tax	828	2,705
Total income tax expense	<b>65,541</b>	<b>70,786</b>
Attributable from:		
– continuing operations	65,541	69,211
– discontinued operation	–	1,575
	<b>65,541</b>	<b>70,786</b>

For the six months ended 30 June 2024 and 2023, no provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both periods.

Taxation outside Hong Kong is calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the relevant jurisdictions.

## 10 DIVIDEND

No dividend was paid or proposed for ordinary shareholders during the six months ended 30 June 2024 and 2023, nor has any dividend been proposed after the end of reporting period.

## 11 DISCONTINUED OPERATION

The Group ceased its structured trading services business in 2023. Structured trading services business engaged in structured trade financing and trade facilitation according to the customers' requirements and market demand which represented a major line of business in the financial services segment. Accordingly, the Group's structured trading services business was considered as discontinued since the year ended 31 December 2023.

The profit from the structured trading services business for the six months ended 30 June 2023 is set out below. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income have been restated to re-present the structured trading services business as a discontinued operation.

	Six months ended 30 June 2023 HK\$'000 (Unaudited)
<b>Results of discontinued operation</b>	
Revenue	970,181
Cost of sales	<u>(964,249)</u>
Gross profit	5,932
Other net income	3,221
Administrative expenses	<u>(5,921)</u>
Profit before taxation	3,232
Income tax expense	<u>(1,575)</u>
Profit for the period	<u><u>1,657</u></u>
Profit for the period attributable to:	
Owners of the Company	1,587
Non-controlling interest	<u>70</u>
	<u><u>1,657</u></u>



**Cash flows (used in)/from discontinued operations:**

	Six months ended 30 June 2023 <i>HK\$'000</i> (Unaudited)
Net cash used in operating activities	(47,393)
Net cash from investing activities	170
Net cash from financing activities	<u>45,085</u>
Net cash flows for the period	<u><u>(2,138)</u></u>

**12 EARNINGS PER SHARE****(a) Basic earnings per share**

The calculation of the basic earnings per share is based on:

***The profit for the period attributable to owners of the Company***

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>From continuing and discontinued operations</b>		
Profit attributable to owners of the Company	<u><b>120,860</b></u>	<u>135,023</u>
<b>From continuing operations</b>		
Profit attributable to owners of the Company	<b>120,860</b>	135,023
Less: Profit from discontinued operation for the period	<u>–</u>	<u>(1,587)</u>
Profit attribute to owners of the Company from continuing operations	<u><b>120,860</b></u>	<u>133,436</u>

The weighted average number of ordinary shares of 11,399,996,101 (six months ended 30 June 2023: 11,399,996,101) in issue during the period, which is the same as for both continuing and discontinued operations and continuing operations.

**(b) Diluted earnings per share**

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2024 and 2023 in respect of dilutions as the Company does not have any dilutive potential ordinary shares in existence.

(c) **From discontinued operation**

For the six months ended 30 June 2023, the basic and diluted earnings per share for the discontinued operation is HK 0.01 cents per share, based on the profit from the discontinued operation for the period of HK\$1,587,000 and the denominators detailed above for both basic and diluted earnings per share.

**13 TRADE RECEIVABLES**

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	<b>31 December 2023 HK\$'000 (Audited)</b>
Trade debtors and bills receivables at amortised cost, net of loss allowance	<b>882,296</b>	721,644
Trade receivables containing provisional pricing features, measured at FVPL	<u><b>2,723,980</b></u>	<u>1,553,720</u>
	<u><b>3,606,276</b></u>	<u>2,275,364</u>

As at the end of the reporting period, the ageing analysis of trade debtors and bills receivables based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	<b>31 December 2023 HK\$'000 (Audited)</b>
0–90 days	<b>3,517,184</b>	2,186,879
91–180 days	<b>71,417</b>	78,242
181–365 days	<b>17,358</b>	8,153
Over 1 year	<u><b>317</b></u>	<u>2,090</u>
	<u><b>3,606,276</b></u>	<u>2,275,364</u>

All of the trade receivables are expected to be recovered within one year.

As at 30 June 2024, trade receivables due from the Group's associates, joint ventures and other related parties amounted to HK\$15,308,000, HK\$5,803,000 and HK\$7,052,000 (31 December 2023: HK\$9,130,000, HK\$5,335,000 and HK\$3,742,000), respectively.

## 14 TRADE AND OTHER PAYABLES

		30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
	NOTES		
Trade and bills payables			
– measured at amortised cost		400,869	146,161
– containing provisional pricing features and measured at FVPL		<u>1,513,972</u>	<u>1,086,671</u>
	(a)	1,914,841	1,232,832
Other payables, deposits received and accruals	(b)	<u>12,358,383</u>	<u>10,504,049</u>
		14,273,224	11,736,881
Less: non-current portion		<u>(133,997)</u>	<u>(130,705)</u>
		<u><u>14,139,227</u></u>	<u><u>11,606,176</u></u>

### (a) Trade and bills payables

The following is an ageing analysis of the trade and bills payables based on the invoice date as at the end of the reporting period:

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
0–90 days	1,854,213	1,158,367
91–180 days	33,242	39,965
181–365 days	12,919	16,986
1–2 years	9,896	11,368
Over 2 years	<u>4,571</u>	<u>6,146</u>
	<u><u>1,914,841</u></u>	<u><u>1,232,832</u></u>

### (b) Other payables, deposit received and accruals

As at 30 June 2024, included in the balance are amounts segregated for customers of HK\$10,772,597,000 (31 December 2023: HK\$9,168,511,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESUMPTION OF TRADING

Due to a delay in publication of the Company's annual results for the year ended 31 December 2022, the trading in the ordinary shares of the Company (the "**Shares**") on the Stock Exchange had been suspended since 3 April 2023. Following efforts by the Company and its advisers, the Company has fulfilled all the conditions set out in the resumption guidance given by the Stock Exchange. Upon the Company's application to the Stock Exchange, the trading in the Shares on the Stock Exchange resumed on 29 May 2024.

### OVERVIEW

The global economy faces persistent challenges, including rising geopolitical tensions, the upcoming US presidential election, inflation, and trade fragmentation. China's uneven economic recovery, marked by deflation risks, a prolonged property crisis, high debt, and weak consumer and business sentiment, could further impact global stability. Trade tensions are intensifying as global leaders grow wary of China's export dominance. Additionally, the US presidential election introduces further uncertainty. Despite exceptional challenges in recent years, Europe's economy has remained steady and is expected to see modest growth, with further improvements anticipated in 2025.

For the six months ended 30 June 2024, the Group's revenue amounted to HK\$20,275,771,000 (restated 2023: HK\$15,970,654,000); while the net profit for the period amounted to HK\$136,447,000 (2023: HK\$159,243,000). The Group reported a net profit of HK\$nil (restated 2023: net profit of HK\$1,657,000) from discontinued operation and net profit of HK\$136,447,000 (restated 2023: HK\$157,586,000) from continuing operations. The decline in net profit from continuing operations is mainly attributable to (i) higher interest costs arising partly from longer delivery lead time for metals caused by logistics disruption within the commodity marketing segment; and (ii) high volatility and supply constraints for soft commodities like cocoa beans and coffee beans within the commodity logistics sector of logistics services segment. However, the net profit for the warehousing and integrated logistics sector improved dramatically as compared to the first half of 2023, which helped to offset some of the negative effects.

### Logistics Services

#### *Warehousing and Integrated Logistics*

The Singapore logistics industry faces challenges such as limited land, high labour costs, and a shortage of skilled workers, requiring optimised space use and increased automation in warehousing and distribution. Moreover, the COVID-19 pandemic highlighted supply chain vulnerabilities, emphasising the need for logistics companies to adopt multimodal inventory management, digitalisation, and robust risk management, while balancing growth with eco-friendly practices and adhering to stringent regulations and compliance.

In our warehousing logistics business, market rates have slightly softened since reaching their peak in the second half of 2023 and the first quarter of 2024. This decline is due to freed up capacity arising from a major food and beverage supplier which closed its Singapore operations. Furthermore, demand for warehousing remains volatile due to global economic uncertainty and recent disruptions in the Red Sea shipping channels.

As a result, we anticipate pressure on rates, which are expected to stabilise at current levels in the coming months. This trend is likely to continue until 2025, when the construction of new warehouses is completed. Our warehouses are currently fully utilised, and we expect this occupancy rate to remain stable over the next 12 months, with renewals aligning with or exceeding prevailing market rates.

Despite a slow start to the year, our food and beverage logistics business performance exceeded expectations in the first half of 2024. We anticipate a strong performance in the second half of 2024, in line with the usual seasonal trends. The upcoming peak season is expected to drive significant growth, with our wine and food storage logistics businesses well-positioned for a strong year-end finish.

Since the fourth quarter of 2023, Singapore's chemicals cluster has rebounded due to increased specialty chemicals production and rising regional demand. Growth is expected to continue, driven by sustainability trends and capacity expansions. To capitalise on this, we are enhancing efficiency, optimising capacity, exploring new revenue streams, and investing in technology and sustainability in our chemical logistics operations.

### ***Freight Logistics***

In the first quarter of 2024, the shipping industry experienced a knee-jerk reaction due to the Red Sea crisis triggered by the Israel-Hamas warfare in the fourth quarter of 2023. This resulted in a sharp spike in ocean freight rates, leaving us little time to react and adjust to market conditions. Before we could pass on the increased costs to customers, the market encountered a reverse trend in March/April 2024. This high-cost situation in the first quarter of 2024 compromised our performance.

In May 2024, the market began to recover gradually due to shortages in space and container equipment. Rerouted vessel schedules around the Cape of Good Hope (South Africa) absorbed much of the new shipping capacity introduced into the trade. The rerouting is one of the contributing factors to the port congestions in Asia. Singapore, the world's second-busiest container port, was heavily congested and bottlenecks caused shipping lines to omit their planned Singapore port call, which intensified the problem at downstream ports with the additional loads. In China, electrical vehicle makers were rushing to ship vehicles to South America in anticipation of the tariff hikes and trade restrictions imposed by the United States. The various events, coupled with complications in the Panama Canal, sparked a significant rise in shipping rates.

The soaring ocean freight rates continued into July, but we anticipate that the remaining months of the third quarter of 2024 will experience a downward trend, as the congestion issues ease and with the expectations of the ongoing supply surpassing demand. The global market situation remains uncertain, and there is the potential for ocean freight rates to fluctuate as the market adapts to recent disruptions and volatility. Future trends will be significantly shaped by geopolitical developments. We remain cautiously optimistic about adjusting our market strategies to enhance performance in the financial year 2024.

### ***Commodity Logistics***

In the first half of 2024, we navigated challenging market conditions for soft commodities like cocoa beans and coffee beans due to high volatility and supply constraints. Additionally, recovery efforts, inflation, and geopolitical issues impacted the global economy. Despite lower profits compared to last year, our performance remains notable, underscoring our resilience and adaptability to changing market dynamics in commodity logistics.

Going forward, we remain focused on strengthening our position in commodity logistics and expanding our product range. This strategy reflects our commitment to maintaining and growing our presence in the evolving commodity logistics landscape.

While market demand remained subdued in the first half of 2024, logistics services revenue increased by 8.6% from HK\$2,383,562,000 to HK\$2,587,470,000. With warehousing and integrated logistics achieving full warehouse utilisation and improved rates, logistics services returned a 10.3% increase in profit before tax (“PBT”) from HK\$97,350,000 to HK\$107,329,000. The Group will continue to adjust its strategy to seize market opportunities and reinforce its position amid the challenging economic environment.

### **Commodity Marketing (“CM”)**

CM specialises in global supply chain management for non-ferrous concentrates, refined metals, and various energy products.

For the first half of 2024, CM achieved significant growth across key performance indicators. Traded volume increased by 19.7%, revenue increased by 32.2% to HK\$17,000,820,000 and gross profit before finance rose by 8.0% (or HK\$20,010,000) to HK\$268,696,000. These positive changes reflect our strategic efforts and operational efficiencies. However, due to higher interest costs arising from (i) increase in interest rate, that the average Fed Fund rate increased by 10.9% and (ii) logistics disruption caused longer delivery lead time for metals, therefore, longer financing period and higher transportation costs, CM reported a 56.2% decrease in PBT to HK\$19,312,000, a decrease of HK\$24,777,000.

In our core business unit, profitability in concentrates trading saw a notable increase. This growth was driven by heightened purchasing by smelters, influenced by economic factors such as supply disruptions, reduced mine production, and increasing demand from smelter expansions.

Looking ahead, we anticipate a persistently tight copper concentrates market alongside continued growth. Our strategic priorities include expanding operations in Africa, increasing market share in energy products trading, and exploring diversification into other minerals. Despite challenges and opportunities in the commodities market, our resilience remains steadfast. Our commitment to long-term stability and strategic decision-making positions us well to capitalise on opportunities in our traded product categories throughout 2024 and beyond.

### **Financial Services (“FS”)**

FS experienced a 15.0% drop in PBT for continuing operations to HK\$121,399,000, as increased interest income from rising rates was offset by weaker performance in the US derivatives business. We grew our total customer equity funds by 17.5% in the first half of 2024, amid the high interest rate environment. Market volatility remains significant, leading to increased trading volumes during this period.

For the past decade, we have served as a Clearing Member of the world’s largest derivative exchange, the Chicago Mercantile Group of Exchanges (CME). Building on our established and stable clearing volumes on several other global exchanges, we are now in the process of becoming a clearing member with Intercontinental Exchange (ICE), a major trading venue for global energy markets. This initiative will enhance our service offerings to customers, with completion of the on-boarding process expected by the end of 2024.

Additionally, we are continuing to invest resources to accelerate our digital transformation plans. Our goal is to automate processes to achieve higher productivity and to digitise touchpoints that enhance the on-boarding and trading experience for our customers. These efforts will also enable us to expand our presence in retail markets more broadly. In this regard, our retail initiatives in Southeast Asia are gaining momentum as a promising new business segment, showcasing exponential growth potential.

### **Engineering Services (“ES”)**

For the first half of 2024, ES revenue decreased by 10.2% to HK\$322,283,000 and PBT decreased by 5.2% to HK\$15,025,000. The revenue decline was primarily attributed to contracts completed in 2023.

The facility management and maintenance market in Singapore remains highly competitive, but we expect to retain our current contracts. In the vehicles and equipment market, new players from car distributors are entering the maintenance sector, intensifying competition. Nevertheless, we are confident in our ability to maintain our existing contracts due to our strong operational performance.

The tight labour market continues to pose a challenge. We are beefing up recruitment efforts overseas, aligning our remuneration and benefits with market standards, and keeping attrition rates low. The business is anticipated to remain stable in the second half of 2024.

Meanwhile, the facilities management department of the ES has been restructured under infrastructure development, design and build division. With an expanded team and enhanced expertise in this division, we are currently in discussions with our logistics clients to provide them with infrastructure and facility management services on a monthly recurring basis. This initiative is expected to foster a positive outlook for years to come. Additionally, we are actively collaborating with one of our existing warehouse clients to secure a design and build project for their upcoming facility in Singapore.

## **LIQUIDITY, FINANCIAL RESOURCES AND FINANCING ACTIVITIES**

As at 30 June 2024, the Group had cash and cash equivalents of HK\$2,135,001,000 (31 December 2023: HK\$1,998,840,000). Cash and bank balances are mostly held in Hong Kong dollar, United States dollar, Singapore dollar, Euro and Renminbi and deposited in leading banks with maturity dates falling within one year. On the other hand, the Group had loans and borrowings of HK\$5,474,420,000 (31 December 2023: HK\$5,646,278,000), of which an aggregated amount of HK\$4,827,996,000 (31 December 2023: HK\$4,201,446,000) was repayable within one year, including revolving short-term trade facilities of HK\$3,248,006,000 (31 December 2023: HK\$3,323,467,000) at the interest rate from 6.76% to 8.16% (31 December 2023: 5.88% to 8.08%) per annum that are used to finance the working capital of the Group's commodity marketing business. As at 30 June 2024, the Group's loans and borrowings amounted to HK\$4,029,319,000 (31 December 2023: HK\$4,183,519,000) were secured by property, plant and equipment, bank balance and fixed deposits, trade and other receivables and inventories with an amount of HK\$5,407,026,000 (as at 31 December 2023: HK\$4,948,088,000).

At the end of the reporting period, total borrowings accounted for around 20.8% were at fixed interest rates. There are no known seasonal factors in the Group's borrowing profile.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group will balance its overall capital structure through new share issues as well as raising of new borrowings or redemption of existing debt using cash flow generated from operating activities and disposal of assets. The Group's overall strategy remains unchanged from the year ended 31 December 2023.



As at 30 June 2024, the Group had total debt of HK\$4,406,928,000 (31 December 2023: HK\$4,672,423,000), comprising loans and borrowings and lease liabilities but excluding the revolving short-term trade facilities amounted to HK\$3,248,006,000 (31 December 2023: HK\$3,323,467,000) (collectively, “**Total Debt**”). The consolidated net debt of the Group comprising of Total Debt minus pledged bank deposits and cash and cash equivalents amounted to HK\$2,049,607,000 (31 December 2023: HK\$2,528,508,000); and the total capital of the Group (measured as Total Debt plus equity attributable to owners of the Company) amounted to HK\$9,088,202,000 (31 December 2023: HK\$9,343,704,000). The Group’s gearing ratio (net debt to total capital) as at 30 June 2024 was 22.6% (31 December 2023: 27.1%).

As at 30 June 2024, outstanding derivatives on the books were mainly commodity contracts for hedging the commodity price exposure. The management monitors the hedging policy closely and the hedging level of the Group is approximately 100% of the total commodity inventories.

The Group maintains an appropriate level of foreign currency borrowings, as determined by management, for natural hedge to minimise the foreign exchange exposure. As at 30 June 2024, of the total HK\$5,474,420,000 (31 December 2023: HK\$5,646,278,000), the Group had HK\$4,758,420,000 (31 December 2023: HK\$4,930,278,000) in loans and borrowings are denominated in currencies other than Hong Kong dollar, which are mainly denominated in Singapore dollar, United States dollar and Euro.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**

Saved as disclosed below, for the six months ended 30 June 2024, the Company did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures:

On 8 January 2024, the Group entered into a sale and purchase agreement with Mr. Joaquín Pueyo Giménez to acquire a further 30% interest of a non-wholly-owned subsidiary named Globelink Uniexco, S.L. For details, please refer to the announcement of the Company dated 8 January 2024.

## **CONTINGENT LIABILITIES**

The Group is subject to various litigation, regulatory and arbitration matters in the normal course of business. The Group vigorously defends against these claims and, in the opinion of management, the resolution of these matters will not have a material effect on the financial position of the Group.

## EMPLOYEES AND REMUNERATION POLICIES

The Group together with its associated companies and joint ventures had a total of 5,971 employees as at 30 June 2024 (31 December 2023: 6,029). For staff cost, please refer to Note 8. The Group's remuneration policies are to ensure that the remuneration package as a whole is fair and competitive, and is able to motivate and retain current employees and attract potential talents. These remuneration packages have already carefully taken into account, amongst other aspects, the Group's business in different jurisdictions. The employees' remuneration packages are comprised of salaries and discretionary bonuses, along with retirement schemes, medical insurance and share options which form a part of welfare benefits.

## SUBSEQUENT EVENTS

On 18 July 2024, the Group repaid principal amount and accrued interest of HK\$65,016,000 in relation to the promissory note dated 18 February 2022 (the “**Promissory Note**”) and renewed the Promissory Note with principal amount of HK\$666,000,000 for a 4-year period (the “**New Promissory Note**”). The New Promissory Note is interest-bearing at 5.5% per annum, which shall be payable semi-annually in arrears. The Company may elect to defer payment of interest, in which case interest of 5.5% per annum shall accrue on such deferred interest amounts until payment. All accrued and unpaid interest and all unpaid principal shall be paid in full on 18 July 2028.

## LOOKING FORWARD AND OUR STRATEGIES

In the first half of 2024, despite the most aggressive monetary tightening in decades, a hard landing scenario of the global economy has largely receded. Most major economies have managed to bring down inflation without increasing unemployment and triggering a recession. However, the outlook is only cautiously optimistic as higher-for-longer interest rates, debt difficulties, and escalating geopolitical risks will continue to challenge the stable and sustained economic growth. International Monetary Fund projected the global growth at 3.2% in 2024 and 3.3% in 2025. Under such circumstances, we consider it still necessary to continue focusing on core industries, enhancing core competence, promoting further synergy and collaboration among business sectors, and seeking for business opportunities in the PRC and other developing countries for risk diversification consideration.

Hainan Free Trade Port has been one of the ports with the highest level of openness in the world nowadays, and an increasing number of global enterprises have set out regional headquarters or branch offices in Hainan Province. The Group continues to explore business opportunities in Hainan Free Trade Port and Southeast Asia countries through multiple routes, such as establishing strategic cooperation and joint venture with local business partners. Since the initiation of the strategic cooperation with Hainan Yangpu Holding Investment Co., Ltd. (a subsidiary of Hainan Yangpu Development and Construction Holding Co., Ltd) in April 2024, the Group has facilitated a number of study tours and exchange activities among the Group, business and industrial experts from Singapore, and local organisations in Hainan, in order to evaluate potential investment and business development opportunities in Hainan Free Trade Port. Details of the strategic cooperation are set out in the announcement of the Company dated 22 April 2024. Meanwhile, on the occasion of the 50th anniversary of diplomatic relations between China and Malaysia, in May 2024, the Group signed a memorandum of understanding with global commodity logistics company Access World Group (headquartered in Malaysia), in order to extend further collaboration in the area of commodity marketing and logistics. Details of the memorandum of understanding are set out in the announcement of the Company dated 30 May 2024. As our footprint in Greater China and Southeast Asia continues to deepen, our relentless focus is to learn from our experience and copy the success in Singapore and other global regions, to contribute to the economic growth and sustainable development in the regions that we operate, and to create more value for the shareholders of the Company.

For the second half of 2024, in addition to operating the business with caution, the Group will promote deeper internal synergy, continue to expand our global commercial network, and seize further growth opportunities in Greater China and other regions to maximise the shareholders' interests and earn a brighter future.

## **INTERIM DIVIDEND**

The Board did not declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the period under review.

## **REVIEW OF INTERIM RESULTS**

The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group and discussed with the management of the Company on risk management, internal controls and financial reporting matters, including the review of the Group's unaudited interim financial report for the six months ended 30 June 2024.

The auditor of the Company has also reviewed the Group's unaudited interim financial report for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company had complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules for the reporting period from 1 January 2024 to 30 June 2024, except the following deviations:

Pursuant to code provision C.2.1 of the CG code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Wang Kan had been appointed as the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) during the period from 21 February 2022 to 28 June 2024.

The Board believed that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considered this structure continued to enable the Company to make and implement decisions promptly and effectively. The Board believed that the balance of power and authority was adequately ensured by the operation of the Board, which comprises experienced and high calibre individuals with a sufficient number of independent non-executive directors.

Therefore, the Directors consider that the reasons for deviation from code provision C.2.1 are appropriate in such circumstances.

*Note:* Mr. Wang Kan ceased to be the Chief Executive Officer and Mr. Shang Duoxu was appointed as the Chief Executive Officer, with effect from 28 June 2024.

## APPRECIATION

The Board would like to take this opportunity to extend its sincere gratitude to all shareholders, investors, customers, suppliers and business partners of the Company for their valuable and continuous support and trust to the Group. The Board would also extend its gratitude and appreciation to all of our management and staff for their tireless efforts, diligence and dedication throughout the period.

By order of the Board  
**CWT INTERNATIONAL LIMITED**  
**Wang Kan**  
*Executive Director*

Hong Kong, 28 August 2024

*As at the date of this announcement, the Board comprises Mr. Wang Kan (Executive Director and Chairman), Mr. Zhao Quan (Executive Director), Mr. Wang Qi (Executive Director), Mr. Huang Fenglin (Executive Director), Mr. Liem Chi Kit, Kevin (Independent Non-executive Director), Mr. Lam Kin Fung, Jeffrey (Independent Non-executive Director) and Ms. Liu Yifei (Independent Non-executive Director).*

\* for identification purpose only