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## THEME INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 990)**

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Theme International Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the corresponding period in 2023 as follows:

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

*For the year ended 31 December 2024*

		2024	2023
	Notes	HK\$'000	HK\$'000
<b>Revenue</b>	3	<b>40,913,965</b>	55,376,948
Cost of sales		<b>(39,881,451)</b>	(53,596,299)
<b>Gross profit</b>		<b>1,032,514</b>	1,780,649
Other income, gains and losses		<b>(135,648)</b>	197,622
Selling and distribution expenses		<b>(95,695)</b>	(91,250)
Administrative expenses		<b>(390,860)</b>	(373,042)
<b>Profit from operations</b>		<b>410,311</b>	1,513,979
Finance costs		<b>(20,310)</b>	(28,321)
Share of profits of associates		<b>45,718</b>	36,507
<b>Profit before taxation</b>		<b>435,719</b>	1,522,165
Income tax	4	<b>(63,798)</b>	(140,084)
<b>Profit for the year</b>	5	<b>371,921</b>	1,382,081

		2024	2023
	Note	HK\$'000	HK\$'000
<b>Profit for the year attributable to:</b>			
Owners of the Company		296,242	1,200,955
Non-controlling interests		75,679	181,126
		<u>371,921</u>	<u>1,382,081</u>
<b>Other comprehensive expenses:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of financial assets at fair value through other comprehensive income		(663)	(561)
<i>Items that may be reclassified to profit or loss:</i>			
Share of associates' exchange differences on translating foreign operations		(6,167)	(1,118)
Exchange differences on translating foreign operations		(104,272)	(71,358)
		<u>(110,439)</u>	<u>(72,476)</u>
<b>Other comprehensive expenses for the year, net of tax</b>		<u>(111,102)</u>	<u>(73,037)</u>
<b>Total comprehensive income for the year</b>		<u>260,819</u>	<u>1,309,044</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		187,932	1,129,092
Non-controlling interests		72,887	179,952
		<u>260,819</u>	<u>1,309,044</u>
<b>Earnings per share</b>			
— Basic ( <i>HK cents per share</i> )	7	<u>2.20</u>	<u>8.91</u>
— Diluted ( <i>HK cents per share</i> )	7	<u>2.20</u>	<u>8.91</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2024*

		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>158,647</b>	170,809
Right-of-use assets		<b>26,391</b>	40,726
Goodwill		<b>37,945</b>	37,945
Interest in associates		<b>2,367,909</b>	617,887
Financial assets at fair value through other comprehensive income		<b>19,572</b>	20,235
Financial assets at fair value through profit or loss		<b>79,809</b>	—
Deferred tax assets		<b>47</b>	143
		<b>2,690,320</b>	887,745
<b>Current assets</b>			
Inventories		<b>3,635,351</b>	2,253,665
Trade and bills receivables	8	<b>2,344,683</b>	1,853,872
Accounts receivables	9	<b>2,895,762</b>	3,297,782
Financial assets at fair value through profit or loss		<b>3,822</b>	496,387
Derivative instruments		<b>415,765</b>	1,454,319
Prepayments, deposits and other receivables		<b>594,827</b>	777,078
Cash and bank balances		<b>6,396,262</b>	5,310,281
		<b>16,286,472</b>	15,443,384
<b>Current liabilities</b>			
Trade and bills payables	10	<b>3,870,101</b>	2,423,790
Trust receipt loans		<b>139,945</b>	—
Bank borrowings		<b>1,238</b>	1,259
Accounts payables	11	<b>5,775,864</b>	4,876,625
Contract liabilities		<b>155,034</b>	176,846
Accruals and other payables		<b>169,907</b>	208,981
Amount due to an associate		<b>1,141,920</b>	—
Derivative instruments		<b>397,397</b>	1,221,457
Lease liabilities		<b>10,021</b>	13,593
Current tax payable		<b>64,393</b>	113,260
		<b>11,725,820</b>	9,035,811
<b>Net current assets</b>		<b>4,560,652</b>	6,407,573
<b>Total assets less current liabilities</b>		<b>7,250,972</b>	7,295,318

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Bank borrowings	1,747	3,078
Lease liabilities	—	10,050
Deferred tax liabilities	12,938	12,362
	<u>14,685</u>	<u>25,490</u>
<b>NET ASSETS</b>	<u><u>7,236,287</u></u>	<u><u>7,269,828</u></u>
<b>Capital and reserves</b>		
Share capital	33,679	33,679
Reserves	6,081,843	6,164,820
	<u>6,115,522</u>	<u>6,198,499</u>
Equity attributable to owners of the Company		
Non-controlling interests	1,120,765	1,071,329
	<u>7,236,287</u>	<u>7,269,828</u>
<b>TOTAL EQUITY</b>	<u><u>7,236,287</u></u>	<u><u>7,269,828</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries are collectively referred to as the “**Group**”. The Group is principally engaged in (i) distribution, trading and processing of bulk commodities and related products in Hong Kong, Singapore and the People’s Republic of China (the “**PRC**”); and (ii) provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore.

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

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

### 3. REVENUE AND SEGMENT INFORMATION

#### (a) Revenue

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

#### *Sales from trading and processing of goods*

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

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

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

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

#### *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:***

Segments	Distribution, trading and processing <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	2024 Total <i>HK\$'000</i>
<b>Geographical markets</b>			
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	<u>40,021,747</u>	<u>252,719</u>	<u>40,274,466</u>
<b>Major products/services</b>			
Trading and processing of bulk commodities	40,021,747	—	40,021,747
Commission income and brokerage fees	—	252,719	252,719
Total	<u>40,021,747</u>	<u>252,719</u>	<u>40,274,466</u>
<b>Time of revenue recognition</b>			
At a point in time	<u>40,021,747</u>	<u>252,719</u>	<u>40,274,466</u>

***Disaggregation of revenue from contracts with customers:***

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

**(b) Segment information**

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

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

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

***Segment information and results:***

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

*Year ended 31 December 2024*

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



Year ended 31 December 2023

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

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 associates, certain finance costs and taxation. This is the measure reporting to the executive directors for the purposes of resource allocation and making strategic decision.

***Segment assets and liabilities:***

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

*As at 31 December 2024*

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

*As at 31 December 2023*

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

**Other segment information:**

	<b>Distribution, trading and processing HK\$'000</b>	<b>Financial services HK\$'000</b>	<b>Total HK\$'000</b>
Year ended 31 December 2024			
<i>Amounts included in the measure of segment results or segment assets:</i>			
Additions of property, plant and equipment	<b>8,423</b>	<b>3,459</b>	<b>11,882</b>
Depreciation of property, plant and equipment	<b>17,298</b>	<b>1,476</b>	<b>18,774</b>

	<b>Distribution, trading and processing HK\$'000</b>	<b>Financial services HK\$'000</b>	<b>Total HK\$'000</b>
Year ended 31 December 2023			
<i>Amounts included in the measure of segment results or segment assets:</i>			
Additions of property, plant and equipment	13,269	1,015	14,284
Depreciation of property, plant and equipment	<b>16,848</b>	<b>1,022</b>	<b>17,870</b>

**Geographical information:**

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

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

Information about major customers:

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

#### 4. INCOME TAX

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

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

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

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

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

## 5. PROFIT FOR THE YEAR

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

	2024 HK\$'000	2023 HK\$'000
Cost of inventories recognised as cost of sales	39,378,056	53,073,582
Depreciation		
— Property, plant and equipment	18,774	17,870
— Right-of-use assets	14,086	14,854
Auditors' remuneration		
— audit services	1,500	1,390
— non-audit services	250	250
	<u>1,750</u>	<u>1,640</u>

## 6. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Declared interim dividend of		
HK\$nil (2023: HK2 cents) per ordinary share	<u>—</u>	<u>269,427</u>

At a board meeting held on 28 March 2024, the board of directors declared an interim dividend of HK2 cents per ordinary share for the year ended 31 December 2023 and paid during the year ended 31 December 2024.

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

## 7. EARNINGS PER SHARE

### (a) Basic earnings per share

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

	2024 HK\$'000	2023 HK\$'000
Profit:		
Profit for the year attributable to owners of the Company		
for the purpose of basic earnings per share	<u>296,242</u>	<u>1,200,955</u>
	2024	2023
	'000	'000
Number of shares:		
Weighted average number of ordinary shares		
for the purpose of basic earnings per share	<u>13,471,345</u>	<u>13,471,345</u>

**(b) Diluted earnings per share**

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

**8. TRADE AND BILLS RECEIVABLES**

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

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

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

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
0 to 90 days	<b>2,330,160</b>	1,846,275
91 to 180 days	<b>3,941</b>	381
Over 181 days	<b>10,582</b>	7,216
	<b><u>2,344,683</u></b>	<b><u>1,853,872</u></b>

## 9. ACCOUNTS RECEIVABLES

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

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.



## 10. TRADE AND BILLS PAYABLES

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

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

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

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.

## 11. ACCOUNTS PAYABLES

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

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.

## DIRECTORS' STATEMENT

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

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

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

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

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

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

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

**Wu Lei**

*Executive Director*

Hong Kong, 31 March 2025

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### Financial and Business Review

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

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

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

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

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

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

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

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

Other losses of approximately HK\$135,648,000 (2023: other gains of approximately HK\$197,622,000) were incurred during the Year. During the Year, the provision for the losses due to the suspected misappropriation of funds in the SG subsidiary was approximately HK\$167,462,000 (2023: nil). Exchange losses amounted to approximately HK\$93,087,000 (2023: HK\$56,680,000). The exchange loss arose mostly from the fluctuation of USD/RMB exchange rate. Cargoes sold by Shanghai trading desk were denominated in RMB. Such losses were partly set off by interest income. During the Year, interest income on bank deposits totaled approximately HK\$99,481,000 (2023: approximately HK\$103,780,000). Besides, gains on financial assets at fair value via profits and loss decreased from approximately HK\$117,060,000 during the Corresponding Year to approximately HK\$1,818,000 during the Year. Such gains in the Corresponding Year were mainly attributable to the fair value gains on the existing shares of Green Estee Pte. Ltd., when it became associate of the Company during the Corresponding Year.

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

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

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

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

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

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

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

## **Future Prospects**

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

### ***(i) Financial Services Business***

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

#### ***– Money Lending***

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

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

– *Securities and Derivatives Dealing & Clearing*

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

– *Assets Management and Fund Management*

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

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

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

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

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

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

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

***(ii) Distribution, Trading and Processing Business***

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

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

**SUSPECTED BREACH OF FIDUCIARY DUTIES AND MISAPPROPRIATION OF FUNDS**

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

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

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



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

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

## **FUND RAISING ACTIVITIES**

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

## **SIGNIFICANT EVENTS**

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

## **EVENTS AFTER THE REPORTING PERIOD**

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

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

## **CHARGES ON ASSETS**

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

## CONTINGENT LIABILITIES

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

## MATERIAL ACQUISITIONS AND DISPOSALS

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

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

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

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

## SIGNIFICANT INVESTMENT

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

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

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

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

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

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

Investing in associate of Green Estee 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.

### **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.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2024, the Group's net current assets were approximately HK\$4,560,652,000 (2023: approximately HK\$6,407,573,000), and its net assets were approximately HK\$7,236,287,000 (2023: approximately HK\$7,269,828,000). As at 31 December 2024, the Group had outstanding loans and other borrowings of approximately HK\$141,183,000 (2023: approximately HK\$4,337,000).

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

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

## **CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS**

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

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

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

## **FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

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

## **HUMAN RESOURCES**

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

## **CAPITAL STRUCTURE AND EQUITY FUND RAISING**

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

## **DIVIDENDS**

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

## **SHARE REPURCHASE**

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

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

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

## **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 Corporate Governance Code ("CG Code") as set out in Appendix C1 of the Listing Rules as detailed below, the Company has complied with all the Code Provisions and to a certain extent of the recommended best practices set out in the CG Code throughout the year ended 31 December 2024.

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

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



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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **AUDIT COMMITTEE**

As at 31 December 2024, the audit committee of the Company comprises one non-executive director and two independent non-executive directors of the Company, namely Mr. Wong Hok Bun Mario (Chairman of the audit committee), Ms. Chan Lai Ping and Mr. Ding Lin. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group’s annual results for the year ended 31 December 2024.

## **SCOPE OF WORK OF EXTERNAL AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2024. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.



## EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### AUDIT OPINION

ZHONGHUI ANDA CPA Limited, the independent auditor of the Company, has issued the qualified opinion on the consolidated financial statements of the Group for the year ended 31 December 2024. An extract of the independent auditor’s report is set out below.

### “QUALIFIED OPINION

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

### BASIS FOR QUALIFIED OPINION

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

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

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

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

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

*(b) Assets and liabilities as at 31 December:*

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

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

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

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

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

## **THE MANAGEMENT’S POSITION, VIEW AND ASSESSMENT ON THE QUALIFIED OPINION**

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

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

As at the date of this annual results announcement, the investigation has not yet been concluded. Due to the ongoing investigation and legal proceedings, audit procedures, including direct confirmation arrangement with customers and suppliers of the SG Subsidiary as well as interviews with relevant parties are limited during the course of audit. Also, up to the date of this annual result announcement, the Company's auditor has not been provided with results of the investigation and legal proceedings regarding the Suspected Misappropriation.

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

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

The management have taken all reasonable steps and used their best endeavours to facilitate the Company's auditors in carrying out audit procedures of the SG Subsidiary, by obtaining confirmations and arranging interviews and providing access to the accounting books, records and supporting documents, as well as facilitating other audit procedures to address the audit requirements. However, the Company's auditor was still unable to obtain sufficient appropriate audit evidence to ascertain certain financial information of the SG Subsidiary, including the timing, nature and extent of the Suspected Misappropriation, and the completeness, accuracy and existence of the financial information of the SG Subsidiary for the financial years ending 31 December 2023 and 2024. Nonetheless, the Company has already recorded the losses totalling HK\$167 million for the year ended 31 December 2024.

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 investigation process and legal proceedings, the possible disposal and the liquidation of the SG Subsidiary, etc, to remove the Qualified Opinions. However, since the investigation and legal proceedings are still in progress and having taken the advice of the 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 investigation and legal proceedings are finalised and/or the SG Subsidiary is disposed of during the year ending 31 December 2025, it is expected that the Qualified Opinion will be removed from the Group's consolidated financial statements for the year ending 31 December 2026, as the financial information of the SG Subsidiary would also affect the comparative figures in its consolidated financial statements for the year ending 31 December 2025. Nonetheless, the management notes that the removal of Qualified Opinions is subject to uncertainty, including the progress of the investigation, legal proceedings and the process of the disposal of the SG Subsidiary.

## **THE AUDIT COMMITTEE'S VIEW ON THE QUALIFIED OPINION**

The Audit Committee has discussed with the Company's 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 Company's auditor was unable to obtain sufficient appropriate audit evidence in relation to the SG Subsidiary due to the ongoing investigation of the Suspected Misappropriation. The Audit Committee also reviewed and understood the position of the management. Based on the above circumstances, the Audit Committee concurred with the view of the Company's auditor and the management.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Company ([www.990.com.hk](http://www.990.com.hk)) and the designated issuer website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

The 2024 annual report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board  
**Theme International Holdings Limited**  
**Wu Lei**  
*Executive Director*

Hong Kong, 31 March 2025

*As at the date of this announcement, the executive Directors are Mr. Jiang Jiang and Mr. Wu Lei; the non-executive Directors are Mr. Ding Lin and Mr. Kang Jian; and the independent non-executive Directors are Mr. Liu Song, Ms. Chan Lai Ping and Mr. Wong Hok Bun Mario.*