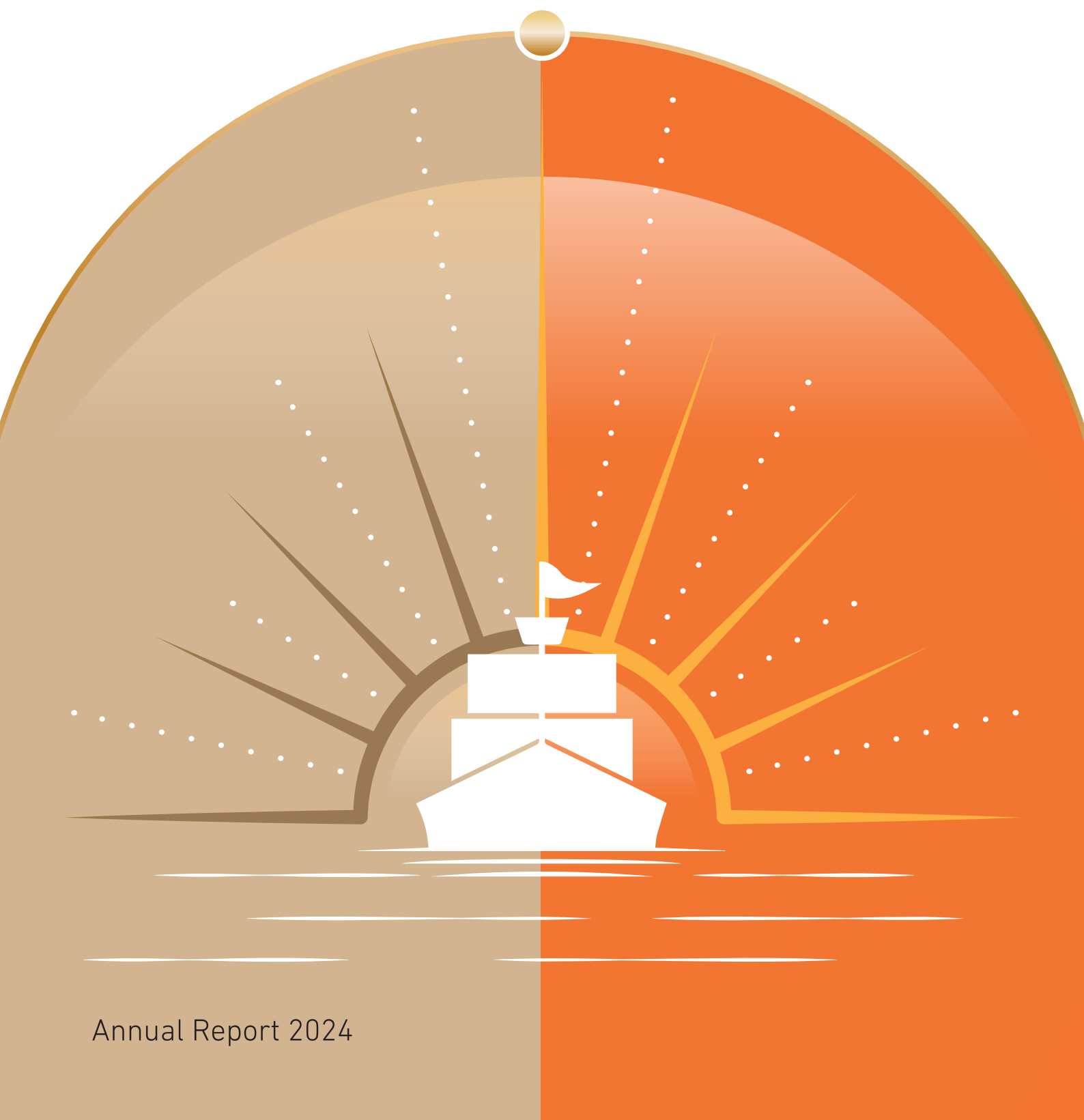




PHOENICIAN INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands, IC-268614)



Annual Report 2024



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CORPORATE PROFILE

Trusted | Innovative | International

WHO WE ARE

The Group

Phoenician International Limited ("Phoenician") is a publicly listed investment firm headquartered in Hong Kong, dedicated to providing wealth management, investment management and investment banking services to a select group of private, institutional, and corporate clients.

Our Strategy

Phoenician help innovators, entrepreneurs, industry leaders achieve their financial goals by serving as a bridge between China and the West, while connecting leading foreign institutional investors with markets in Asia.

Our Business

From managing wealth for successful individuals and institutions to helping businesses fulfil their ambition, Phoenician's comprehensive suite of solutions empowers our clients to make the most of global opportunities.



Trusted by the Most Demanding Clients

We manage wealth for highly sophisticated, multi-jurisdiction private clients and family offices with global investment interests

We offer a comprehensive suite of bespoke portfolio management solutions combined with a high-touch, personalized approach to client needs across products and jurisdictions.

Our discretionary and non-discretionary investment solutions are combined with state-of-the-art market connectivity across 50 markets and over 30 currencies.

As most of our clients are successful entrepreneurs, we also provide best-in-class corporate advisory services to facilitate monetization of their business interests.



Independent Minds Delivering Performance Through “Dual World” Innovative Solutions

We offer our clients a constant stream of high-performance investable ideas actionable across the East/West divide, specifically tailored to their financial circumstances

As an independent investment firm, Phoenician has the ability to work with leading platforms and service providers worldwide in order to offer clients best-in-class advisory services and trading capabilities across asset classes, with major benefits on portfolio diversification.

Our key focus is to address the ever-increasing demand for multi-national cross-border investment flows between China/ASEAN financial markets and the rest of the world.

We leverage on our global network of clients and relationships coupled with our decade long presence in the Greater China region to offer clients global access to exclusive investment opportunities across multiple jurisdictions.



International Footprint Delivering Local Insights

Across our Regional Offices, we have Built a Network of Reputable Local Professionals who Speak the Language, Know the Culture and Have First-Hand Knowledge of Clients' Needs

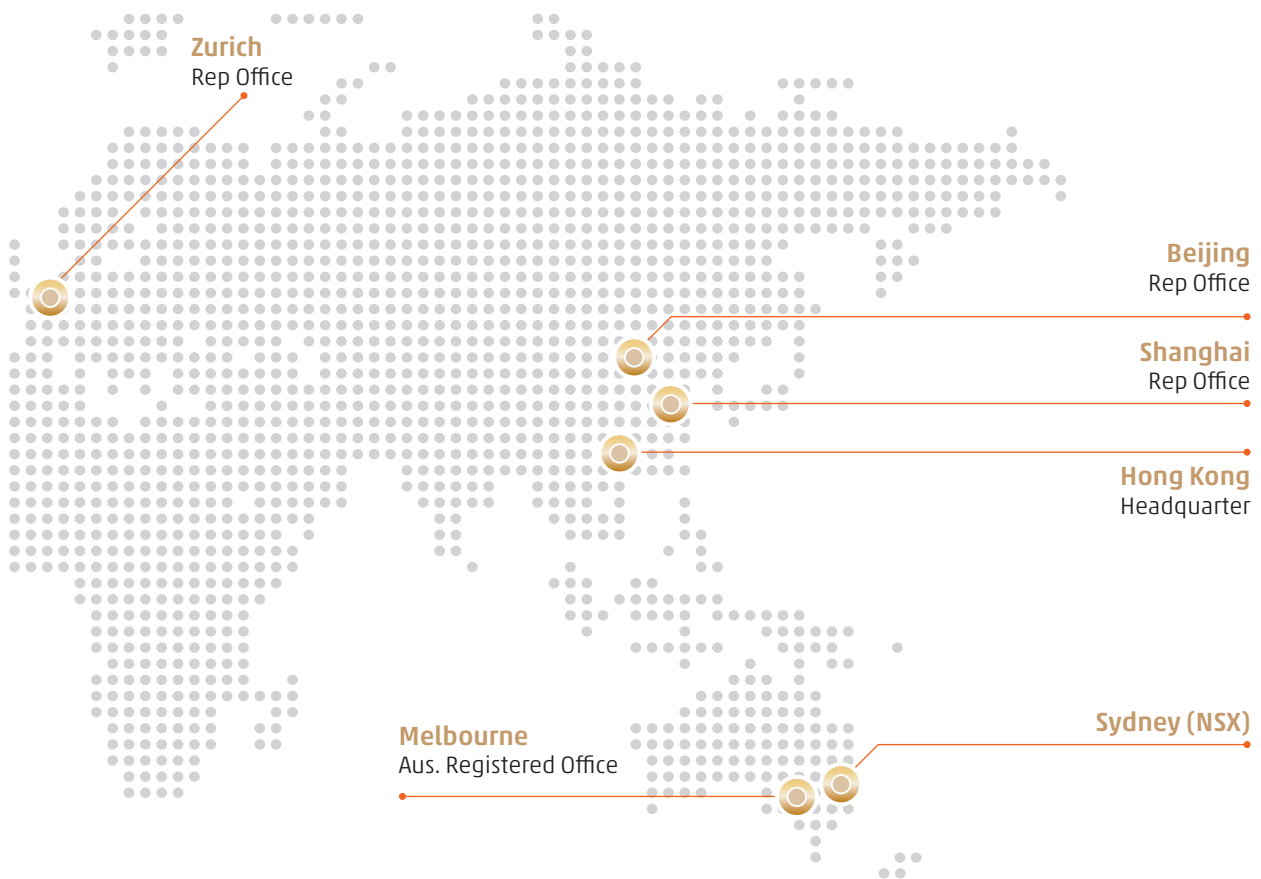
As a result of our relationship-based approach to private and institutional clients, Phoenician has the ability to scout co-investment opportunities in promising early-stage ventures, especially within the Greater China region, that are generally not available for investment by the general public;

As a result of its deep connection with local communities both globally and within Greater China, over time we have hired and developed outstanding talent to enhance our client service and expand our private, institutional and corporate client network;

Phoenician management team is constantly involved in local communities' activities, with substantial benefits in terms of employee loyalty and client trust.



Our Offices



CORPORATE INFORMATION

BOARD OF DIRECTORS

Directors

Mr Marco Arosti
Mr Yiu Man Lo
Mr James Stephen Barrie
Mr Kwan Chan (resigned on 28 November 2024)

COMPANY SECRETARY

James Stephen Barrie

REGISTERED OFFICE PROVIDER

International Corporation Services Ltd
Harbour Place, 2nd Floor
103 South Church Street
George Town
Grand Cayman, KY1-1106
Cayman Islands

AUDITOR

RSM Hong Kong
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay, Hong Kong

LEGAL ADVISORS

Steinepreis Paganin
Level 6, 99 William Street
Melbourne VIC 3000
Australia

TICKER

PHI. NSX
ACN/ARN
659 284 152

COMPANY ADDRESS

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Central, Hong Kong
Tel +852 3519 2870
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administration@phoeniciangroup.com

Beijing Representative Office

31/F, North Tower of CP Center
No. 20 Jinhedong Road
Chaoyang District, Beijing 100020 PR. China

Shanghai Representative Office

Unit 1212-14, Shanghai Two ICC
No. 288 South Shan'xi Road
Xuhui District, Shanghai, China

Zurich Representative Office

Seestrasse 39, CH-9700 Kusnacht
Zurich, Switzerland

Australia Registered Office

RSM Australia Pty Ltd
Level 27, 120 Collins Street
Melbourne VIC 3000
Australia

Cayman Registered Office

Harbour Place, 2nd Floor
103 South Church Street
George Town
Grand Cayman, KY1-1106
Cayman Islands



LETTER FROM THE BOARD

Dear Shareholders,

As we reflect on the remarkable journey of 2024, we are thrilled to share the key milestones and achievements that have shaped our company's growth and strengthened our position in the market. This year has been one of innovation, resilience, and strategic progress, and we are grateful for your continued trust and support.

While US equity markets performed reasonably well during the year, mostly powered by a handful of large caps, other regional equity markets were flat or negative in 2024, with some important signs of recovery in China/Hong Kong equities. On the other hand, global debt market performed reasonably well in Asia and Europe.

At Phoenician, we are well prepared for both good and challenging times thanks to our risk balanced approach to asset allocation and business generation. Amid very challenging conditions within Asian capital markets, the fair value of our proprietary investment has declined in the current financial year. However, we have managed to significantly increase the value of our pipeline, with a positive outlook for 2025.

Our vision on the outlook of China, India and the ASEAN economies remains bullish and we believe our sound and proven Asia Pacific focused investment strategy will ensure we achieve long-term goal and mission in capitalizing on the increasing cross border investment opportunities generated by ever increasing capital flows between China/ASEAN economies and the rest of the world. We are starting to see the benefits of our recently opened Beijing representative office in terms of increased visibility for our wealth management and investment banking business.

After a strong performance in 2025, supported by fiscal and monetary stimulus, China is expected to continue on its robust economic development trajectory as a result of continuous stimulus policies to reignite its economy after its property market crisis and clear advantages over other major economies in terms of technology and infrastructure development and major governmental support policies such as the Belt and Road Initiative.

We would like to thank the entire Phoenician team for their substantial effort in 2024. Combining the long-term vision of our founder and the entrepreneurial culture of our team, we are committed to continue providing unparalleled, strategic, highly specialized investment solutions to our clients, focusing on meeting and achieving their long-term investment goals, while creating long-term value for our shareholders.

Yours faithfully



Marco Arosti



Yiu Man Lo

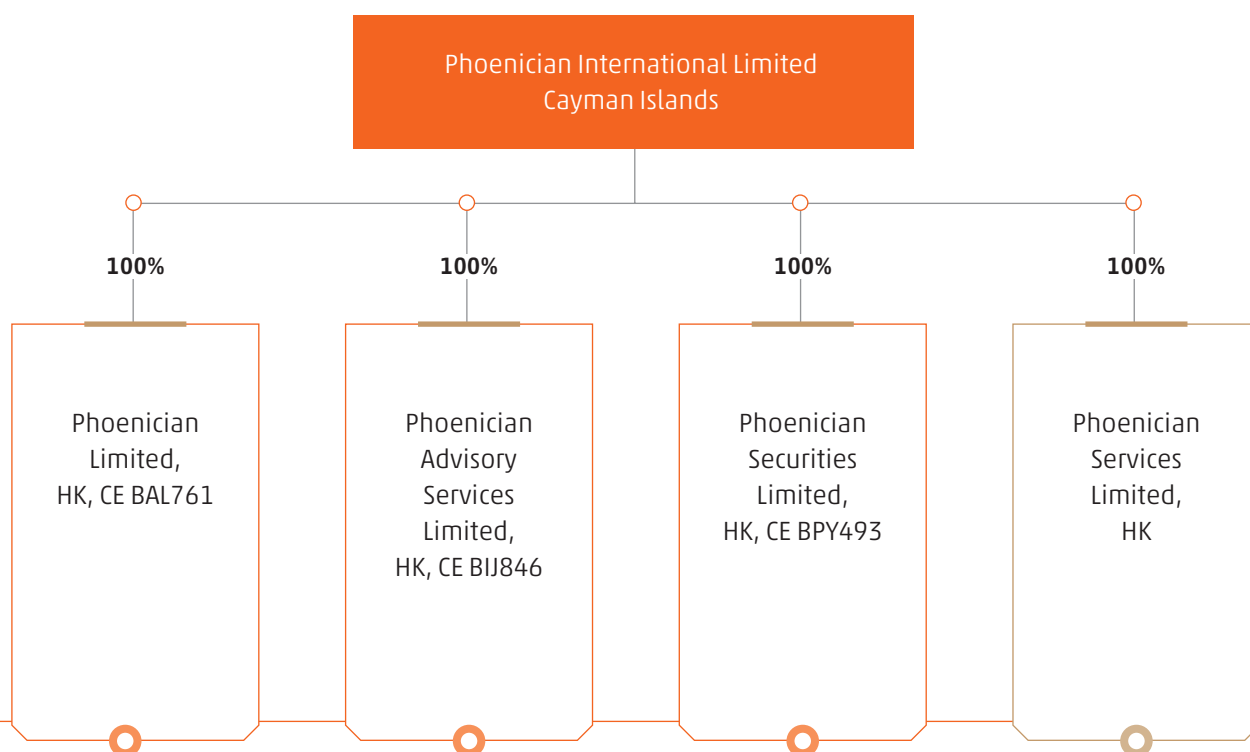


James Stephen Barrie

GROUP STRUCTURE AND BUSINESS SEGMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

The group structure of the Company is set out below:



Phoenixian International Limited, is the group holding company incorporated in the Cayman Islands in May 2012.

Phoenixian Securities Limited ("Phoenixian Securities" or "PS") is a licensed corporation accredited by the Securities & Futures Commission of Hong Kong ("SFC") to conduct Type 1 – Dealing in Securities activities with Central Entity Number ("CE No.") BPY493 since May 2021.

Phoenixian Advisory Services Limited ("Phoenixian Advisory Services" or "PAS") is a licensed corporation accredited the SFC to conduct Type 6 – Advising on Corporate Finance activities with CE No. BIJ846 since May 2017. On 23 July 2024, PAS successfully applied for reduction of Type 1 – Dealing in Securities activity with the SFC.

Phoenixian Limited ("Phoenixian Limited" or "PI") is a licensed corporation accredited the SFC to conduct Type 4 – Advising on Securities and Type 9 – Asset Management activities with CE No. BAL761 since September 2015 and March 2013 respectively.

PS, PAS, PI are all entity incorporated in Hong Kong.

Phoenixian Services Limited ("Phoenixian Services") is a non-regulated entity incorporated in Hong Kong in December 2021. It is engaged in the provision of professional and consulting services.

We operate through three business units: Wealth Management, Investment Management and Investment Banking, each with distinctive capabilities but managed in an integrated and client-centric fashion.



GROUP STRUCTURE AND BUSINESS SEGMENTS

Wealth Management

Phoenician's wealth management unit is specialised in advising a selected group of private and institutional clients including high net worth individuals and family offices to preserve and manage their wealth and achieve their financial goals.

Through its comprehensive suite of bespoke portfolio management solutions, Phoenician provides non-discretionary investment advisory services and discretionary portfolio management services. Phoenician Wealth Management also invests our own funds on selected investment strategies.

We derive management fees and net investment gains from our wealth management business.

Investment Management

Our investment management unit manages funds on behalf of our institutional and private clients under discretionary mandates to capture global investment opportunities across global markets, with specific focus on cash equity and equity derivative products across mining, life sciences and technology related sectors.

The investment management unit also deploys our own funds by investing in outstanding niche companies with the potential to be transformed into global leaders, through selected investments in private equity and public markets transactions. Phoenician's multi-national investment team works across multiple industries with key focus on companies/issuers operating across China and ASEAN economies.

We derive management fees, performance fees and net investment gains from our investment management business.

Investment Banking

Our Investment Banking unit advises first-tier corporate clients on complex international transactions and global private and public fundraisings and provides sales, trading, brokerage and research services to our institutional and private clients.

Specifically, the Phoenician advisory team offers financial advice to corporate clients on acquisitions, divestitures and corporate restructuring and executes capital raising transactions, either through public offerings or through private placements.

In addition, through its broker/dealer and research platforms, Phoenician broking team offers its institutional and private clients the ability to execute transactions in cash equity and other selected investment products by providing global access to financial markets and trade facilitation services, supported by in-depth research coverages and reports on key investment topics.

We derive transaction fees, advisory fees and net investment gains from our investment banking business.



FINANCIAL HIGHLIGHTS

	For the Year Ended December 31,	
	2024 HK\$'000	2023 HK\$'000
Total Revenue	114	5,969
Total Net Investment Loss	(85,669)	(174,730)
Total Operating Expenses	(30,115)	(14,410)
Total Operating Loss	(115,670)	(183,171)

	For the Year Ended December 31,	
Operating Loss by Segment	2024 HK\$'000	2023 HK\$'000
Business Segments		
Wealth Management	(19,793)	(33,247)
Investment Management	(54,455)	(109,133)
Investment Banking	(41,422)	(40,791)
Total Operating Loss	(115,670)	(183,171)

	For the Year Ended December 31,	
	2024 HK\$'000	2023 HK\$'000
Client Assets		
– Assets Under Management (AuM)	15,034	89,663
– Assets Under Advisory (AuA)	15,600	15,600
– Assets Under Custody (AuC)	101,642	289,401



KEY INVESTMENT TRENDS

We are a leading investment firm offering best-in-class advisory services and trading capabilities. By targeting the ever increasing cross-border investment opportunities with capital flows between China and the rest of the world we aim to understand how the world evolves and where the opportunities arise, so that we are able to quickly adapt and react to the evolving investment landscape.

Below a summary of key investment trends during 2024.

US Equities: US equities, particularly large-cap stocks, were the standout performers in 2024. The S&P 500 index, which tracks the performance of 500 large companies in the US, posted a remarkable 22.2% total return. This marks a second consecutive year of double-digit gains, following a 26.1% rise in 2023. The strong performance was driven by robust corporate earnings, technological advancements, and investor optimism about the US economy.

US Bonds: US bonds had a more modest performance compared to previous years. The total return for US bonds was -11.6%, a significant drop from the 5.7% return seen in 2023, due to rising US yields.

Emerging Market Stocks: Stocks in emerging markets also performed well in 2024, benefiting from global economic growth and increased investor interest. These markets saw gains as investors sought higher returns in developing economies.

Global commodities indices also performed very well, on the back of inflation worries in G7 economics. However, within the commodity space, Gold performed very strongly throughout 2024 and stand above US\$2,700/ounce in 4Q 2024.

This implies all asset classes performed relatively well, which reinforces a positive correlation trend which we have been observing over the past 12 months. This phenomenon is highly problematic for traditional wealth management strategies that rely on historically low correlation between US Equity and US Bonds.

The underlying economic drivers delivered a few important signals during Q4 2024.

China: China's GDP grew by 4.6% year-on-year in Q3 2024. Key sectors such as agriculture, forestry, fishing, and hunting grew by 3.5%, while industrial production surged by 5.1%, bolstered by a 5.0% rise in manufacturing. The resilience across various sectors contributed to steady economic growth.

United States: The US economy expanded at an annualized rate of 2.8% in Q3 2024. This growth was fueled by a 3.7% rise in consumer spending, the largest increase since early 2023. Exports and federal government expenditures also contributed to the growth.



United Kingdom: The UK's GDP grew by 0.1% quarter-on-quarter in Q3 2024, a significant slowdown from Q2's 0.5% growth. The sluggish growth was due to stagnant services, a 1% contraction in manufacturing, and a slight rise in construction.

India: India's GDP grew by 5.4% year-on-year in Q3 2024, falling short of expectations. The main reasons for the decline were weaknesses in manufacturing, electricity and natural gas production, and a contracting mining industry.

Outside the US, China Government Bonds and China Corporate Bonds performed well, in a context of declining inflation and low monetary rates.

Despite the global economic turbulence, Asia Pacific markets collectively had an outstanding year of growth. MSCI AC Asia index spiked by 11.47% in 2023.

In 2021 and 2022, while nearly all major central banks aggressively hiked interest rates in the midst of inflation pressure, China and Japan held interest rates low. Nominal GDP in Japan grew by 5.4% in Q2 2023 and a further 6.2% in Q3 2023, while China recorded a double-digit growth in nominal GDP in 2023.

Another growth engine comes from India, recording a 12% increase in its nominal GDP. Indian corporate earnings and stock returns have grown in line with nominal GDP.

SECTORIAL FOCUS

Artificial Intelligence (AI) Stocks: Companies like Nvidia, Palantir Technologies, and Broadcom are at the forefront of AI innovation. AI is transforming industries such as healthcare, finance, and retail by enhancing data analysis, automating processes, and improving customer experiences. Investing in AI-focused companies can potentially yield high returns as the technology becomes more integrated into everyday life.

Renewable Energy: With the world increasingly prioritizing sustainability, renewable energy sources like solar, wind, and hydroelectric power are set to grow. Companies involved in the production and distribution of renewable energy, such as NextEra Energy and Vestas Wind Systems, are well-positioned to benefit. Government incentives and public demand for cleaner energy will continue to drive growth in this sector.

Pharmaceutical Stocks: An aging global population and the ongoing need for medical advancements present opportunities for pharmaceutical companies. Firms like Pfizer, Johnson & Johnson, and Moderna are continuously developing new treatments and vaccines. The demand for healthcare solutions, combined with advancements in biotechnology, makes this sector promising for investors.



KEY INVESTMENT TRENDS

Energy Stocks: The energy sector is undergoing a transformation with a shift towards cleaner energy sources. Traditional oil companies like Exxon and Chevron are adapting to this change by investing in liquefied natural gas (LNG) and renewable energy infrastructure. Additionally, companies focused on renewable energy, such as Orsted and Enphase Energy, offer growth potential as the world transitions to sustainable energy solutions.

Fixed-Income Investments: With Treasury yields stabilizing around historical norms of 4%–5%, a barbell strategy combining floating rate and yield-enhanced funds can help investors balance rate volatility and credit exposure. This approach provides a mix of stability and potential for higher returns.

US EQUITY PREMIUM CONTINUES TO WIDEN

US Equity has traded over time at a high premium to Emerging Market Equity and in particular to Chinese Equity, despite recent opening up of Chinese Equity to offshore investors, in the form of the various Hong Kong Connect systems.

At times of economic recession, we believe P/E ratios are not reflecting true valuation multiples, as earnings forecasts tend to be overstated. Therefore, we prefer to look at P/B ratio, which measures the market capitalization of the index against the last reported net asset value of the underlying equity components. Net asset values are not subject to earnings expectations, although they do not capture the company future cash flow outlook.

We observe that US Price/Book Equity Premium has reached a substantial level in 2023, with a ratio of 4.5x for S&P 500, against a ratio of 1.9x for CSI 300.

Historically, the reason for the high equity premiums has been justified with lower inflation and lower US bond yields, making US Equity cash flows less risky than other equity markets, and leading to USD appreciation against emerging market currencies. This is no longer relevant and applicable as bank rates and Government Bond Yield are now consistently lower in China than in the US and US equity premium over emerging market equity, especially China, are no longer sustainable from either a risk or growth perspective.



U.S. Corporate Earnings vs S&P 500

In particular, the US market has been in a substantially uninterrupted bull run since 2008. As bull runs to start require low P/E, the S&P 500 is trading at 22X P/E ratio, well above-average valuations on a price-to-earnings basis, the 12-month forward P/E ratio of US large cap at 19X and that for US tech at 24X, both significantly above its respective interquartile range for the past 25 years.

In addition, as US companies earning forecast have plateaued in the past 2 years, the recent equity bull run appears to prove short lived.

Therefore, US Equity may no longer be offering superior return over China Equity in the long run and the reversal could happen as early as 2025.

CHINA RECOVERY

There is no doubt that the global economy is slowing. Consensus is out on lowering the GDP growth rate forecast to sub 3% level. However, we do not believe that the global economy is collapsing either. China, which is expected to grow slower too, will still grow at a new normal of above 5%, as it did in 2024.

Despite speculation on China's economy's failure to secure a sustained recovery, China's actual growth in 2024 has proven these speculations and many economists and analysts view are overly bearish.



MANAGEMENT DISCUSSION AND ANALYSIS

In the two reporting periods, the group operated through three reportable operating segments (a) wealth management; (b) investment management; (c) investment banking. All three segments have experienced a significant slowdown in revenues. Operating profit remained negative for the year ended December 31, 2024, mainly due to significant net investment losses during the year.

Wealth management

The Company's wealth management business unit is specialised in advising a select group of private and institutional clients, including high net worth individuals and family offices, to preserve and manage their wealth and achieve their financial goals. Through its comprehensive suite of bespoke portfolio management solutions, the Company provides non-discretionary investment advisory services and discretionary portfolio management services. The wealth management business unit also invests funds in selected investment strategies.

Investment management

The investment management business unit manages discretionary accounts on behalf of institutional and private clients under discretionary mandates to capture global investment opportunities across global markets, leveraging on both of Phoenician's investment professionals and best-of-breeds external investment managers. The investment management business unit also deploys Phoenician funds through selected investments in private equity and public market transactions. Phoenician's multi-national investment team works across multiple industries with a key focus on companies/issuers operating across China and ASEAN economies.

Investment banking

Phoenician's investment banking unit advises first-tier corporate clients on complex international transactions and global private and public fundraisings and provides sales, trading, brokerage and research services to its institutional and private clients. Specifically, the Phoenician advisory team offers financial advice to corporate clients on acquisitions, divestitures and corporate restructuring and executes capital raising transactions, either through public offerings or through private placements. In addition, through its broker/dealer and research platforms, the Phoenician broking team offers its institutional and private clients the ability to execute trades in cash equity and other selected investment products by providing global access to financial markets and trade facilitation services, supported by in-depth research coverages and reports on key investment topics.

In particular, in 2024 wealth management and investment management revenues remained flat, while investment banking revenues contracted significantly as a result of lower advisory revenues. In addition, due to deterioration in global economic conditions and in particular, tough market environment faced by the investment management business, net investment losses on our own invested funds recorded a total of HKD 85.34 million, though these losses are essentially unrealized changes in fair value of financial assets based on financial test, and are not realized cash losses. As a result, on a consolidated basis, our group also has a negative operating profit of HKD 115.67 million for the year ended December 31, 2024, down significantly from a negative operating profit of HKD 183.17 million for the year ended December 31, 2023.



The main contributor to such losses is the change in fair value of PYX Resources Limited shares held by the group, whose share price experienced a correction in the past 12 months due to increased volatility in mining companies share price performance globally. PYX Resources Limited holds the world third largest producing deposit of Zircon in terms of inferred resources. Despite the significant market correction in its share price, the fundamentals of the PYX Resources Limited business remain robust, with strong upside on the share price as per consensus view.

The following table sets forth a breakdown of revenue and net investment loss by reporting segment for the years indicated.

For the Year Ended December 31,				
Revenue	2024 HKD '000	2023 HKD '000	Change HKD '000	Change %
Business Segments				
Wealth Management	40	40	0	0%
Investment Management	47	47	0	0%
Investment Banking	27	5,882	(5,855)	(99.54%)
Total Revenue	114	5,969	(5,855)	(98.09%)

For the Year Ended December 31,				
Net Investment Loss	2024 HKD '000	2023 HKD '000	Change HKD '000	Change %
Business Segments				
Wealth Management	(15,050)	(30,535)	15,485	(50.71%)
Investment Management	(45,436)	(102,740)	57,304	(55.78%)
Investment Banking	(25,183)	(41,455)	16,272	(39.25%)
Total Net Investment Loss	(85,669)	(174,730)	89,061	(50.97%)



MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31,				
Revenue & Net Inv. Loss	2024 HKD '000	2023 HKD '000	Change HKD '000	Change %
Business Segments				
Wealth Management	(15,010)	(30,495)	15,485	(50.78%)
Investment Management	(45,389)	(102,693)	57,304	(55.80%)
Investment Banking	(25,156)	(35,573)	10,417	(29.28%)
Total Revenue & Net Inv. Loss	(85,555)	(168,761)	83,206	(49.30%)

The following table sets forth a breakdown of operating expenses by reporting segment for the years indicated.

For the Year Ended December 31,				
Operating Expenses	2024 HKD '000	2023 HKD '000	Change HKD '000	Change %
Business Segments				
Wealth Management	(4,783)	(2,752)	(2,031)	73.80%
Investment Management	(9,066)	(6,440)	(2,626)	40.78%
Investment Banking	(16,266)	(5,218)	(11,048)	211.73%
Total Operating Expenses	(30,115)	(14,410)	(15,705)	108.99%



The following table sets forth a breakdown of operating loss by reporting segment for the years indicated.

For the Year Ended December 31,				
Operating Loss	2024 HKD '000	2023 HKD '000	Change HKD '000	Change %
Business Segments				
Wealth Management	(19,793)	(33,247)	13,454	(40.47%)
Investment Management	(54,455)	(109,133)	54,678	(50.10%)
Investment Banking	(41,422)	(40,791)	(631)	1.55%
Total Operating Loss	(115,670)	(183,171)	67,501	(36.85%)

Segment Revenues and Net Investment Loss

Our Wealth Management segment recorded a weak performance for the year ended December 31, 2024 with a total net investment loss of HKD 15.1 million, down from a net investment loss of HKD 30.5 million in the previous year, primarily due to changes in fair value of financial assets based on financial test.

Our Investment Management segment concluded the year with a total net investment loss of HKD 45.4 million for the year ended December 31, 2024 (2023: HKD102.7 million). The net investment losses from the investment management business mainly represents fair value loss of financial assets based on financial test.

Our Investment Banking segment concluded the year with a total net investment loss of HKD 25.2 million for the year ended December 31, 2024 (2023: HKD 41.5 million). The net investment losses from the investment banking business mainly represents fair value loss of financial assets based on financial test.



MANAGEMENT DISCUSSION AND ANALYSIS

Segment Operating Expenses

Operating expenses for the Wealth Management segment increased from HKD 2.8 million to HKD 4.8 million, as a result of impairment of rights of use assets and prepayments and higher consultancy fees.

For the Investment Management segment, we also recorded an increase in operating expenses from HKD 6.4 million to HKD 9.1 million, mostly as a result of impairment of rights of use assets and prepayments.

For the Investment Banking segment, segment operating expenses almost triple from HKD 5.2 million to HKD 16.3 million, as a result of provision of allowance for advisory fee receivable from a client which was recognised in 2023 and an increase in consultancy fees and impairment of rights of use assets and prepayments.

Segment Operating Loss

All our business segments experienced significant losses in the year ended December 31, 2024.

Our Wealth Management segment recorded a net operating loss of HKD 19.8 million for the year ended December 31, 2024, down from a net operating loss of HKD 33.2 million for the year ended December 31, 2023.

Our Investment Management segment recorded an operating loss of HKD 54.5 million for the year ended December 31, 2024, down from an operating loss of HKD 109.1 million for the year ended December 31, 2023.

The Investment Banking segment recorded an operating loss of HKD 41.4 million for the year ended December 31, 2024, slightly increased from an operating loss of HKD 40.8 million for the year ended December 31, 2023.

KEY BUSINESS DRIVERS AND METRICS

Each of our three business segments has unique business fundamentals and faces different risks. As a result, we identify different drivers for each of the three segments.

For our Wealth Management segment, the key business driver is the Assets under Advisory (AuA). This is the total assets on which we provide wealth advisory, and can be held in custody by us or by third party.





For our Investment Management segment, the key business driver is the Assets under Management (AuM) metric, which is the aggregate amount of net asset value of securities and investment products for which Phoenician has provided discretionary investment management services to our clients as investment advisor or as investment manager.

For our Investment Banking segment, the key business driver is the Assets under Custody (AuC) metric, which is the total value of all financial assets which we hold on behalf of our clients as broker/custodian.

The following table sets forth the key metrics our segments activities as of the dates indicated.

	For the Year Ended December 31,	
	2024 HK\$ '000	2023 HK\$ '000
Key Business Drivers		
– Assets Under Management (AuM)	15,034	89,663
– Assets Under Advisory (AuA)	15,600	15,600
– Assets Under Custody (AuC)	101,642	289,401

As of December 31, 2024, Phoenician had approximately HK\$102 million of asset under custody for our Investment Banking unit, HK\$16 million of asset under advisory for our Wealth Management unit and HK\$15 million of asset under management within our Investment Management unit, including financial assets held by the group.

The decreases in AuM and AuC are mainly due to changes in fair value of financial assets based on financial test.



DIRECTORS' REPORT

Your directors present their report on Phoenician International Limited ("PHI" or the "Company") and its controlled entities, (the "Group") for the financial year ended 31 December 2024.

The names of Directors of the Company, in office at any time during the period and up to the date of this report, are set out below. Directors were in office for this entire period unless otherwise stated.

Marco Arosti (Executive Chair) – appointed 28 November 2024.

Kwan Chan (Executive Chair) - appointed 24 April 2020, resigned 28 November 2024.

Yiu Man Lo (Independent Non-Executive Director) - appointed 22 April 2022.

James S. Barrie (Independent Non-Executive Director and Company Secretary)- appointed 15 July 2022.

The length of service of each director is as follows:

Name	Length of Service
Marco Arosti	1 month
Kwan Chan	55 months
Yiu Man Lo	32 months
James S. Barrie	29 months

Marco Arosti (Executive Chair)

Mr Arosti, Chief Executive Officer and Executive Chair, has more than 20 years of international banking experience.

Mr Arosti joined Phoenician in 2016, in charge of investment banking advisory implementing the Company's founder strategic vision and growth plans and overall oversight of the Company's Hong Kong regulated activities.

Prior to joining Phoenician, Mr Arosti was managing director at Daiwa Capital Markets in Hong Kong, leading the firm in delivering investment banking solutions and executing equity investments across the Asia Pacific region, with special focus on metals and mining and advanced manufacturing.

Prior to joining Daiwa, Mr Arosti held senior roles at Morgan Stanley in London and Hong Kong, where he led Morgan Stanley General Industries franchise. Mr Arosti has also previously held various positions at JP Morgan in London, where he worked on over 20 investment banking transactions across continental Europe and the United Kingdom.

Mr Arosti holds an MBA from London Business School and a B.A. Economics from the University of Ancona (cum laude).

He is a member of the Institute of Chartered Accountant in England and Wales and holds a Responsible Officer licence granted by the Hong Kong Securities and Futures Commission in relation to dealing in securities, advising on securities, advising on corporate finance and asset management.

Yiu Man Lo (Independent Non-Executive Director)

Mr Lo, Non-Executive Director of Phoenician, has more than 20 years of experience in the financial service industry.

Up to November 2021, Mr Lo was the Senior Finance Manager at uSmart Securities Limited, a large retail focused securities firm in Hong Kong.

Previously Mr Lo held various senior positions at various financial services firms in Hong Kong, including CMBC Capital Holding Limited, Core Pacific Yamaichi International (H.K.) Limited, China Securities (International) Finance Holdings Company Limited, Bank of China International (Holdings) Limited, Standard Chartered Bank and East Asia (Securities) Company Limited, a subsidiary of Bank of East Asia Company Limited.

Mr Lo holds a Bachelor of Science (Honours) in Applied Mathematics from the Hong Kong Polytechnic University, a Master of Science in Mathematics for Finance and Actuarial Sciences from the City University of Hong Kong and a Master in Corporate Governance from the Hong Kong Polytechnic University and is a Qualified CPA in Australia.

James S. Barrie (Independent Non-Executive Director and Company Secretary)

Mr Barrie, Non-Executive Director and Company Secretary of Phoenician, has more than 20 years of professional experience in a wide range of executive and board roles across multiple industries.

Mr Barrie is currently a Non-Executive Director and Company Secretary for HITIQ Ltd (ASX:HIQ) and is Company Secretary for Boadicea Resources Ltd (ASX:BOA), InhaleRx Ltd (ASX: IRX), Jupiter Energy Ltd (ASX:JPR) and Nuren Group Ltd (NSX: NRN), along with being a director and/or Company Secretary for several unlisted companies.

Mr Barrie is also the founder of Fernville Group, which provides professional advisory services to pre-IPO and small-cap listed companies seeking to list on Australian exchanges.

Mr Barrie is a graduate of the Australian Institute of Company Directors, and holds a Bachelor of Business from the Queensland University of Technology and a Diploma of Investor Relations from the Australian Investor Relations Association.

Directors' Shareholdings

The following table sets out each current Director's relevant interest in shares of the Company or a related body corporate as at the date of this report.

Company Directors	Ordinary Shares
Marco Arosti	9,800,000
Yiu Man Lo	16,500
James S. Barrie	2,000





Unissued Shares and Options

During the year the Company offered Nil (2023: Nil) Performance Rights to directors. Of the total Performance Rights on issue, no performance rights (2023: 33,000) were vested during the year.

Company Directors		Performance Rights Opening Balance	Received	Exercised	Forfeited	Closing Balance
Marco Arosti	2024	—	—	—	—	—
	2023	50,000	—	(16,500)	(33,500)	—
Kwan Chan	2024	—	50,000	—	—	50,000
	2023	50,000	—	(16,500)	(33,500)	—
Yiu Man Lo	2024	—	50,000	—	—	50,000
	2023	—	—	—	—	—
James S. Barrie	2024	—	—	—	—	—
	2023	—	—	—	—	—

During the December 2024 financial year, the Company issued no options (2023: Nil).

Performance Rights and Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

Dividends

No dividend has been paid during the financial year and no dividend is recommended for the current period.



Directors' Meetings

The table below sets out the number of Directors' meetings held during the period and the number of meetings attended by each as a Director.

Name	No. Eligible to Attend	No. Attended
Board Meetings		
Marco Arosti	1	1
Kwan Chan	2	2
Yiu Man Lo	3	3
James S. Barrie	3	3
Audit and Risk Committee Meetings		
Marco Arosti	0	0
Kwan Chan	1	1
Yiu Man Lo	1	1
James S. Barrie	1	1
People and Remuneration Committee Meetings		
Marco Arosti	1	1
Kwan Chan	0	0
Yiu Man Lo	1	1
James S. Barrie	1	1

Principal Activities

The principal activities of the Group (through its subsidiaries) are to provide wealth management, investment management and investment banking services to a select group of private, institutional and corporate clients, focusing on capitalizing on the increasing cross border investment flows between China/ASEAN economies and the rest of the world.

Review and Results of Operations

The loss after income tax and other comprehensive income of the Group for the year ended 31 December 2024 was approximately HK\$115,670,000 (2023: HK\$183,171,000).

A detailed review of the operations of the Group is set out on page 16.

Contractual risks

The Group is a party to various contracts. Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, the Company will be successful in securing compliance.

Investment risk

The Group's investment portfolio consists of a significant number of shares in PYX Resources Limited (NSX: PYX; LSE: PYX). As a result, the Company may be vulnerable to events that affect the value of these shares including, but not limited to the price of certain commodities such as Zircon sand, rutile and ilmenite.



Climate Risk

As the Group operating activities and investments are diverse and global in nature, the group business is exposed to climate risk, defined as the potential for negative consequences for human or ecological systems from the impacts of climate change.

Cybersecurity risk

Due to the need to retain and process digital archives, the Group is also exposed to cybersecurity risk, defined as the potential for exposure or loss resulting from a cyberattack or data breach on our organization.

Significant Changes in the State of Affairs

Other than as discussed in the Review and Results of Operations and noted below, the most significant change in the Company's state of affairs during the period is the reduction of net asset value from HK\$26 million to negative HK\$89 million.

The Group has secured financial support from its main lenders and intends to continue to pursue growth in its Wealth Management and Investment Management businesses in the medium term, while in the short term converting into revenues our project pipeline within the Investment Banking unit.

Events After the Reporting Period

Financial assets at fair value through profit or loss

On the date of authorisation of this annual report, the market value of the financial assets at fair value through profit or loss has declined by approximately HK\$6,101,330 compared with the market value as at 31 December 2024, which resulted in fair value losses of HK\$6,101,330.



Likely Developments and Results

The Directors believe that likely developments in the preparations of the Group and expected return from the operations have been adequately disclosed in this report.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or its controlled entities, or to intervene in any proceedings to which the Company or its controlled entities are a party, for the purposes of taking responsibility on behalf of the Company or its controlled entities for all or part of those proceedings.

Indemnifying Officers and Auditors

The Group has not, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such an officer or auditor.

Non-Audit Services

An amount of HK\$250,000 (2023: HK\$250,000) was paid to the external auditor during the year for non-audit services. The Directors are satisfied that any non-audit services provided during the year ended 31 December 2024 (Refer to note 12 of financial statements) did not compromise the general principles relating to auditor independence in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and is compatible general standard of independence for auditors imposed by the Corporations Act 2001.

The directors were being satisfied with the provision of those non-audit services, during the year, by the auditor did not compromise the auditor independence requirements of this Act.

Other Compliance with NSX Listing Rules

No published forecast has been made, hence NSX Listing Rule 6.9(4) does not apply.

Directors of the Company each have service agreements. In accordance with Rule 27 of the Company's Memorandum of Association, directors appointed by the Company must retire and, being eligible, stand for re-election at the next Annual General Meeting ("AGM") of the Company. Further, a minimum of 1/3rd of directors must retire by rotation at each AGM.

Mr Chan and Mr Lo voluntarily waived their entitlements to their outstanding performance rights during the year ended 31 December 2024. No arrangement has been made under which other directors have waived or agreed to waive any emoluments.

No arrangement has been made under which a shareholder has waived or agreed to waive any dividend.



DIRECTORS' REPORT

Summary Financial Information

The following is a summary of the published results and of the assets and liabilities of the Group prepared on the bases set out in the note below:

	Year ended 31 December		
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
RESULTS			
Revenue	114	5,969	3,192
Loss before tax	(115,670)	(183,171)	(196,309)
Income tax expense	—	—	—
Loss for the year	(115,670)	(183,171)	(196,309)
Attributable to: Owners of the Company	(115,670)	(183,171)	(196,309)

	At 31 December		
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets	—	10,350	—
Current assets	24,117	135,494	306,631
Current liabilities	(3,757)	(119,581)	(9,326)
Non-current liabilities	(109,791)	—	(89,183)
Net (liabilities)/assets	(89,431)	26,263	208,122
Attributable to: Owners of the Company	(89,431)	26,263	208,122

Over the period, the Group earnings have been significantly impacted by the loss in value of the Group's investment portfolio.

The accrued losses over the period have significantly affected the net equity attributable to the owners of the company.

As this is not the first year the Group has traded, a 3-year summary table is applicable.



This report is presented in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Marco Arosti
Executive Chair

Hong Kong, 7 March 2025



REMUNERATION REPORT

The Remuneration Report sets out the remuneration arrangements for Phoenician International Limited (the "Company") and its controlled entities (the "Group") for year ended 31 December 2024. The Remuneration Report forms part of the Directors' Report.

The remuneration report is set out under the following main headings:

- A. Remuneration Philosophy
- B. Remuneration Structure
- C. Remuneration Approvals
- D. Remuneration and Performance
- E. Details of KMPs' Remuneration
- F. Compensation Performance Rights and Options Granted, Exercised, Converted or Lapsed During the Financial Year
- G. Share-based Compensation
- H. Equity Instruments Issued on Exercise of Remuneration Performance Rights and Options
- I. Other Transactions with KMP and/or their Related Parties
- J. Shareholding of KMP

The remuneration arrangements detailed in this report are for the Executive Chair, Chief Executive Officer and Non-Executive Directors during the financial year as follows:

- Kwan Chan (Executive Chair up to 28 November 2024)
- Marco Arosti (Chief Executive Officer and Executive Chair from 28 November 2024)
- Yiu Man Lo (Independent Non-Executive Director)

- James S. Barrie (Independent Non-Executive Director and Company Secretary)

This will be the Remuneration Report to be submitted by the Company for approval at the Annual General Meeting.

A. Remuneration Philosophy

Key management personnel ("KMP") have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the Directors of the Company and its Chief Executive Officer. The performance of the Group depends upon the quality of its KMP. To prosper, the Group must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining, and motivating people of the highest quality. In 2022, the Company adopted a Stock Incentive Plan to:

- a. establish a method by which directors or employees of the Company and its subsidiaries (Eligible Persons) can participate in the future growth and profitability of the Company;
- b. provide an incentive and reward for Eligible Persons for their contributions to the Company; and
- c. attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

No Performance Rights were offered to directors in 2024.



Of the total Performance Rights on issue to the two directors as at 1 January 2024, 33,000 Performance Rights were converted to shares during the year ended 31 December 2024. No other remuneration performance rights, options or shares have been issued to KMP.

In addition, 67,000 Performance Rights were forfeited by directors during the year ended 31 December 2024.

A remuneration consultant has not been employed by the Group to provide recommendations in respect of the remuneration, given the size of the Group and its current structure.

B. Remuneration Structure

Previous Executive Chair

The Group has entered into an agreement with Mr Chan for the purposes of discharging his role as Executive Chair. Under the agreement, Mr Chan is entitled to a base remuneration of HK\$1,102,500 per annum (including employer contributions required to be paid in accordance with the Mandatory Provident Fund Schemes Ordinance (chapter 485 of the Laws of Hong Kong)) and in addition he will receive a director fee equal to AU\$20,000 per annum.

Current Executive Chair and Chief Executive Officer

The Group has entered into an agreement with Mr Arosti, for the purposes of discharging his role as Chief Executive Officer. Under this agreement, Mr Arosti is entitled to a base remuneration of US\$375,000 per annum (including employer contributions required to be paid in accordance with the Mandatory Provident Fund Schemes Ordinance (chapter 485 of the Laws of Hong Kong)). Starting from 28 November 2024, he will receive a director fee equal to AU\$20,000 per annum.

Non-Executive Directors

There are formal agreements with the Non-Executive Directors. Appointment shall cease if a non-executive director is not re-elected as a director by shareholders, resigns or ends their term in accordance with the Company's Constitution.

On 22 April 2022, Mr Lo entered into an agreement with the Company confirming his appointment as Non-Executive Director of the Company. The agreement is in standard form and details the nature of Mr Lo's appointment, his duties and his remuneration. Mr Lo is entitled to receive a total annual fee of AU\$20,000 paid quarterly in arrears. This fee covers all duties Mr Lo may be required to perform, Mr Lo is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director.

On 15 July 2022, Mr Barrie entered into an agreement with the Company confirming his appointment as Non-Executive Director and a services agreement confirming his appointment as Company Secretary of the Company. Both agreements are in standard form and detail the nature of Mr Barrie's appointments, his duties and his remuneration. Mr Barrie is entitled to receive a total annual fee of AU\$20,000 paid quarterly in arrears for his role as Non-Executive Director. This fee covers all duties Mr Barrie may be required to perform, Mr Barrie is also entitled to be paid expenses properly and reasonably incurred in performing duties as Director. Mr Barrie is entitled to receive a total annual fee of AU\$9,600, paid monthly in arrears for his role as Company Secretary. This fee covers all duties Mr Barrie may be required to perform. Services provided out of scope of duties are to be charged at AU\$175 per hour (excluding GST).

No other agreements with KMP or their controlled entities during the financial year have been entered into.



DIRECTORS' REPORT

The Group currently does not offer any variable remuneration incentive plans or bonus schemes to Non-Executive Directors or any retirement benefits and, as such, there are no performance related links to the existing remuneration policies.

Performance Rights are normally awarded to eligible participants based on individual achievements and performance contribution to the group, on the basis of recommendations by the Remuneration and Nomination Committee.

C. Remuneration Approvals

The Board of Directors approved to grant the performance rights under the Company's Stock Incentive Plan. These performance rights were set at levels to reflect market conditions and non-market conditions and to encourage continued service.

D. Remuneration and Performance

None of the remuneration package of the Executive Chair, Chief Executive Officer and the Non-Executive Director remuneration are currently not linked to either long-term or short-term performance conditions. The Board is of the view that current remuneration is a sufficient, long-term incentive to align the goals of the Directors with those of the shareholders to maximise shareholder wealth, and as such, has not set any performance conditions for Executive Chair, Chief Executive Officer and the Non-Executive Directors of the Company. The Board will continue to monitor this policy to ensure that it is appropriate for the Group in future years.

E. Details of KMPs' Remuneration

	Short-Term				Long-term	Share-based Payments	TOTAL	% performance related
	Salary fees	Employer's contribution to a retirement benefit scheme	Cash bonus	Non-monetary	Other fees	Incentive plans		
2024								
Directors								
Marco Arosti	HK\$ 2,925,000 AUS 1,778	HK\$ 18,000	—	—	—	—	HK\$ 2,943,000 AUS 1,778	—
Kwan Chan	HK\$ 1,010,625 AUS 18,222	HK\$ 16,500	—	—	—	—	(HK\$81,405) AUS 18,222	—
Yiu Man Lo	AUS 20,000	—	—	—	—	—	AUS 20,000	—
James S. Barrie	— AUS 29,600	—	—	—	—	—	(HK\$81,405) AUS 29,600	—

		Employer's contribution to a retirement benefit scheme	Cash bonus	Non-monetary	Other fees	Incentive plans	Share-based Payments	TOTAL	% performance related
2023	Salary fees								
Directors									
Kwan Chan	HK\$ 1,050,000 AU\$20,000	HK\$ 18,000 –	– –	– –	– –	– –	HK\$204,580 –	HK\$ 1,272,580 AU\$20,000	– –
Yiu Man Lo	– AU\$ 20,000	– –	– –	– –	– –	– –	HK\$204,580 –	HK\$204,580 AU\$ 20,000	– –
James S. Barrie	AU\$ 27,600	–	–	–	–	–	–	AU\$ 27,600	–
Other KMP									
Marco Arosti	HK\$ 2,730,000	HK\$ 18,000	–	–	–	–	–	HK\$ 2,748,000	–

F. Compensation Performance Rights and Options Granted, Exercised, Converted or Lapsed During the Financial Year

No Performance rights were offered to directors in 2024. 33,000 Performance Rights were exercised during the year and 67,000 Performance Rights were forfeited by directors during the same year.

There were no options issued to Directors as part of their remuneration in the past 12 months. There were no compensation options that were exercised or lapsed during the year. There were no compensation options issued or outstanding during 2024 or 2023.

G. Share-based Compensation

The Company may reward Directors for their performance and align their remuneration with the creation of shareholder wealth by issuing performance rights, share options and/or shares.

Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits. No share-based compensation in respect of KMP occurred during the 2024 financial year.

(i) Performance Rights

No Performance rights were offered to directors in 2024.

(ii) Options

There were no options granted to Directors during the financial year, nor were shares issued upon exercise of options. As at the date of this report there are no director options on issue and no options have been exercised.



(iii) Shares

33,000 Shares were issued to directors during the financial year upon conversion of performance rights which were granted in 2023.

(iv) Link to Performance

The Company did not implement any variable remuneration incentive plan for the KMP during the year by issuing performance rights, except for the performance rights mentioned in this section. The Company does not offer any other variable remuneration incentive plans or bonus schemes to KMP.

H. Equity Instruments Issued on Exercise of Remuneration Performance Rights and Options

33,000 Shares were issued to directors during the financial year upon conversion of Performance Rights which were granted in 2023.

I. Other Transactions with KMP and/or their Related Parties

No other transactions with KMP and/or related parties were undertaken during the year ended 31 December 2024, except what has been disclosed on note 34 to the consolidated financial statements.

J. Shareholding of KMP

The number of shares in the Company held by KMP of the Company, including their associated entities at the end of the financial year are as follows:

Company KMPs		Opening Balance	Received During Year on Exercise of Performance Rights	Net Change Other	Closing Balance
Marco Arosti*	CEO/ED	9,800,000	—	—	9,800,000
Yiu Man Lo	NED	—	16,500	—	16,500
James S. Barrie	NED	2,000	—	—	2,000

* Held through fully owned investment vehicle High Noble Investments Limited

Corporate Governance

The Board of Directors of Phoenician International Limited (the "Company" or "PHI") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of PHI on behalf of the shareholders, by whom they are elected and to whom they are accountable.

The Company's corporate governance practices are based on principles and recommendations set out in Corporate Governance Council's Principles and Recommendations (4th edition) issued by the Australian Securities Exchange ("ASX") Corporate Governance Council. Corporate Governance Council's principles are summarised as follows:

Principle 1	Lay solid foundations for management and oversight
Principle 2	Structure the board to be effective and add value
Principle 3	Instill a culture of acting lawfully, ethically and responsibly
Principle 4	Safeguard the integrity of corporate reports
Principle 5	Make timely and balanced disclosure
Principle 6	Respect the rights of security holders
Principle 7	Recognise and manage risk
Principle 8	Remunerate fairly and responsibly

This statement outlines the main corporate governance practices in place during the year ended 31 December 2024, which comply with the ASX Corporate Governance Council recommendations, except where noted.

This Corporate Governance Statement is current as at 31 December 2024 and has been adopted by the Board.

BOARD OF DIRECTORS

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives, and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.

In order to be consistent with these goals, the Board assumes the following responsibilities:

- to develop initiatives for profit and asset growth;
- to review the corporate, commercial and financial performance of the Company on a regular basis;
- to act on behalf of, and being accountable to, the Shareholders; and
- to identify business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.



DIRECTORS' REPORT

COMPOSITION OF THE BOARD

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise persons with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criterion for the appointment of new directors is their ability to add value to the Company and its business.

The Board currently comprises two non-executive directors and one executive director. Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a non-executive director or executive director without constraint from other commitments.

The Directors consider an independent Director to be a non-executive director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Directors

will consider the materiality of any given relationship on a case-by-case basis and reviews the independence of each Director, in light of interests disclosed to the Board from time to time. Messers Lo and Barrie are considered to be independent directors. The length of service of each director is contained in the Directors' Report.

The Company's Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors and has adopted a definition of independence that is based on that set out in the Corporate Governance Council's Principles and Recommendations (4th edition).

The Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its Shareholders generally.

IDENTIFICATION AND MANAGEMENT RISK

The Board's collective experience enables accurate identification of the principal risks that may affect the Group's business. Key operational risks and their management are recurring items for deliberation at Board meetings.

The Board is responsible for overseeing the establishment of and approving risk management strategies, policies, procedures and systems of the Group. The Group's management is responsible for establishing the Group's risk management framework.

The Group regularly undertakes reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer to provide required declarations.



ETHICAL STANDARDS

The Company carries on business honestly and fairly, acting only in ways that reflect well on the Company and in compliance with all laws and regulations.

The Board has adopted a policy document which outlines employees' obligations of compliance with the Code of Conduct and explains how the Code interacts with the Company's other corporate governance policies. The responsibilities incorporated in the Code of Conduct include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

INDEPENDENT PROFESSIONAL ADVICE

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

SECURITIES TRADING POLICY

The Board has adopted a Securities Trading Policy for Directors, senior managers and employees in relation to securities dealings which is appropriate for a company with securities traded on NSX.

Under the Securities Trading Policy, Directors and employees are prohibited from dealing in the Company's securities if they have in their possession information that they know, or ought reasonably to know, is inside information.

The Securities Trading Policy sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

DISCLOSURE POLICY

The Company's disclosure policy is to assist with continuous disclosure obligations of the Australian regimes so as to provide the Company's shareholders, the NSX with timely, direct and equal access to information issued by the Company and to promote investor confidence in the integrity of the Company and therefore to maintain an orderly market in its securities.

EXTERNAL AUDIT

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

AUDIT COMMITTEE

The Audit Committee is comprised of Yiu Man Lo (Chair), Marco Arosti and James S. Barrie (Members).

The Company has adopted an Audit Committee Charter. The Audit Committee assists the Company in meeting its financial reporting obligations and other tasks, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

REMUNERATION & NOMINATION COMMITTEE

The Remuneration Nomination committee is comprised of Yiu Man Lo (Chair), Marco Arosti and James S. Barrie (Members).



DIRECTORS' REPORT

The Board has adopted a Remuneration Committee Charter to assist with remuneration of Directors, executives and key employees. The Company recognises that formal and transparent remuneration and nomination policies assist in promoting understanding and confidence in remuneration and nomination decisions.

The People and Remuneration Nomination Committee's responsibility is to assist the Board in fulfilling its responsibilities for corporate governance and overseeing the Company's people and remuneration strategies and policies. This includes reviewing and making recommendations to the Board on remuneration packages and policies related to the Directors and senior management. In addition, the People and Remuneration Committee is responsible for reviewing and making recommendations in relation to the composition of the Board and ensuring that adequate succession plans are in place. Independent advice will be sought where appropriate.

The Company has established a remuneration policy that states:

- non-executive directors are to receive fees which are determined by the Board within the aggregate limit set by the shareholders at a general meeting; and
- executive directors' remuneration is determined by the Board with reference to current market rates and remuneration paid to executives in comparable listed companies determined by the size and nature of operations.

Remuneration levels are set by the Board in accordance with industry standards to attract suitable qualified and experienced directors and senior management. The process of periodically evaluating the performance of the Board, its committees and individual directors and senior executives is set out in the Company's Process for Performance Evaluations policy. Performance evaluations have been completed for the December 2024 financial year.

In relation to Board nominations, the Committee reviews and makes recommendations to the Board in relation to:

- a. Board succession planning generally;
- b. induction and continuing professional development programs for directors;
- c. the development and implementation of a process for evaluating the performance of the Board, its committees and directors;
- d. the process for recruiting a new director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- e. the appointment and re-election of directors; and
- f. ensuring there are plans in place to manage the succession of senior executives.

DIVERSITY POLICY

The Board has adopted a diversity policy. The Company aims to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.



The Board consists of three male directors. The Company has the following appointments by gender as at 31 December 2024:

Position *	Female	Male	Total
Directors and senior executives**	—	3	3

* Includes personnel who contract their services to the Company

** Senior executives comprise the Chief Executive Officer

ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

There is a zero-tolerance approach to modern slavery both within the Company and within its supply chain. This policy underpins the Company's approach to prevent slavery and human trafficking taking place in any part of the business or supply chains.

To underpin the Company's compliance with practical steps, the Company aims to implement the following:

- conduct risk assessments to determine which parts of our business and which suppliers are most at risk of modern slavery so that efforts can be focused on those areas;
- engage with suppliers both to convey to them the Anti-Slavery and Human Trafficking Policy and to gain an understanding of the measures taken by them to ensure modern slavery is not occurring in their businesses and their supply chain;
- introduce supplier pre-screening (for example as part of our tender process) and self-reporting for suppliers on safeguarding controls; and
- introduce contractual provisions for suppliers to confirm their adherence to this policy and accept the right for the Company to audit their activities and (where practicable) relationships, both routinely and at times of reasonable suspicion.

HEALTH, SAFETY AND ENVIRONMENT (HSE) POLICY

The Company is committed to operating its business in a responsible and appropriate manner, that protects the environment and ensures the safety of its employees and contractors and protects the members of the communities in which it operates.

The purpose of the HSE Policy is to assist the Company and its Directors to monitor and review the health, safety, environmental and sustainable development policies, principles, practices and processes, and monitor and review current and future regulatory issues relating to health, safety, the environment and sustainable development.

The Company is committed to, and the Board will monitor and review the Company's compliance with, the following principles and practices including but not limited to:

- Acknowledging that the management of health, safety, and environmental issues is an integral part of the Company's business, and should be incorporated into business planning and decision making processes.
- Implementing and maintaining a systematic approach to risk management in order to achieve the objectives outlined in the HSE Policy.



- The Company and its subsidiaries complying with all applicable laws and regulations as a minimum standard, and applying responsible standards consistent with the principles and policies outlined in this policy where laws do not exist.
- Working collaboratively and proactively with stakeholders to develop and advance effective approaches to HSE management, and communicating openly on HSE related issues.
- Continuously seeking ways to minimize the impact of the Group's exploration and production activities on the environment.
- Continuously identifying, reporting and evaluating risks, threats, hazards and impacts to company operations that have the potential to adversely affect the environment or the health, safety and security of employees, contractors or the community, and implementing appropriate control and contingency measures to minimise and manage them to a responsible level.
- Monitoring, reviewing and setting targets for ongoing improved HSE performance.
- Committing to employee participation in the Health and Safety process and welcoming the opportunities presented by Employee Forums to expedite the high standards the HSE Policy represents.
- Providing sufficient and competent human resources to manage the Company's HSE commitments.
- Selecting and engaging contractors and suppliers whose HSE management systems are acceptable to the Company and consistent with the principles and policies outlined in the policy.
- Including a HSE performance assessment and requiring a demonstration of continuous commitment to the principles and policies outlined in the policy in the appraisal of the Company's personnel and suppliers.

- Providing training, instruction and supervision to personnel to enable them to attain the knowledge and skill levels necessary to perform their work incident free.
- Committing to re-use waste as much as is economically feasible to minimise the amounts of waste.

RISK MANAGEMENT POLICY

The Company's Risk Management Policy provides a framework to identify, assess, monitor, and manage the risks associated with the Company's business.

In accordance with the Risk Management Policy, the Board assessed the need to form a risk committee in conjunction with the necessity to form an audit committee.

The Risk Management Policy identifies that the Company will regularly consider the following main areas of risk to the Company:

- a. exploration and development;
- b. fluctuating commodity prices and exchange rates;
- c. political and economic climate in its areas of operation; and
- d. continuous disclosure obligations.

The Company adopted an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk. The framework includes financial reporting, continuous disclosure, regular operations reviews and investment appraisals.



ANTI-BRIBERY AND CORRUPTION POLICY

The Company has adopted an anti-bribery and corruption policy to ensure the Company conducts all business fairly, honestly and openly by ensuring compliance with all applicable anti-corruption laws and regulations, and to ensure that the Company conducts business in a socially responsible manner. The policy sets out the responsibilities of the Company, the Board, the Company personnel and the Company's associated persons. The policy specifically addresses facilitation payments or gifts and hospitality, dealings with public officials, political donations, and charitable donations.

WHISTLEBLOWER POLICY

The Company is committed to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance. As part of that commitment, the Company has adopted a Whistleblower Policy.

This Policy is an important tool for helping the Company to identify wrongdoing that may not be uncovered unless there is a safe and secure means for disclosing wrongdoing. The Company encourages those who are aware of possible wrongdoing to report it in accordance with this policy. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.

ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Board is committed to best practice corporate governance. To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council. In light of the Company's size and nature, the Board considers the current board a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

A copy of the Company's Corporate Governance Policies is able to be accessed on the Company's website www.phoeniciangroup.com.

DEPARTURES FROM CORPORATE GOVERNANCE COUNCIL'S RECOMMENDATIONS

The Company will report any departures from the Recommendations in its annual financial report as part of its Corporate Governance Statement.



DIRECTORS' REPORT

The Company's departures from the Recommendations are set out below. A copy of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations is

available at: <http://www.asx.com.au/content/dam/asx/about/corporate-governance-council/cgc-principles-and-recommendations-fourth-edn.pdf>.

Best Practice Recommendation	Nature and Explanation for Departure
1.5 Set measurable objectives for achieving gender diversity in the composition of the entity's board, senior executives and workforce generally and disclose in relation to each reporting period the measurable objectives set for that period to achieve gender diversity and the entity's progress towards achieving those objectives.	The Company's general policy when choosing Employees and Board members is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background.
1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.	The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy. The Company believes that the small size of the executive team and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of senior management and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Mr. Marco Arosti is the Executive Chair of the Company and Chief Executive Officer of the Company. The Company is mindful of the need to have strong independent Board representation and anticipates that as the Company grows and its projects expand it will be appropriate to appoint an independent non-executive as chairman, either from the existing Directors or via a new appointment.
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	The Company is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size and business needs. Under the Company's Audit and Risk Committee Charter, the Audit and Risk Committee is charged with the review of the Company's internal controls and monitoring the need for a formal internal audit function. A copy of the Company's Audit and Risk Committee Charter and the Risk Management Policy is available on the Company's website.

NSX CORPORATE GOVERNANCE POLICIES AND PROCEDURES

The NSX has developed suggested content for corporate governance policies and procedures which is set out on NSX's Practice Note 14 (Practice Note 14). The content outlined in Practice Note 14 is not prescriptive, but is

intended to act as a guideline for listed entities' corporate governance.

The policies and procedures that listed entities may adopt as suggested by Practice Note 14, and the approach adopted by the Company to comply with such guidelines, is listed below:

Suggested content and scope	Company policy
A. Policies and procedures adopted to ensure that the issuer acts according to law, including satisfying its reporting obligations under the Corporations Act 2001 and the Listing Rules.	<p>Code of Conduct</p> <p>The Code of Conduct prescribes standards of ethical behaviour expected from the board, management and employees. All directors, officers, managers and employees are required to meet certain standards of ethical behaviour including acting honestly, in good faith and in the best interests of the Company as a whole, and avoiding conflicts of interest and managing conflicts of interest appropriately if they arise.</p>
	<p>Audit Committee Charter</p> <p>The Board has adopted an Audit Committee Charter which outlines appropriate structures are in place to ensure ongoing compliance with Listing Rules and other regulatory compliance.</p>
B. Policies and procedures adopted to ensure that the Issuer's board acts with due care and diligence and in the interests of shareholders.	<p>Board Charter</p> <p>The Company has adopted a Board Charter which sets out the principles for operation of the Company board of directors. The board is accountable to shareholders for performance of the Company.</p>
	<p>Securities Trading Policy</p> <p>This policy acts as a guide to dealing in the Company's securities. It discusses insider trading provisions and trading restrictions.</p>
C. Policies and procedures adopted to adequately identify and deal with conflicts of interest at board, management and employee levels.	<p>Code of Conduct</p> <p>The Company's Code of Conduct addresses conflicts of interest which may arise in the Company.</p>



Suggested content and scope	Company policy
D. Policies and procedures adopted to protect shareholder interests, including: access to information, voting rights, share of profits, and equitable treatment.	<p>Disclosure Policy</p> <p>The Company has adopted a disclosure policy which addresses the Company's continuous disclosure obligations. It states that the Company has formed policies and procedures to discharge the Company's disclosure requirements to ensure information is released to the market in a timely manner.</p> <p>In terms of shareholder communication, the Company aims, amongst other things, to maintain an up to date website containing all information announced, and operate an email register.</p> <p>Risk Management Policy</p> <p>The Company's risk management policy provides a framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company's risk management is focused on the areas of financial reporting, continuous disclosure (as provided in the disclosure policy), and operations review.</p>
E. Policies and procedures adopted to protect the interests of stakeholders including: employees, creditors and the wider community.	<p>The remuneration of directors is decided by the Board in its capacity as the Remuneration and Nomination Committee. The Remuneration and Nomination Committee is to review and make recommendations and to ensure that the remuneration policies and practices are consistent with the Company's strategic goals and human resources objectives. Refer Code of Conduct in Section A above.</p>



INDEPENDENT AUDITOR'S REPORT



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**TO THE MEMBERS OF
PHOENICIAN INTERNATIONAL LIMITED
(Incorporated in the Cayman Islands with limited liability)**

Opinion

We have audited the consolidated financial statements of Phoenician International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 53 to 106, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

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



INDEPENDENT AUDITOR'S REPORT

Material Uncertainty Relating to Going Concern

We draw attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$115,669,995 during the year ended 31 December 2024 and, as of that date, the Group had net liabilities of HK\$89,431,036. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

1. Impairment assessment of other receivables
2. Impairment assessment of right-of-use assets and prepayments

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of other receivables Refer to notes 4(u), 5(c), 6(c) and 19 to the consolidated financial statements As at 31 December 2024, the Group had other receivables amounted to HK\$2,787,239, net of allowance for expected credit losses ("ECL") of HK\$676,000. For assessing the recoverability of other receivables, the Group has applied general approach in calculating the ECL for other receivables. The measurement of ECL requires estimation of the amount and timing of future cash flows, and the assessment of significant increase in credit risk. The estimations and assumptions applied in the ECL model include (i) the selection of inputs which the Group used in the ECL model including loss given default and probability of default; and (ii) the selection of forward-looking information.	 Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's forward-looking ECL model on impairment assessment of other receivables. Our audit procedures included: We understood and evaluated the key control procedures over management's impairment assessment of other receivables, and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and uncertainty. We assessed the appropriateness of the ECL provisioning methodology and discussed with management to understand the management's identification of significant increase in credit risk, defaults and credit-impaired receivables, corroborated management's explanation with supporting evidence.



Key Audit Matters (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of other receivables (cont'd) We focused on this area due to the inherent risk in relation to the impairment assessment of other receivables under the ECL model is considered significant due to significant management judgements and estimates involved in determining the collectability of other receivables and selecting data for the calculation of loss allowance.	<p>We assessed the reasonableness of key assumptions, including probability of default rate and loss given default rate for ECL, with assistance of our external valuation expert.</p> <p>We evaluated whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information.</p> <p>We reviewed the appropriateness of the disclosure in the consolidated financial statements.</p>



INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of right-of-use assets and prepayments	Our audit procedures were designed to challenge the assumptions and critical judgements of the Group's valuation model on impairment assessment of right-of-use assets and prepayments. Our audit procedures included:
Refer to notes 4(t), 5(b), 17 and 19 to the consolidated financial statements	
As at 31 December 2024, the Group had right-of-use assets and prepayments of HK\$4,006,742 and HK\$4,373,872 (before impairment losses respectively).	We understood management's processes of impairment assessments of right-of-use assets and prepayments and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors.
Given the Group was loss making for the year, there is a risk that the carrying amounts of these assets are higher than their recoverable amounts.	We understood and evaluated management's control procedures in relation to the impairment assessment.
The recoverable amount is determined based on value in use calculation. The calculation uses cash flow projections derived from financial budgets with key assumptions, which involve significant management judgement and estimation.	We reviewed management's assessment of the indications of impairment.
Full impairment losses were made for right-of-use assets and prepayments to reduce their carrying amounts to their recoverable amounts of HK\$Nil.	We challenged the reasonableness of management's key assumptions underlying the cash flow forecasts in the valuation model, with reference to the historical budgets and performance of the cash-generating unit and the reasons for any deviations, our understanding of the business and independent market data.
The impairment assessment of right-of-use assets and prepayments is our area of focus given it is subject to significant management judgement and estimation which are subjective.	We reviewed the appropriateness of the valuation approach and methodology, the accuracy of the calculations in the valuation model, and the reasonableness of the components comprising the discount rate compared to independent market data, with assistance of our external valuation expert.
	We reviewed the appropriateness of the disclosure in the consolidated financial statements.



Other Information

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.



INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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



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

(CONTINUED)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ms. Leung Wan Yi Winnie.



RSM Hong Kong
Certified Public Accountants

7 March 2025



DIRECTORS' DECLARATION

The directors of Phoenician International Limited (the "Company") declare that:

1. The consolidated financial statements and notes for the year ended 31 December 2024 as set out on pages 53 to 106,
 - a. are in accordance with IFRS Accounting Standards; and
 - b. give a true and fair view of the consolidated financial position of the Company and its subsidiaries (the "Group") as at 31 December 2024 and of its consolidated financial performance for the year then ended.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr. Marco Arosti, Executive Chair
Hong Kong, 7 March 2025



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 HK\$	2023 HK\$
Revenue	8	113,686	5,968,967
Other income - interest income		17,388	18,779
Other gains and losses	9	(85,686,785)	(174,748,410)
(Allowance)/reversal of allowance for expected credit losses on trade, client and other receivables		(1,329,787)	3,680,000
Impairment losses on right-of-use assets and prepayments		(8,380,614)	—
Administrative and other operating expenses		(15,557,285)	(13,727,861)
Loss from operations		(110,823,397)	(178,808,525)
Finance costs - loan interest	26	(4,846,598)	(4,362,232)
Loss before tax		(115,669,995)	(183,170,757)
Income tax expense	11	—	—
Loss for the year	12	(115,669,995)	(183,170,757)
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		(115,669,995)	(183,170,757)
Attributable to:			
Owners of the Company		(115,669,995)	(183,170,757)
Loss per share	15		
Basic		(1.10)	(1.74)
Diluted		(1.10)	(1.74)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 HK\$	2023 HK\$
Non-current assets			
Property, plant and equipment	16	—	—
Right-of-use assets	17	—	6,200,000
Prepayments	19	—	4,150,333
		—	10,350,333
Current assets			
Trade and client receivables	20	101,669	3,032,640
Other receivables and prepayments	19	2,787,239	5,709,025
Deposits		105,000	105,000
Financial assets at fair value through profit or loss	21	18,238,769	103,774,011
Bank and cash balances	22	2,884,478	22,873,425
		24,117,155	135,494,101
Current liabilities			
Contract liabilities	23	1,646,260	—
Trade and client payables	24	782,259	17,478,730
Accruals and other payables	25	1,328,706	1,291,217
Unsecured loan	26	—	100,811,488
		3,757,225	119,581,435
Net current assets		20,359,930	15,912,666
Total assets less current liabilities		20,359,930	26,262,999
Non-current liabilities			
Unsecured loan	26	109,790,966	—
NET (LIABILITIES)/ASSETS		(89,431,036)	26,262,999
Capital and reserves			
Share capital	27	86	86
Reserves	29	(89,431,122)	26,262,913
(CAPITAL DEFICIENCY)/TOTAL EQUITY		(89,431,036)	26,262,999

Approved by the Board of Directors on 7 March 2025 and are signed on its behalf by:



Mr. Marco Arosti



Mr. Yiu Man Lo



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital HK\$	Share premium account HK\$	Share-based payments reserve HK\$	Retained profits/ (accumulated losses) HK\$	Total HK\$
At 1 January 2023	86	25,091,937	—	183,029,817	208,121,840
Total comprehensive income for the year	—	—	—	(183,170,757)	(183,170,757)
Share-based payments (note 31)	—	—	1,311,916	—	1,311,916
At 31 December 2023 and 1 January 2024	86	25,091,937	1,311,916	(140,940)	26,262,999
Total comprehensive income for the year	—	—	—	(115,669,995)	(115,669,995)
Share-based payments (note 31)	—	—	(24,040)	—	(24,040)
Vesting of shares under share award scheme	—	1,089,909	(1,089,909)	—	—
At 31 December 2024	86	26,181,846	197,967	(115,810,935)	(89,431,036)



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 HK\$	2023 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(115,669,995)	(183,170,757)
Adjustments for:			
Interest income		(17,388)	(18,779)
Depreciation of right-of-use assets	17	2,193,258	1,000,000
Equity settled share-based payments	31	(24,040)	1,311,916
Fair value losses on financial assets at fair value through profit or loss	9	85,341,049	173,969,980
Allowance/(reversal of allowance) for expected credit losses on trade, client and other receivables		1,329,787	(3,680,000)
Impairment losses on right-of-use assets and prepayments		8,380,614	—
Finance costs		4,846,598	4,362,232
Operating loss before working capital changes		(13,620,117)	(6,225,408)
Decrease in trade and client receivables		1,531,651	1,835,493
Decrease in other receivables and prepayments		2,767,780	1,567,550
Decrease in financial assets at fair value through profit or loss		194,193	93,527
Decrease/(increase) in client trust monies		16,737,864	(13,582,298)
Increase in contract liabilities		1,646,260	—
(Decrease)/increase in trade and client payables		(16,696,471)	9,424,424
Increase in accruals and other payables		37,489	19,376
Net cash used in operating activities		(7,401,351)	(6,867,336)
CASH FLOW FROM INVESTING ACTIVITY			
Interest received and net cash generated from investing activity		17,388	18,779
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of unsecured loan		(3,700,000)	(43,400)
Raised from unsecured loan		7,832,880	7,310,000
Net cash generated from financing activities		4,132,880	7,266,600
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(3,251,083)	418,043
CASH AND CASH EQUIVALENTS AT 1 JANUARY			
		5,394,682	4,976,639
CASH AND CASH EQUIVALENTS AT 31 DECEMBER			
		2,143,599	5,394,682
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances		2,884,478	22,873,425
Less: Client trust monies	22	(740,879)	(17,478,743)
		2,143,599	5,394,682



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Phoenician International Limited (the "Company") was incorporated in the Cayman Islands with limited liability. The address of its registered office is Harbour Place, 2nd Floor, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands. The Company's shares are listed on National Stock Exchange of Australia Limited (the "NSX").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 18 to the consolidated financial statements.

In the opinion of the directors of the Company, Zurich Capital Partners Limited, a company incorporated in Hong Kong, is the immediate and ultimate parent and Mr. Mauricio Castroparedes Merino is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards"). IFRS Accounting Standards comprise IFRS Accounting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations developed by the IFRS Interpretations Committee.

The IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Group incurred a net loss of HK\$115,669,995 during the year ended 31 December 2024 and, as of that date, the Group had net liabilities of HK\$89,431,036. In addition, the Group had bank and cash balances (net of client trust monies) of HK\$2,143,599, while the outstanding unsecured loan amounted to HK\$109,790,966.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.



2. BASIS OF PREPARATION (CONTINUED)

Nevertheless, the directors of the Company had adopted the going concern basis in the preparation of these consolidated financial statements of the Group based on the measures including but not limited to the following:

- (a) On 16 December 2024, the Group entered into an agreement with a non-controlling shareholder to extend the maturity date of the outstanding unsecured loan for further 4 years with immediate effect. The maturity date of the unsecured loan is extended to 31 December 2028; and
- (b) The Group has available unutilised facilities of HK\$40,209,034 as at 31 December 2024.

The directors of the Company have estimated the Group's cash requirements by the preparation of a Group cashflow forecast for the 18 months ending 30 June 2026. The directors of the Company are of the opinion that the Group has sufficient working capital for its present requirements, that is for 18 months ending 30 June 2026. Accordingly, the directors of the Company are of the view that it is appropriate to adopt the going concern basis in preparing these consolidated financial statements.

Notwithstanding, material uncertainty exists as to whether the Group will be able to continue as a going concern would depend upon whether the Group can further utilise from the available facilities provided by the non-controlling shareholder as and when needed.

Should the Group be unable to operate as a going concern in the foreseeable future, adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current liabilities as current liabilities. The effect of these adjustments has not been reflected in these consolidated financial statements.



3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

(a) Application of new and revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants

Adoption of Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" and Amendments to IAS 1 "Non-current Liabilities with Covenants" (collectively the "IAS 1 Amendments")

As a result of the adoption of the IAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

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

"Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustments as a result of adopting IAS 1 Amendments.



3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

(b) New and revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new standards and amendments to standards, which are not effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 - Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

The directors of the Company are in the process of making an assessment of what the impacts of these new standards and amendments to standards are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss and other comprehensive income, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss and other comprehensive income, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.



3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS (CONTINUED)

(b) New and revised IFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to IAS 21 "Lack of Exchangeability"

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity estimates the spot exchange rate when a currency is not exchangeable. In addition, the amendments require disclosure of information that enables users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.



4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

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

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

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

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

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



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Separate financial statements

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss. Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Foreign currency translation

(i) Functional and presentation currency

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

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

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

(d) Property, plant and equipment

Property, plant and equipment held for use in the supply of services, or for administrative purposes are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Property, plant and equipment (Continued)

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

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

Leasehold improvements	Over the term of the lease
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The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

(g) Recognition and derecognition of financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified as amortised cost, if the investment is held for the collection of contractual cash flows which represent SPPI. Interest income from the investment is calculated using the effective interest method.

Equity investments

An investment in equity securities is classified as FVTPL. Dividends from an investment in equity securities are recognised in profit or loss as other income.

(i) Trade, client and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade and client receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and client receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses ("ECL").



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Financial liabilities and equity instruments

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

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(m) Trade, client and other payables

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

(n) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(o) Revenue and other income

Revenue is recognised when service is rendered to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Revenue and other income (Continued)

Corporate advisory fees income, consultancy fees income, investment advisory fees income and investment management fees income are recognised over time as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

Commission fees income is recognised at the point in time when the services are rendered to the customers.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

(p) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

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

For long service payment ("LSP") obligation, the Group accounts for the employer mandatory provident fund ("MPF") contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of IAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

(iii) Termination benefits

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



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

(r) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

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



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) Taxation (Continued)

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

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

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

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

(t) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss and other comprehensive income to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated pro rata amongst the assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets

The Group recognises a loss allowance for ECL on trade, client and other receivables and bank and cash balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade and client receivables. The ECL on these financial assets are assessed individually. The assessment is based on the internal credit ratings, ageing, repayment history and/or past due status of the respective customers.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade and client receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.



4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

(w) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon whether the Group can further utilise from the available facilities provided by the non-controlling shareholder as and when needed. Details are explained in note 2 to the consolidated financial statements.

(b) Significant increase in credit risk

As explained in note 4, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Key sources of estimation uncertainty

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

(a) Deferred tax assets

No deferred tax asset has been recognised on the tax losses of approximately HK\$14,223,000 (2023: HK\$5,231,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such recognition takes place.



5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(b) Impairment of right-of-use assets and prepayments

In determining whether right-of-use assets and prepayments are impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Changing the assumptions and estimates, including the estimated revenue or the discount rates in the cash flow projections, could materially affect the recoverable amounts.

The carrying amounts of right-of-use assets and prepayments as at 31 December 2024 were HK\$Nil (2023: HK\$6,200,000) and HK\$Nil (2023: HK\$6,752,564) respectively.

(c) Impairment of trade, client and other receivables

The Group uses practical expedient in estimating ECL on trade, client and other receivables individually. The provision rates are based on the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade, client and other receivables are disclosed in note 6(c).

As at 31 December 2024, the carrying amount of trade, client and other receivables was HK\$2,888,908 (net of allowance for ECL of HK\$2,075,320) (2023: HK\$6,139,434 (net of allowance for ECL of HK\$820,000)).



6. FINANCIAL RISK MANAGEMENT

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

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, Australian dollars ("AUD"), British pound ("GBP") and United States dollars ("USD"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise. The directors do not expect significant foreign currency risk arising from USD denominated items in view of the Hong Kong dollar pegged system to the USD.

At 31 December 2024, if the Hong Kong dollar had weakened 5 per cent against the AUD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$140,000 (2023: HK\$181,000) lower, arising mainly as a result of the foreign exchange gains on other receivables and bank balances denominated in AUD. If the Hong Kong dollar had strengthened 5 per cent against the AUD with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$140,000 (2023: HK\$181,000) higher, arising mainly as a result of the foreign exchange losses on other receivables and bank balances denominated in AUD.

At 31 December 2024, if the Hong Kong dollar had weakened 5 per cent against the GBP with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$932,000 (2023: HK\$5,197,000) lower, arising mainly as a result of the foreign exchange gains on financial assets at FVTPL and bank balances denominated in GBP. If the Hong Kong dollar had strengthened 5 per cent against the GBP with all other variables held constant, consolidated loss after tax for the year would have been approximately HK\$932,000 (2023: HK\$5,197,000) higher, arising mainly as a result of the foreign exchange losses on financial assets at FVTPL and bank balances denominated in GBP.

(b) Price risk

The Group is exposed to equity price risk mainly through its investment in equity securities. The Group's equity price risk is mainly concentrated on equity securities quoted on The London Stock Exchange ("LSE").

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% higher/lower (2023: 10% higher/lower), consolidated loss after tax for the year ended 31 December 2024 would decrease/increase by approximately HK\$1,824,000 (2023: HK\$10,377,000). This is mainly due to the changes in fair value of held-for-trading investments.



6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and client receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Trade and client receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade and client receivables are due from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's concentration of credit risk by geographical locations is mainly in Lebanon (2023: Australia), which accounted for 85% (2023: 100%) of the total trade and client receivables as at 31 December 2024. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate loss allowance is made for irrecoverable amounts on trade and client receivables. ECL on trade and client receivables are assessed individually. The assessment is based on the internal credit ratings, ageing, repayment history and/or past due status of the respective customers.

Movement in the loss allowance for trade and client receivables during the year is as follows:

	2024 HK\$	2023 HK\$
At 1 January	—	—
Allowance for ECL for the year	1,399,320	—
At 31 December	1,399,320	—



6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit risk (Continued)

Other receivables

The other receivables mainly consist of receivables from various brokers. The directors of the Company consider the probability of default upon initial recognition of other receivables and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Especially the following indicators are incorporated:

- (i) actual or expected significant adverse change in business, financial economic conditions that are expected to cause a significant change to a Cayman broker's ability to meet its obligations; and
- (ii) significant changes in the expected performance and behaviour of the Cayman broker, including changes in the payment status of the Cayman broker.

The Group has applied general approach in calculating the ECL for other receivables. The management considers the credit risk on the receivables from a Cayman broker (which is a non-controlling shareholder of the Company) of HK\$3,135,717 (2023: HK\$3,470,433) (note 19(a)) after considering its financial conditions and concludes that there is no significant increase in credit risk, and the ECL is limited to 12-month ECL. Management has estimated the ECL for receivables from the Cayman broker with reference to Moody's study: default rate of 35.39% (2023: 34.50%) and recovery rate of 38.20% (2023: 38.50%) after considering the current economic environment and the forward-looking economic factors.

Movement in the loss allowance for other receivables during the year is as follows:

	2024 HK\$	2023 HK\$
At 1 January	820,000	4,500,000
Reversals	(69,533)	(3,680,000)
Exchange differences	(74,467)	—
At 31 December	676,000	820,000



6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the directors of the Company when the borrowing exceed certain predetermined level of authority.

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

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

	Less than 1 year HK\$	Between 1 and 2 years HK\$	Between 2 and 5 years HK\$	Total HK\$
At 31 December 2024				
Trade and client payables	782,259	—	—	782,259
Accruals and other payables	1,328,706	—	—	1,328,706
Unsecured loan	—	—	131,932,968	131,932,968
At 31 December 2023				
Trade and client payables	17,478,730	—	—	17,478,730
Accruals and other payables	1,291,217	—	—	1,291,217
Unsecured loan	105,549,628	—	—	105,549,628

(e) Interest rate risk

The Group's unsecured loan bears interest at a fixed interest rate and therefore is subject to fair value interest rate risks.



6. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Categories of financial instruments at 31 December

	2024 HK\$	2023 HK\$
Financial assets:		
Financial assets at FVTPL:		
Mandatorily measured at FVTPL - Held for trading	18,238,769	103,774,011
Financial assets at amortised cost	5,878,386	29,117,859
Financial liabilities:		
Financial liabilities at amortised cost	111,901,931	119,581,435

(g) Fair values

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

7. FAIR VALUE MEASUREMENTS

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

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

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

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



7. FAIR VALUE MEASUREMENTS (CONTINUED)

Disclosures of level in fair value hierarchy at 31 December:

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	2024
	HK\$	HK\$	HK\$	HK\$
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTPL				
Listed equity securities	18,238,769	—	—	18,238,769

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	2023
	HK\$	HK\$	HK\$	HK\$
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTPL				
Listed equity securities	103,774,011	—	—	103,774,011



8. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines for the year is as follows:

	2024 HK\$	2023 HK\$
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service lines		
- Corporate advisory fees (note (a))	—	2,808,000
- Consultancy fees (note (a))	—	2,798,640
- Commission fees (note (b))	26,886	275,527
- Investment advisory fees (note (c))	40,000	40,000
- Investment management fees (note (c))	46,800	46,800
	113,686	5,968,967

Notes:

- (a) No corporate advisory fees and consultancy fees were received from an investee company (note 21) in respect of financial advisory and consulting services provided respectively (2023: HK\$2,808,000 and HK\$2,798,640).
- (b) Included in commission fees were amounts totalling HK\$9,281 (2023: HK\$179,601) received from non-controlling shareholders of the Company.
- (c) No investment advisory fees and investment management fees were received from a non-controlling shareholder of the Company (2023: HK\$65,100).



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8. REVENUE (CONTINUED)

Disaggregation of revenue (Continued)

The Group derives revenue from the rendering of services over time and at a point in time in the following major service lines and geographical regions:

For the year ended 31 December	Corporate advisory fees		Consultancy fees		Commission fees		Investment advisory fees		Investment management fees		Total	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Primary geographical markets												
- Hong Kong	-	-	-	-	26,886	275,527	-	-	-	-	26,886	275,527
- Australia	-	2,808,000	-	2,798,640	-	-	-	-	-	-	-	5,606,640
- Others	-	-	-	-	-	-	40,000	40,000	46,800	46,800	86,800	86,800
	-	2,808,000	-	2,798,640	26,886	275,527	40,000	40,000	46,800	46,800	113,686	5,968,967
Timing of revenue recognition												
Services transferred at a point in time	-	-	-	-	26,886	275,527	-	-	-	-	26,886	275,527
Services transferred over time	-	2,808,000	-	2,798,640	-	-	40,000	40,000	46,800	46,800	86,800	5,693,440
	-	2,808,000	-	2,798,640	26,886	275,527	40,000	40,000	46,800	46,800	113,686	5,968,967

9. OTHER GAINS AND LOSSES

	2024 HK\$	2023 HK\$
Fair value losses on financial assets at FVTPL (note)	85,341,049	173,969,980
Net foreign exchange losses except gains/losses arising from financial assets at FVTPL	345,736	778,430
	85,686,785	174,748,410

Note:

Fair value losses on financial assets at FVTPL include foreign exchange losses of HK\$258,578 (2023: gains of HK\$4,537,160) arising from the re-translation of balances in foreign currencies at fair value.

10. SEGMENT INFORMATION

The chief operating decision maker has been identified as the directors of the Company. The directors review the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services provided to external customers. The Group has identified three reportable segments as follows:

- Wealth management

– The wealth management unit is specialised in advising private and institutional clients to preserve and manage their wealth and achieve their financial goals.
- Investment management

– The investment management unit manages discretionary accounts on behalf of the institutional and private clients to capture global investment opportunities leveraging on both the investment professionals and external investment managers.
- Investment banking

– The investment banking unit advises corporate clients on complex international transactions and global private and public fundraisings and provides sales, trading, brokerage and research services to institutional and private clients.

The Group's reportable segments are strategic business units that offer different services. They are managed separately because each business requires different marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements.



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10. SEGMENT INFORMATION (CONTINUED)

Information about operating segment profit or loss, assets and liabilities:

	Wealth management HK\$	Investment management HK\$	Investment banking HK\$	Total HK\$
Year ended 31 December 2024				
Revenue	40,000	46,800	26,886	113,686
Segment loss	19,792,899	54,455,293	41,421,803	115,669,995
Interest income	281	2,055	15,052	17,388
Finance costs	800,205	2,211,382	1,835,011	4,846,598
Depreciation	364,364	1,030,967	797,927	2,193,258
Other material expense:				
Staff costs	840,707	2,357,998	1,846,870	5,045,575
Other material non-cash items:				
Allowance for ECL on trade and client receivables	—	—	1,399,320	1,399,320
Reversal of allowance for ECL on other receivables	—	69,533	—	69,533
Fair value losses on financial assets at FVTPL	15,017,861	45,177,478	25,145,710	85,341,049
Impairment loss on right-of-use assets	703,985	504,622	2,798,135	4,006,742
Impairment loss on prepayments	768,489	549,818	3,055,565	4,373,872
As at 31 December 2024				
Segment assets	4,021,158	2,593,714	17,502,283	24,117,155
Segment liabilities	19,522,981	349,485	93,675,725	113,548,191
Year ended 31 December 2023				
Revenue	40,000	46,800	5,882,167	5,968,967
Segment loss	33,246,237	109,133,214	40,791,306	183,170,757
Interest income	223	1,436	17,120	18,779
Finance costs	774,181	2,550,203	1,037,848	4,362,232
Depreciation	177,474	584,610	237,916	1,000,000
Other material expense:				
Staff costs	965,261	4,309,412	1,294,004	6,568,677
Other material non-cash items:				
Reversal of allowance for ECL on other receivables	—	3,680,000	—	3,680,000
Fair value losses on financial assets at FVTPL	30,534,781	101,865,406	41,569,793	173,969,980
Additions to segment non-current assets	2,014,658	6,635,415	2,700,260	11,350,333
As at 31 December 2023				
Segment assets	21,305,725	71,062,003	53,476,706	145,844,434
Segment liabilities	18,136,440	59,442,019	42,002,976	119,581,435

10. SEGMENT INFORMATION (CONTINUED)

Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2024 HK\$	2023 HK\$	2024 HK\$	2023 HK\$
Hong Kong	26,886	275,527	—	—
People's Republic of China except Hong Kong	—	—	—	10,350,333
Australia	—	5,606,640	—	—
Others	86,800	86,800	—	—
	113,686	5,968,967	—	10,350,333

Revenue from major customers:

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follows:

	2024 HK\$	2023 HK\$
Wealth and investment management segments		
Customer a	86,800	86,800
Investment banking segment		
Customer b	—	5,606,640



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FOR THE YEAR ENDED 31 DECEMBER 2024

11. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and Australia, the Company is not subject to any income taxes in the Cayman Islands and Australia.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has no assessable profit for the year.

The reconciliation between the income tax expense and the product of loss before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	2024 HK\$	2023 HK\$
Loss before tax	(115,669,995)	(183,170,757)
Tax at the Hong Kong Profits Tax rate of 16.5%	(19,085,549)	(30,223,175)
Tax effect of income that is not taxable	(14,342)	(3,098)
Tax effect of expenses that are not deductible	16,496,639	30,251,712
Tax effect of temporary differences not recognised	1,119,608	(6,600)
Tax effect of utilisation of tax losses not previously recognised	—	(220,990)
Tax effect of tax losses not recognised	1,483,644	202,151
Income tax expense	—	—

At the end of the reporting period the Group has unused tax losses of approximately HK\$14,223,000 (2023: HK\$5,231,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.



12. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2024 HK\$	2023 HK\$
Auditor's remuneration		
– Audit services	620,000	620,000
– Non-audit services	250,000	250,000
Consultancy service fees paid to a non-controlling shareholder	870,000	870,000
Depreciation of right-of-use assets	720,000	720,000
Equity-settled share-based payments to a consultant which is a non-controlling shareholder	2,193,258	1,000,000
Impairment losses on right-of-use assets and prepayments	301,581	493,596
Allowance for ECL on trade and client receivables	8,380,614	–
Reversal of allowance for ECL on other receivables	1,399,320	–
	(69,533)	(3,680,000)

13. EMPLOYEE BENEFITS EXPENSE

	2024 HK\$	2023 HK\$
Employee benefits expense:		
Salaries, bonuses and allowances	5,307,089	5,667,195
Equity-settled share-based payments	(325,621)	818,320
Retirement benefit - defined contribution plans	64,107	83,162
	5,045,575	6,568,677

14. DIVIDEND

The directors do not recommend the payment of a dividend.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	2024 HK\$	2023 HK\$
Loss		
Loss for the purpose of calculating basic and diluted loss per share	(115,669,995)	(183,170,757)

	2024 HK\$	2023 HK\$
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	105,105,529	105,000,000

The 40,000 (2023: 320,000) share awards granted and remaining unexercised are not included in the calculation of diluted loss per share because they are anti-dilutive for the year ended 31 December 2024 (2023: same).

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$
Cost	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,000,000
Accumulated depreciation	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,000,000
Carrying amount	
At 31 December 2024	—
At 31 December 2023	—



17. RIGHT-OF-USE ASSETS

	Leased property HK\$
At 1 January 2023	—
Additions	7,200,000
Depreciation	(1,000,000)
At 31 December 2023 and 1 January 2024	6,200,000
Depreciation	(2,193,258)
Impairment	(4,006,742)
At 31 December 2024	—

The lease agreements do not impose any covenants in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2024 HK\$	2023 HK\$
Depreciation of right-of-use assets	2,193,258	1,000,000

In 2023, the Group leased an office premise for its operations in Beijing. A sub-lease contract was entered into for a fixed term of 3 years. The 3-year lease rental amount to HK\$7,200,000 was settled in advance during the year ended 31 December 2023 by transferring the same amount from other receivables from a Cayman broker (note 19(a)). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The operations in Beijing are considered to be three separate cash-generating units, consistent with the reporting segments stated in note 10. In view of the unsatisfactory financial performance of the Group, the Group conducted an impairment assessment for its right-of-use assets and prepayments. The recoverable amounts of right-of-use assets and prepayments are determined based on value-in-use. During the year ended 31 December 2024, impairment losses of HK\$8,380,614 were recognised, of which HK\$4,006,742 and HK\$4,373,872 were recognised in right-of-use assets and prepayments respectively. Accordingly, the carrying amounts of right-of-use assets and prepayments were written down to their recoverable amounts of HK\$Nil. The discount rate used was 11.28%.



18. INVESTMENTS IN SUBSIDIARIES

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

Name	Country of incorporation/Kind of legal entity	Particular of issued share capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities
			Direct	Indirect	
Phoenician Limited	Hong Kong/Limited liability company	42,211,978 ordinary shares	100%	—	Provision of asset management services
Phoenician Advisory Services Limited	Hong Kong/Limited liability company	5,000,000 ordinary shares	100%	—	Provision of advisory services
Phoenician Securities Limited	Hong Kong/Limited liability company	145,170,604 ordinary shares	100%	—	Provision of securities dealing services
Phoenician Services Limited	Hong Kong/Limited liability company	1 ordinary share	100%	—	Provision of professional services

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

19. OTHER RECEIVABLES AND PREPAYMENTS

	2024 HK\$	2023 HK\$
Receivable from a Cayman broker (note (a))	3,135,717	3,470,433
Less: Allowance for ECL	(676,000)	(820,000)
	2,459,717	2,650,433
Receivables from other brokers	327,522	456,361
	2,787,239	3,106,794
Prepayments (note (b))	4,373,872	6,752,564
Less: Impairment losses	(4,373,872)	—
	—	6,752,564
	2,787,239	9,859,358
Analysed as:		
Current assets	2,787,239	5,709,025
Non-current assets	—	4,150,333
	2,787,239	9,859,358

19. OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

The carrying amounts of the Group's other receivables and prepayments are denominated in the following currencies:

	2024 HK\$	2023 HK\$
AUD	2,494,014	2,688,391
GBP	56,146	—
USD	—	21,731
Hong Kong dollars	237,079	7,149,236
	2,787,239	9,859,358

Notes:

- (a) The receivable from a Cayman broker, which is a non-controlling shareholder of the Company, represented the remaining proceeds received from issue of the Company's shares during the year ended 31 December 2022, after the payment of operating expenses and partial repayment of the unsecured loan. The Cayman broker is an Excluded Person registered in accordance with the Securities Investment Business Law (2004 Revision) of the Cayman Islands from the Cayman Islands Monetary Authority ("CIMA") and is exempted from obtaining a licence from CIMA to conduct securities investment business.
- (b) In 2023, the Group entered into a comprehensive service agreement and an assignment agreement for IT services, management services, utilities and assignment of employees. Both agreements are with fixed term of 3 years. These 3-year service fees totalling HK\$7,800,000 were settled in advance during the year ended 31 December 2023 by transferring the same amount from other receivables from a Cayman broker (note 19(a)). For details of the impairment assessment, refer to note 17.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20. TRADE AND CLIENT RECEIVABLES

	2024 HK\$	2023 HK\$
Trade and client receivables	1,500,989	3,032,640
Less: Allowance for ECL	(1,399,320)	—
	101,669	3,032,640

Included in trade and client receivables was an amount due from a non-controlling shareholder of HK\$14,869 (2023: HK\$Nil).

The aging analysis of trade and client receivables, based on the invoice date, and net of allowance, is as follows:

	2024 HK\$	2023 HK\$
0 to 90 days	36,569	3,032,640
91 to 180 days	21,700	—
181 to 365 days	43,400	—
	101,669	3,032,640

The carrying amounts of the Group's trade and client receivables are denominated in the following currencies:

	2024 HK\$	2023 HK\$
GBP	14,869	—
USD	—	3,032,640
Hong Kong dollars	86,800	—
	101,669	3,032,640



21. FINANCIAL ASSETS AT FVTPL

	2024 HK\$	2023 HK\$
Equity securities, at fair value Listed outside Hong Kong	18,238,769	103,774,011

The carrying amounts of the above financial assets are mandatorily measured at FVTPL in accordance with IFRS 9.

Included in the financial assets at FVTPL was investment with carrying value of HK\$18,238,769 (2023: HK\$103,554,520) in a listed company, the shares of which are dual listed on the NSX and LSE (the "Shares"). As at 31 December 2024, the Group held 13.55% (2023: 13.63%) interest in this listed company. The fair values of the Shares are based on current bid prices of LSE, in which the directors considered LSE to be the principal market of trading of these listed securities.

The fair values of other listed securities are based on current bid prices.

The investments offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate.

The fair values of the Group's financial assets at FVTPL are denominated in the following currencies:

	2024 HK\$	2023 HK\$
AUD	—	219,491
GBP	18,238,769	103,554,520
	18,238,769	103,774,011



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

22. BANK AND CASH BALANCES

The carrying amounts of the Group's bank and cash balances are denominated in the following currencies:

	2024 HK\$	2023 HK\$
AUD	732,661	1,187,340
GBP	538,545	17,034,794
USD	23,178	119,017
Hong Kong dollars	1,526,753	4,465,549
Euro	61,416	66,725
Renminbi	213	—
Swiss Franc	1,712	—
	2,884,478	22,873,425

As at 31 December 2024, the Group held client trust monies of HK\$740,879 (2023: HK\$17,478,743) in segregated bank accounts.

23. CONTRACT LIABILITIES

	2024 HK\$	2023 HK\$
Billing in advance of performance obligation of agency service	1,646,260	—

Contract liabilities relating to agency service are received from a customer under a service contract.

Movements in contract liabilities:

	2024 HK\$	2023 HK\$
At 1 January	—	—
Increase in contract liabilities as a result of billing in advance of agency service	1,646,260	—
At 31 December	1,646,260	—



24. TRADE AND CLIENT PAYABLES

	2024 HK\$	2023 HK\$
Trade and client payables	782,259	17,478,730

The aging analysis of trade and client payables, based on the invoice date, is as follows:

	2024 HK\$	2023 HK\$
0 to 90 days	782,259	17,478,730

The carrying amounts of the Group's trade and client payables are denominated in the following currencies:

	2024 HK\$	2023 HK\$
AUD	328,947	364,027
GBP	215,839	16,658,981
Hong Kong dollars	190,312	405,177
Euro	47,161	50,545
	782,259	17,478,730

25. ACCRUALS AND OTHER PAYABLES

Included in accruals and other payables were amounts due to a non-controlling shareholder and directors of HK\$540,000 (2023: HK\$180,000) and HK\$70,250 (2023: HK\$79,737) respectively.

The amounts due to a non-controlling shareholder and directors are unsecured, interest-free and have no fixed repayment terms.

26. UNSECURED LOAN

The unsecured loan represents a borrowing from a non-controlling shareholder of the Company. It is interest-bearing at 4.7% (2023: 4.7%) per annum and repayable on 31 December 2028 (2023: 31 December 2024).

The carrying amount of the Group's unsecured loan is denominated in Hong Kong dollars.

During the year, the Group incurred loan interest of HK\$4,846,598 (2023: HK\$4,362,232).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

27. SHARE CAPITAL

	2024		2023	
	Number of shares	Amount US\$	Number of shares	Amount US\$
Authorised ordinary shares of US\$0.0000001 each:				
At 1 January and 31 December	1,000,000,000	100	1,000,000,000	100
Issued and fully paid ordinary shares:				
At 1 January	105,000,000	11	105,000,000	11
Vesting of shares under share award scheme (note)	146,000	—	—	—
At 31 December	105,146,000	11	105,000,000	11
Equivalent to		HK\$86		HK\$86

Note:

The Company issued 106,000 and 40,000 ordinary shares for shares vesting under a share award scheme "2023 Stock Incentive Plan" (note 31) in January and December 2024 respectively.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The externally imposed capital requirements for the Group are to maintain its listing on the NSX it has to have a public float of at least 25% of the shares.

The Group receives a report from the share registrars on request regarding the substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2024, 32.27% (2023: 32.19%) of the shares were in public hands.



28. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2024 HK\$	2023 HK\$
Non-current assets			
Investments in subsidiaries		24,583,209	46,637,751
Current assets			
Other receivables and prepayments		2,461,448	2,672,164
Due from subsidiaries		—	5,394,370
Financial assets at FVTPL		—	60,667,282
Bank and cash balances		85,466	143,304
		2,546,914	68,877,120
Current liabilities			
Accruals and other payables		349,485	371,996
Due to subsidiaries		11,981,162	8,361,162
Unsecured loan		—	100,811,488
		12,330,647	109,544,646
Net current liabilities		(9,783,733)	(40,667,526)
Total assets less current liabilities		14,799,476	5,970,225
Non-current liabilities			
Unsecured loan		109,790,966	—
NET (LIABILITIES)/ASSETS		(94,991,490)	5,970,225
Capital and reserves			
Share capital		86	86
Reserves	28(b)	(94,991,576)	5,970,139
(CAPITAL DEFICIENCY)/TOTAL EQUITY		(94,991,490)	5,970,225



28. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserve movement of the Company

	Share premium account HK\$	Share-based payments reserve HK\$	Retained profits/ (accumulated losses) HK\$	Total HK\$
At 1 January 2023	25,091,937	—	173,842,646	198,934,583
Total comprehensive income for the year	—	—	(194,276,360)	(194,276,360)
Share-based payments	—	1,311,916	—	1,311,916
At 31 December 2023 and 1 January 2024	25,091,937	1,311,916	(20,433,714)	5,970,139
Total comprehensive income for the year	—	—	(100,937,675)	(100,937,675)
Share-based payments	—	(24,040)	—	(24,040)
Vesting of shares under share award scheme	1,089,909	(1,089,909)	—	—
At 31 December 2024	26,181,846	197,967	(121,371,389)	(94,991,576)

29. RESERVES

(a) Group

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

(b) Nature and purpose of reserves

(i) Share premium account

Share premium represents an amount equal to the amount or value of the premium paid on the issue of any share or capital contributed or such other amounts required by the Companies Act of the Cayman Islands.



29. RESERVES (CONTINUED)

(b) Nature and purpose of reserves (Continued)

(i) Share premium account (Continued)

The following amounts shall be debited to the share premium account:

- on the redemption or purchase of a share, the difference between the nominal value of that share and the redemption or purchase price; and
- any other amount paid out of a share premium account as permitted by the Companies Act of the Cayman Islands.

(ii) Share-based payments reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share awards granted to eligible participants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(q) to the consolidated financial statements.

30. RETIREMENT BENEFIT OBLIGATIONS

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme with an overall cap of HK\$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the Government of the Hong Kong Special Administrative Region gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The abolition of the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP will officially take effect on 1 May 2025 (the "Transition Date"). Separately, the Government of the Hong Kong Special Administrative Region is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.



30. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57) (Continued)

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

The Group has determined that the Amendment Ordinance has no material impact on the Group's LSP liability as at 31 December 2024 and 31 December 2023 with respect to Hong Kong employees that participate in MPF Scheme.

31. SHARE-BASED PAYMENTS

Equity-settled share award scheme

The Group operates a share award scheme (the "Scheme") for the purpose of establishing a method by which eligible participants can participate in the future growth and profitability of the Group, providing incentives and rewards to eligible participants for their contributions to the Group; and attracting and retaining a high standard of managerial and technical personnel for the benefit of the Group. Eligible participants include the full-time employees, executives, officers, directors, business consultants of the Company and the Company's subsidiaries. The number of shares to be received on exercise of awards offered under an offer will not exceed 5% of the total number of shares on issue at the date of the offer. The Scheme became effective on 22 April 2022 and, unless otherwise cancelled or amended, will remain in force from that date.

Details of the awards are as follows:

	Date of award	Vesting period	Fair value per share at the date of award HK\$
2023 Stock Incentive Plan	13 January 2023	13 January 2023 - 31 December 2025	7.47



31. SHARE-BASED PAYMENTS (CONTINUED)

Equity-settled share award scheme (Continued)

The share awards under the 2023 Stock Incentive Plan are subject to a vesting schedule measured by a service condition. Other than satisfying the service condition, eligible participants are not required to provide any consideration in order to acquire the shares awarded to them under the 2023 Stock Incentive Plan.

The fair value of the shares awarded is measured by the quoted market price of the shares at the award date.

Details of the movement of share awards during the year are as follows:

	2024 Number of share awards	2023 Number of share awards
Outstanding at the beginning of the year	320,000	—
Granted during the year	—	320,000
Forfeited during the year	(134,000)	—
Exercised during the year	(146,000)	—
Outstanding at the end of the year	40,000	320,000
Exercisable at the end of the year	—	106,000

The awards outstanding at the end of the year have remaining contractual life of 1 year (2023: 2 years).

The Group recognised a reversal of net share-based payments in profit or loss during the year amounted to HK\$24,040 (2023: share-based payments of HK\$1,311,916).

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transaction

In 2023, additions to right-of-use assets and prepayments amounted to HK\$7,200,000 (note 17) and HK\$7,800,000 (note 19(b)) respectively were settled by transferring the same amounts from other receivables from a Cayman broker (note 19(a)) to the accounts of the tenant of the head lease for the office premises and the assignor of employees.



32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2024 HK\$	Cash flows HK\$	Interest expenses HK\$	31 December 2024 HK\$
Unsecured loan (note 26)	100,811,488	4,132,880	4,846,598	109,790,966

	1 January 2023 HK\$	Cash flows HK\$	Interest expenses HK\$	31 December 2023 HK\$
Unsecured loan (note 26)	89,182,656	7,266,600	4,362,232	100,811,488

33. CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: Nil).

34. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management during the year was as follows:

	2024 HK\$	2023 HK\$
Short-term benefits	4,243,985	4,091,462
Post-employment benefits	34,500	36,000
Share-based payments	(162,810)	409,160
	4,115,675	4,536,622

35. EVENTS AFTER THE REPORTING PERIOD

On the date of authorisation of this annual report, the market value of the financial assets at FVTPL (note 21) has declined by approximately HK\$6,101,330 compared with the market value as at 31 December 2024, which resulted in fair value losses of HK\$6,101,330.



ADDITIONAL INFORMATION

Additional information required by the National Stock Exchange of Australia Limited not shown elsewhere in this Annual Report is as follows. The information is as at 31 December 2024.

SHAREHOLDER INFORMATION AS AT MOST RECENT BALANCE DATE (31 DECEMBER 2024)

TEN LARGEST SHAREHOLDERS (AS AT 31 DECEMBER 2024)

Ordinary Shareholders	Number of Ordinary Shares Fully Paid	Percentage
ZURICH CAPITAL PARTNERS LIMITED	61,400,000	58.40%
BNP PARIBAS NOMS PTY LTD	19,359,500	18.41%
HIGH NOBLE INVESTMENTS LIMITED	9,800,000	9.32%
UNICO HOLDINGS LIMITED	4,380,000	4.17%
CITICORP NOMINEES PTY LIMITED	3,482,500	3.31%
SINOWIDE INTERNATIONAL LIMITED	3,000,000	2.85%
FORTUNE LUCK CONSULTANTS LIMITED	1,000,000	0.95%
JURA VENTURES LIMITED	1,000,000	0.95%
PHOENIX FUND SOLUTIONS LIMITED	981,000	0.93%
CEDRUS INVESTMENTS LIMITED	300,000	0.29%
	104,703,000	99.58%

DISTRIBUTION OF SHARE HOLDERS (AS AT 31 DECEMBER 2024)

SPREADS OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS
1 - 1,000	0	0
1,001 - 5,000	39	97,000
5,001 - 10,000	1	10,000
10,001 - 100,000	6	172,000
100,001 - 999,999,999,999	11	104,867,000
TOTAL	57	105,146,000



ADDITIONAL INFORMATION

SHAREHOLDER INFORMATION AS AT 31 DECEMBER 2024

VOTING RIGHTS

Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands.

Every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

NUMBER OF HOLDERS OF EQUITY SECURITIES ORDINARY SHAREHOLDERS

There are 105,146,000 fully paid ordinary shares on issue, held by 57 individual shareholders as at 31 December 2024.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, the following shareholders were recorded in the Register as a Substantial Shareholder.

Ordinary Shareholders	Number of Ordinary Shares Fully Paid	Percentage
ZURICH CAPITAL PARTNERS LIMITED	61,400,000	58.40%
BNP PARIBAS NOMS PTY LTD	19,359,500	18.41%
HIGH NOBLE INVESTMENTS LIMITED	9,800,000	9.32%

OPTIONS

As at 31 December 2024 the Company had no listed or unlisted options on issue.

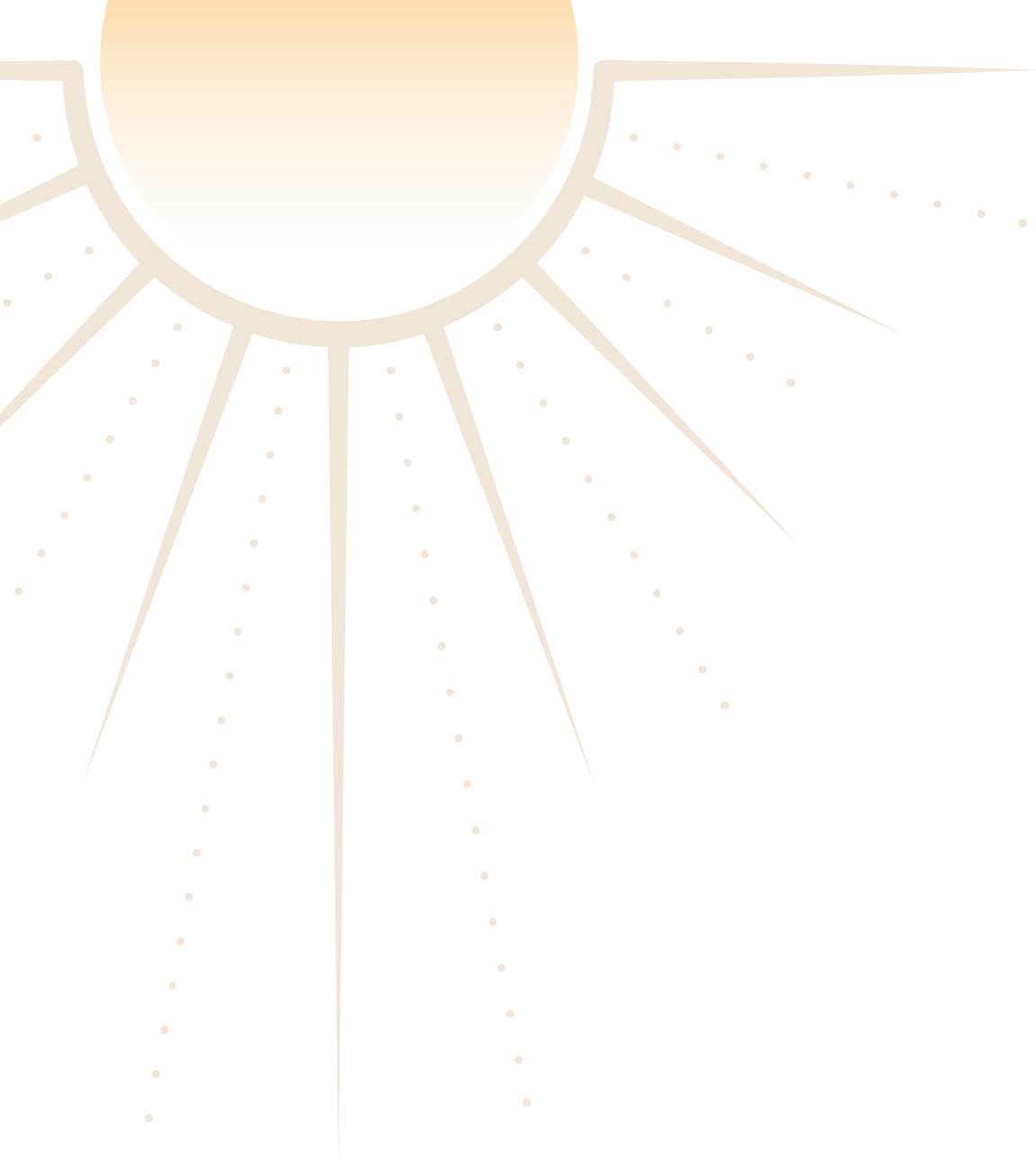
PERFORMANCE RIGHTS

Following cancellation and conversion of Performance Rights in 2024, 40,000 Performance Rights remained outstanding as of 31 December 2024.

RESTRICTED SECURITIES

There are no restricted securities as at 31 December 2024.





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