DOYEN INTERNATIONAL HOLDINGS LIMITED

東銀國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 668)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The board (the "**Board**") of directors ("**Directors**") of Doyen International Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 as follows:

For the year ended 31 December 2022, the Group recorded revenue of approximately HK$107.1 million (2021: approximately HK$141.0 million), representing a decrease of 24.04%.

The loss attributable to owners of the Company for the year ended 31 December 2022 was approximately HK$17.3 million (2021: profit of approximately HK$54.2 million).

As at 31 December 2022, the Group's gearing ratio was zero (2021: zero), which is calculated as net debt divided by total capital (which is calculated as equity plus net debt).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2022

	Note	2022 HK$'000	2021 HK$'000
Revenue	4	**107,120**	140,974
Purchases		**(37,713)**	(68,531)
Staff costs		**(16,990)**	(18,444)
Other tax expenses		**(2,552)**	(2,551)
Depreciation of property, plant and equipment		**(23)**	(44)
Depreciation of right-of-use assets		**(2,435)**	(3,264)
Fair value (losses)/gains on investment property		**(31,377)**	15,822
Reversal of impairment losses on loan receivables, net of recognised		**297**	22,137
Impairment losses on trade receivables		**(5)**	(27)
Impairment losses on goodwill		**–**	(2,078)
Other operating expenses		**(11,524)**	(13,084)
Other gains and losses	5	**(21,778)**	8,309
Other income		**1,431**	3,763
(Loss)/profit from operations		**(15,549)**	82,982
Finance income	6	**312**	474
Finance costs	6	**(157)**	(105)
Finance income – net		**155**	369
(Loss)/profit before tax		**(15,394)**	83,351
Income tax expense	7	**(3,105)**	(14,377)
(Loss)/profit for the year		**(18,499)**	68,974
Attributable to:			
Owners of the Company		**(17,317)**	54,185
Non-controlling interests		**(1,182)**	14,789
		(18,499)	68,974
(Loss)/earnings per share	9		
		HK cents	*HK cents*
Basic and diluted		**(1.36)**	4.25

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022	2021
	HK$'000	*HK$'000*
(Loss)/profit for the year	**(18,499)**	68,974
Other comprehensive (expenses)/income, net of nil tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(59,240)**	23,494
Reclassification of cumulative exchange reserve upon disposal of a subsidiary	**397**	–
	(58,843)	23,494
Total comprehensive (expenses)/income for the year	**(77,342)**	92,468
Attributable to:		
Owners of the Company	**(60,857)**	71,563
Non-controlling interests	**(16,485)**	20,905
	(77,342)	92,468

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Note	2022 *HK$'000*	2021 *HK$'000*
Non-current assets			
Property, plant and equipment		**21**	70
Right-of-use assets		**4,241**	1,401
Investment property		**278,690**	335,364
Intangible assets		**7,096**	7,096
Goodwill	*10*	**–**	–
Deferred tax assets		**26,674**	20,721
		316,722	364,652
Current assets			
Loan receivables	*11*	**520,074**	657,678
Trade receivables	*12*	**11,037**	11,019
Prepayments, deposits and other receivables		**2,485**	6,740
Financial assets at fair value through profit or loss		**6,894**	7,262
Bank and cash balances		**147,319**	40,204
		687,809	722,903
Current liabilities			
Accruals and other payables		**26,413**	29,712
Amounts due to related companies		**1,429**	1,035
Lease liabilities		**1,830**	1,284
Current tax liabilities		**30,259**	28,222
		59,931	60,253
Net current assets		**627,878**	662,650

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	2022	2021
	HK$'000	*HK$'000*
Total assets less current liabilities	**944,600**	1,027,302
Non-current liabilities		
Lease liabilities	**2,400**	172
Deferred tax liabilities	**1,647**	4,007
	4,047	4,179
NET ASSETS	**940,553**	1,023,123
Capital and reserves		
Share capital	**1,174,378**	1,174,378
Reserves	**(410,359)**	(349,502)
Equity attributable to owners of the Company	**764,019**	824,876
Non-controlling interests	**176,534**	198,247
TOTAL EQUITY	**940,553**	1,023,123

NOTES

1 GENERAL INFORMATION

Doyen International Holdings Limited (the "**Company**") was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Suite 2206, 22nd Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company together with its subsidiaries (collectively referred to as the "**Group**") are principally engaged in investment property holding in the People's Republic of China (the "**PRC**"), provision of financing to customers in the PRC and Hong Kong (the "**Dongkui business**"), investment holding, sales of flowers and plants and distressed assets management.

In the opinion of the directors of the Company, as at 31 December 2022, Money Success Limited, a company incorporated in the British Virgin Islands ("**BVI**"), is the immediate parent; Wealthy In Investments Limited, a company incorporated in the BVI, is the ultimate parent and Mr. Lo Siu Yu ("**Mr. Lo**") is the ultimate controlling party of the Company.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRSs comprise individual Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKASs**"); and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs 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.

3 ADOPTION OF NEW AND AMENDED STANDARDS

(a) Application of amendments to HKFRSs

The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

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

3 ADOPTION OF NEW AND AMENDED STANDARDS (CONTINUED)

(b) New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

The Group is in the process of making an assessment of what the impact of these developments is 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.

4 SEGMENT INFORMATION

Operating segments are identified and reported in the manner consistent with internal reports of the Group that are regularly reviewed by the chief operating decision-maker (the "**CODM**") in order to assess performance and allocate resources. The CODM, has been defined as the executive directors who assess the performance of the operating segments based on the profit and loss generated.

The CODM reviews the business principally from an industry perspective and has identified four (2021: four) reportable segments. No operating segments have been aggregated to form the following reportable segments:

Investment property holding	– property investment and rental activities
Dongkui business	– provision of loan financing
Sales of flowers and plants	– selling of flowers, seedlings and plants
Distressed assets management	– provision of distressed assets management

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

4 SEGMENT INFORMATION (CONTINUED)

The operation of 重慶寶旭商業管理有限公司 (for identification purpose, Chongqing Baoxu Commercial Property Management Ltd. ("**Chongqing Baoxu**")) represents the operating and reportable segments of investment property holding and sales of flowers and plants.

The operations of 東葵融資租賃(上海)有限公司 (for identification purpose, Dongkui Financial Leasing (Shanghai) Co. Ltd. ("**Shanghai Dongkui**")) and 東銳商業保理(上海)有限公司 (for identification purpose, Dongrui Factoring (Shanghai) Ltd. ("**Shanghai Dongrui**")) represent the operating and reportable segment of Dongkui business.

The operation of Shanghai Dongkui represents the operating and reportable segment of distressed assets management.

The measure used for reporting segment (loss)/profit is "(loss)/profit after tax".

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

	Investment property holding	Dongkui business	Sales of flowers and plants	Distressed assets management	Total
	HK\$'000	*HK\$'000*	*HK\$'000*	*HK\$'000*	*HK\$'000*
Year ended 31 December 2022					
Disaggregated by timing of revenue recognition					
Point in time	–	–	38,963	–	38,963
Over time	9,721	58,436	–	–	68,157
Reportable segment revenue	9,721	58,436	38,963	–	107,120
Purchases	–	–	(37,713)	–	(37,713)
Staff costs	(1,137)	(3,505)	(452)	(2,279)	(7,373)
Depreciation of property, plant and equipment	(6)	(3)	–	(14)	(23)
Depreciation of right-of-use assets	–	(377)	–	(521)	(898)
Fair value losses on investment property	(31,377)	–	–	–	(31,377)
Reversal of impairment losses on loan receivables, net of recognised	–	298	–	–	298
Impairment losses on trade receivables	(5)	–	–	–	(5)
Loss on disposal of a subsidiary	–	(235)	–	–	(235)
Other income	968	11	–	–	979
Finance income	–	209	–	10	219
Finance costs	–	(51)	–	(5)	(56)
Income tax credit/(expenses)	6,610	(11,990)	–	–	(5,380)
Reportable segment (loss)/profit after tax	(20,453)	41,601	605	(3,293)	18,460
At 31 December 2022					
Reportable segment assets	312,190	641,476	11,037	33	964,736
Reportable segment liabilities	(10,436)	(11,055)	–	–	(21,491)

4 SEGMENT INFORMATION (CONTINUED)

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

	Investment property holding *HK$'000*	Dongkui business *HK$'000*	Sales of flowers and plants *HK$'000*	Distressed assets management *HK$'000*	Total *HK$'000*
Year ended 31 December 2021					
Disaggregated by timing of revenue recognition					
Point in time	–	–	70,284	–	70,284
Over time	12,042	58,288	–	360	70,690
Reportable segment revenue	12,042	58,288	70,284	360	140,974
Purchases	–	–	(68,531)	–	(68,531)
Staff costs	(1,830)	(2,711)	(24)	(4,409)	(8,974)
Depreciation of property, plant and equipment	(4)	(15)	–	(25)	(44)
Depreciation of right-of-use assets	–	(408)	–	(1,238)	(1,646)
Fair value gains on investment property	15,822	–	–	–	15,822
Reversal of impairment losses on loan receivables, net of recognised	–	22,137	–	–	22,137
Impairment losses on trade receivables	(27)	–	–	–	(27)
Impairment losses on goodwill	–	–	–	(2,078)	(2,078)
Written off of property, plant and equipment	–	(7)	–	–	(7)
Other income	151	3,395	–	–	3,546
Finance income	84	286	–	58	428
Finance costs	–	(10)	–	(46)	(56)
Income tax expenses	(2,529)	(13,266)	–	–	(15,795)
Reportable segment profit/(loss) after tax	19,262	65,323	1,185	(9,046)	76,724
At 31 December 2021					
Reportable segment assets	363,199	683,535	11,019	4,323	1,062,076
Reportable segment liabilities	(13,990)	(5,542)	–	(1,196)	(20,728)

4 SEGMENT INFORMATION (CONTINUED)

Reconciliations of segment revenue and profit or loss:

	2022 *HK$'000*	2021 *HK$'000*
Revenue		
Total revenue of reportable segments and consolidated revenue	**107,120**	140,974
Profit or loss		
Total profit of reportable segments after tax	**18,460**	76,724
Unallocated amounts:		
Staff costs	**(9,617)**	(9,470)
Depreciation of right-of-use assets	**(1,537)**	(1,618)
Impairment losses on loan receivable	**(1)**	–
Fair value losses on financial assets at FVTPL	**(983)**	(2,424)
Gain on disposals of financial assets at FVTPL	**–**	3,341
Gain on disposals of property, plant and equipment	**13**	–
Exchange (losses)/gains, net	**(20,573)**	7,399
Other income	**452**	217
Finance income	**93**	46
Finance costs	**(101)**	(49)
Other corporate expenses	**(4,705)**	(5,192)
Consolidated (loss)/profit after tax	**(18,499)**	68,974

4 SEGMENT INFORMATION (CONTINUED)

Reconciliations of segment assets and liabilities:

	2022	2021
	HK$'000	*HK$'000*
Assets		
Total assets of reportable segments	**964,736**	1,062,076
Unallocated assets:		
Right-of-use assets	**3,484**	736
Intangible assets	**7,096**	7,096
Financial assets at FVTPL	**6,894**	7,262
Bank and cash balances	**5,231**	8,433
Other assets	**17,090**	1,952
Consolidated total assets	**1,004,531**	1,087,555

	2022	2021
	HK$'000	*HK$'000*
Liabilities		
Total liabilities of reportable segments	**21,491**	20,728
Unallocated liabilities:		
Current tax liabilities	**25,097**	26,436
Other liabilities	**17,390**	17,268
Consolidated total liabilities	**63,978**	64,432

4 SEGMENT INFORMATION (CONTINUED)

Other information:

	Investment property holding	**Dongkui business**	**Sales of flowers and plants**	**Distressed assets management**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Year ended 31 December 2022					
Additions to non-current assets *(note)*					
Allocated	**5**	**1,130**	**–**	**–**	**1,135**
Unallocated					**4,286**
					5,421

	Investment property holding	Dongkui business	Sales of flowers and plants	Distressed assets management	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2021					
Additions to non-current assets *(note)*					
Allocated	235	–	–	46	281
Unallocated					443
					724

Note: Non-current assets excluded deferred tax assets.

4 SEGMENT INFORMATION (CONTINUED)

Geographical information:

All the revenue generated by the Group for the two years ended 31 December 2022 and 2021 were attributable to customers based in the PRC. In addition, the majority of the Group's non-current assets are located in the PRC. Accordingly, no geographical analysis is presented.

Revenue from a major customer:

	2022	2021
	HK$'000	*HK$'000*
Sales of flowers and plants		
Customer a	**38,963**	70,284

Major customer represents external customer who account for 10% or more of the revenue of the Group.

5 OTHER GAINS AND LOSSES

	2022	2021
	HK$'000	*HK$'000*
Fair value losses on financial assets at FVTPL	**(983)**	(2,424)
Gain on disposals of financial assets at FVTPL	**–**	3,341
Gain on disposals of property, plant and equipment	**13**	–
Loss on disposal of a subsidiary	**(235)**	–
Written off of property, plant and equipment	**–**	(7)
Exchange (losses)/gains, net	**(20,573)**	7,399
	(21,778)	8,309

6 FINANCE INCOME AND COSTS

	2022	2021
	HK$'000	*HK$'000*
Finance income		
Interest income on bank deposits	**312**	474
Finance costs		
Interest on lease liabilities	**(157)**	(105)
Finance income – net	**155**	369

7 INCOME TAX EXPENSE

Income tax has been recognised in profit or loss as follows:

	2022	2021
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")		
– Provision for the year	**14,115**	5,329
– Over-provision in prior years	**–**	(2,042)
Withholding tax on distributed profits from a subsidiary		
– Provision for the year	**958**	–
– Over-provision in prior years	**(2,049)**	(1,807)
	13,024	1,480
Deferred tax	**(9,919)**	12,897
Income tax expense	**3,105**	14,377

No provision for Hong Kong Profits Tax is made since the Group has no assessable profits for the years ended 31 December 2022 and 2021.

7 INCOME TAX EXPENSE (CONTINUED)

PRC EIT has been provided at a rate of 25% (2021: 25%).

Under the PRC EIT law, dividends received by foreign investors from investment in foreign-invested enterprises in respect of their profits earned since 1 January 2008 are subject to withholding tax of 5% to 10% unless reduced by treaty. Accordingly, deferred tax has been recognised for undistributed retained profits of PRC subsidiaries at a rate of 10% to the extent that the profits will be distributed in the foreseeable future.

The reconciliation between the income tax expense and the accounting (loss)/profit before tax at the applicable tax rates is as follows:

	2022	2021
	HK$'000	*HK$'000*
(Loss)/profit before tax	**(15,394)**	83,351
Tax at the applicable tax rates in the jurisdictions concerned	**(1,533)**	20,298
Tax effect of income that is not taxable	**(1,536)**	(5,379)
Tax effect of expenses that are not deductible	**9,186**	6,091
Tax effect of temporary differences not recognised	**(737)**	(3,173)
Over-provision in prior years	**(2,049)**	(3,849)
Deferred tax on undistributed profits of a PRC subsidiary	**(1,184)**	389
Withholding tax on distributed profits from a subsidiary	**958**	–
Income tax expense	**3,105**	14,377

8 DIVIDENDS

The directors do not recommend the payment of any dividend for the years ended 31 December 2022 and 2021.

9 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the following:

	2022	2021
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the year attributable to owners of the Company)	**(17,317)**	54,185

	2022	2021
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**1,274,309**	1,274,039

No diluted (loss)/earnings per share for the both years ended 31 December 2022 and 2021 were presented as there were no potential ordinary shares in issue for both 2022 and 2021.

10 GOODWILL

	2022	2021
	HK$'000	*HK$'000*
Cost	**–**	2,116
Less: Impairment losses	**–**	(2,116)
Net carrying amount	**–**	–

Movements of net carrying amounts during the year were as following:

	2022	2021
	HK$'000	*HK$'000*
Net carrying amount as at 1 January	**–**	2,049
Disposal of a subsidiary	**(2,011)**	–
Eliminate impairment losses on disposal	**2,011**	–
Impairment losses recognised in the year	**–**	(2,078)
Exchange differences	**–**	29
Net carrying amount as at 31 December	**–**	–

10 GOODWILL (CONTINUED)

For the purposes of impairment testing of goodwill, management allocated goodwill to the Group's cash-generating units ("**CGUs**") identified. At the end of prior year, the carrying amount of goodwill was allocated to distressed assets management. During the year, the goodwill and corresponding accumulated impairment losses were derecognised upon the disposal of a subsidiary. Details of the disposal are set out in note 13.

The recoverable amount of the CGU had been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management for the year ended 31 December 2021.

Goodwill of approximately RMB1,724,000 (equivalent to approximately HK$2,116,000) had been allocated to the CGU of the subsidiary for the year ended 31 December 2021 for impairment testing. Management performed an impairment assessment on the goodwill prior to the year end. The recoverable amount of the subsidiary was determined based on value-in-use calculation.

The following table sets forth each key assumption on which management had based its cash flow projections to undertake impairment testing of goodwill:

	2021
Revenue growth rate during the forecast period	4.0%
Terminal growth rate	3.0%
Pre-tax discount rate	13.0%

Management had determined the values assigned to each of the above key assumptions as follows:

Assumptions	**Approach used to determine values**
Revenue growth rate for next 5 years	Revenue growth rate is for the five-year forecast period. It is based on past performance and management's expectations of market development.
Terminal growth rate	A terminal value related to cash flows beyond the projection period extrapolated at an estimated terminal growth rate.
Pre-tax discount rate	The discount rate reflects specific risks relating to the relevant CGUs in which they operate.

Based on management's assessment on the recoverable amount of the subsidiary as at 31 December 2021, an impairment loss of approximately RMB1,724,000 (equivalent to approximately HK$2,078,000) was recognised.

11 LOAN RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Loan receivables	**529,523**	668,242
Less: Loss allowances	**(9,449)**	(10,564)
	520,074	657,678
Analysis as:		
Non-current portion	**–**	–
Current portion	**520,074**	657,678
	520,074	657,678

As at 31 December 2022, the Group's loans to customers of approximately HK$525,158,000 (2021: approximately HK$668,242,000) were secured by collaterals such as a property or trade receivables (2021: a property, plant and equipment or trade receivables) of the relevant customers and repayable by instalments within two (2021: three) years from the draw-down dates. The effective interest rate on such loans ranged from 8.0% to 15.4% (2021: 10.0% to 15.4%) per annum.

Ageing analysis is prepared based on contractual due date:

		2022			2021	
	Loan portion	**Interest portion**	**Total**	Loan portion	Interest portion	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Within one month	**20,217**	**277**	**20,494**	62,061	321	62,382
One to three months	**4,299**	**65**	**4,364**	–	–	–
Three to six months	**35,984**	**2,429**	**38,413**	45,426	3,431	48,857
Over six months but within one year	**448,997**	**7,806**	**456,803**	538,741	7,698	546,439
	509,497	**10,577**	**520,074**	646,228	11,450	657,678

The movements in the loss allowances of loan receivables are as follows:

	2022	2021
	HK$'000	*HK$'000*
At 1 January	**10,564**	71,523
Amounts written off	**–**	(40,034)
Reversal of impairment losses for the year, net of recognised	**(297)**	(22,137)
Exchange differences	**(818)**	1,212
At 31 December	**9,449**	10,564

12 TRADE RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Trade receivables	**11,092**	11,074
Less: Loss allowances	**(55)**	(55)
	11,037	11,019

All of the trade receivables are expected to be recovered or recognised as expenses within one year.

The ageing analysis of trade receivables, based on invoice date and net of loss allowance, is as follows:

	2022	2021
	HK$'000	*HK$'000*
Within one month	**11,037**	11,019

Trade receivables are due within 30 (2021: 30) days from the day of the customer accepts and takes the control of the products.

The movements in the loss allowances of trade receivables are as follows:

	2022	2021
	HK$'000	*HK$'000*
At 1 January	**55**	27
Loss allowances for the year, net	**5**	27
Exchange differences	**(5)**	1
At 31 December	**55**	55

13 DISPOSAL OF A SUBSIDIARY

On 10 May 2022, a subsidiary of the Company, Shanghai Dongkui, entered into a sale and purchase agreement with an independent third party and one of the director of 安信萬邦資產管理有限公司 (for identification purpose, Anxin Wanbang Asset Management Co., Ltd. ("**Anxin Wanbang**")), to dispose of 100% equity interest in Anxin Wanbang at a consideration of RMB100,000 (equivalent to approximately HK$118,000). The disposal was completed on 8 June 2022.

The net liabilities of Anxin Wanbang at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	**33**
Right-of-use assets	**101**
Prepayments, deposits and other receivables	**638**
Bank and cash balances	**287**
Accruals and other payables	**(999)**
Lease liabilities	**(104)**
Net liabilities disposed of	**(44)**

Loss on disposal of a subsidiary:

	HK$'000
Consideration received and receivable	**118**
Reclassification of cumulative exchange reserve upon disposal of a subsidiary to profit or loss	**(397)**
Net liabilities disposed of	**44**
	(235)

Consideration received and receivable:

	HK$'000
Cash received	**94**
Other receivable	**24**
	118

Net cash outflow arising on disposal:

	HK$'000
Cash consideration received	**94**
Less: Bank and cash balances disposed of	**(287)**
	(193)

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS

BUSINESS REVIEW

For the year ended 31 December 2022, Doyen International Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") recorded revenue of approximately HK$107.1 million (2021: approximately HK$141.0 million), representing a decrease of 24.04%. The decrease in total revenue was mainly attributable by the decrease in revenue from sales of flowers and plants. On the other hand, the revenue from 東葵融資租賃(上海)有限公司 (for identification purpose, Dongkui Financial Leasing (Shanghai) Co., Ltd. ("**Shanghai Dongkui**"), a subsidiary in which the Company owns 77.58% equity interest which is principally engaged in the provision of secured loan financing, short-term loan business and factoring business (loan financing, short-term loan business and factoring business collectively, the "**Dongkui Business**")), remained sound and stable in 2022.

The loss for the year attributable to owners of the Group for the year ended 31 December 2022 was approximately HK$17.3 million (2021: profit of approximately HK$54.2 million), representing a decrease of approximately 68.08%. The change from profit to loss in 2022 is mainly due to the assessed fair value losses of Dong Dong Mall ("**Dong Dong Mall**") of approximately HK$31.4 million (2021: fair value gains of approximately HK$15.8 million); and exchange losses of approximately HK$20.6 million (2021: exchange gains of approximately HK$7.4 million). Excluding the two main reasons mentioned above, the Group's profitability in 2022 has actually achieved a slight increase.

DONGKUI BUSINESS

In 2022, as the customers repaid their loans on time and its business remained sound and stable, the business operation of Shanghai Dongkui has not been significantly affected by the COVID-19 pandemic. The Group will maintain a cautious approach in its business development planning to deliver a solid growth in the long run.

For the year ended 31 December 2022, the Dongkui Business segment, being the loan financing segment of the Group, contributed revenue of approximately HK$58.4 million (2021: revenue of approximately HK$58.3 million), representing an increase of approximately 0.17%. This segment has recorded profit after tax of approximately HK$41.6 million (2021: profit after tax of approximately HK$65.3 million). The decrease in profit was mainly due to the reversal of impairment loss on loan receivables from approximately HK$22.1 million last year to approximately HK$0.3 million this year. After deducting relevant impact, the profit for the year was similar to the profit for last year. Below sets out all the agreements entered into between the Group and its customers in the Dongkui Business segment for the year ended 31 December 2022:

BUSINESS REVIEW (CONTINUED)

Short-term Loan Business

Shanghai Dongkui is now providing short-term loan business for a company, namely 儋州中誠裝修有限公司 (for identification purpose, Dan Zhou Zhongcheng Decoration Co., Ltd ("**Dan Zhou Zhongcheng**")) with a project amount of Renminbi ("**RMB**") 25.0 million (equivalent to approximately HK$28.3 million). As at 22 October 2021, Dan Zhou Zhongcheng has not repaid the loan of RMB25.0 million (equivalent to approximately HK$28.3 million) together with all outstanding accrued interest (i.e. interest of approximately RMB0.3 million (equivalent to approximately HK$0.3 million) on the last instalment of payment), totalling approximately RMB25.3 million (equivalent to approximately HK$28.6 million). Accordingly, the Company has sought legal advice and instituted legal proceedings in the Suburban People's Court of Sanya City, Hainan Province (the "**Sanya Court**") against Dan Zhou Zhongcheng and its guarantor (the "**Legal Proceedings**"). On 26 September 2022, Shanghai Dongkui received a judgment from the Sanya Court dated 18 June 2022 regarding the Legal Proceedings (the "**Judgment**") in its favour. The Judgment ordered, amongst others, that (1) Dan Zhou Zhongcheng to pay Shanghai Dongkui the outstanding loan of RMB25.0 million (equivalent to approximately HK$28.6 million) with the accrued interests from 21 September 2021 to the date of the repayment of all the outstanding amount calculated based on the principal amount of RMB25.0 million (equivalent to approximately HK$28.6 million) and annual interest rate of 15.40%; (2) Dan Zhou Zhongcheng to pay Shanghai Dongkui RMB0.3 million (equivalent to approximately HK$0.3 million) as the legal fee; (3) the guarantor is jointly and severally liable for the repayment obligations of Dan Zhou Zhongcheng of the debts; and (4) Shanghai Dongkui has priority rights in satisfying its claim in relation to the debts from the proceeds of converting the property of the guarantor, into money, auction or sale such property. For further details, please refer to the announcement of the Company dated 28 September 2022.

Factoring/Refactoring Business

On 15 April 2022, Shanghai Dongrui entered into a factoring agreement with 重慶嘉望商貿有限公司 (for identification purpose, Chongqing Jia Wang Trading Ltd. ("**Chongqing Jia Wang**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the consideration for the accounts receivables of approximately RMB7.8 million (equivalent to approximately HK$8.8 million) assigned to Chongqing Jia Wang from the factoring customers of Chongqing Jia Wang for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of approximately RMB7.0 million (equivalent to approximately HK$7.9 million) and an interest rate of 12.00% per annum.

On 15 April 2022, Shanghai Dongrui entered into a factoring agreement with 重慶泛海建築勞務有限責任公司 (for identification purpose, Chongqing Fanhai Construction Labor Service Company Ltd. ("**Chongqing Fanhai**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB11.2 million (equivalent to approximately HK$12.7 million) assigned to Chongqing Fanhai from the factoring customers of Chongqing Fanhai for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB10.0 million (equivalent to approximately HK$11.3 million) and an interest rate of 12.00% per annum.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 29 June 2022, Shanghai Dongrui entered into a refactoring agreement with 江蘇鵬輝融資租賃有限公司 (for identification purpose, Jiangsu Penghui Financial Leasing Co., Ltd. ("**Jiangsu Penghui**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB16.7 million (equivalent to approximately HK$18.9 million) assigned to Jiangsu Penghui from the factoring customers of Jiangsu Penghui for a term of 1 year from the date of execution of the refactoring agreement, with the refactoring principal amount of approximately RMB15.1 million (equivalent to approximately HK$17.1 million) and an interest rate of 10.63% per annum. For further details, please refer to the announcement of the Company dated 29 June 2022.

On 15 September 2022, Shanghai Dongrui entered into a refactoring business with Jiangsu Penghui, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB34.7 million (equivalent to approximately HK$39.2 million) assigned to Jiangsu Penghui from the factoring customers of Jiangsu Penghui for a term of 1 year from the date of execution of the refactoring agreement, with the refactoring principal amount of approximately RMB31.4 million (equivalent to approximately HK$35.5 million) and an interest rate of 10.63% per annum.

On 27 September 2022, Shanghai Dongrui entered into a factoring agreement with 重慶璞美苗木有限公司 (for identification purpose, Chongqing Pumei Miaomu Company Ltd. ("**Chongqing Pumei**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB40.3 million (equivalent to approximately HK$45.6 million) assigned to Chongqing Pumei from the factoring customers of Chongqing Pumei for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of approximately RMB36.0 million (equivalent to approximately HK$40.7 million) and an interest rate of 12.00% per annum. For further details, please refer to the announcement of the Company dated 27 September 2022.

On 14 October 2022, Shanghai Dongrui entered into a factoring agreement with 重慶潮豐聯物資有限公司 (for identification purpose, Chongqing Chaofung United Material Supplies Ltd. ("**Chongqing Chaofung**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB49.8 million (equivalent to approximately HK$56.3 million) assigned to Chongqing Chaofung from the factoring customers of Chongqing Chaofung for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB45 million (equivalent to approximately HK$50.9 million) and an interest rate of 10.50% per annum. For further details, please refer to the announcement of the Company dated 14 October 2022.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 14 October 2022, Shanghai Dongrui entered into a factoring agreement with 重慶奧遠物資有限公司 (for identification purpose, Chongqing Aoyuan Materials Company Ltd. ("**Chongqing Aoyuan**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB11.1 million (equivalent to approximately HK$12.6 million) assigned to Chongqing Aoyuan from the factoring customers of Chongqing Aoyuan for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB10 million (equivalent to approximately HK$11.3 million) and an interest rate of 10.50% per annum. For further details, please refer to the announcement of the Company dated 14 October 2022.

On 17 October 2022, Shanghai Dongrui entered into a factoring agreement with 重慶茂同裝飾工程有限公司 (for identification purpose, Chongqing Maotong Decoration Engineering Company Ltd. ("**Chongqing Maotong**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB51.9 million (equivalent to approximately HK$58.7 million) assigned to Chongqing Maotong from the factoring customers of Chongqing Maotong for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB46.5 million (equivalent to approximately HK$52.6 million) and an interest rate of 11.52% per annum. For further details, please refer to the announcement of the Company dated 17 October 2022.

On 17 October 2022, Shanghai Dongrui entered into a factoring business with Chongqing Pumei, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB11.8 million (equivalent to approximately HK$13.3 million) assigned to Chongqing Pumei from the factoring customers of Chongqing Pumei for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB10.5 million (equivalent to approximately HK$11.9 million) and an interest rate of 12.00% per annum.

On 18 October 2022, Shanghai Dongrui entered into a factoring agreement with 廣東大地鋼鐵有限公司 (for identification purpose, Guangdong Iron United Material Supplies Ltd. ("**Guangdong Iron**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB49.8 million (equivalent to approximately HK$56.3 million) assigned to Guangdong Iron from the factoring customers of Guangdong Iron for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB45.0 million (equivalent to approximately HK$50.9 million) and an interest rate of 10.50% per annum. For further details, please refer to the announcement of the Company dated 18 October 2022.

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 17 October 2022, Shanghai Dongrui entered into a refactoring agreement 1 with 深圳盛世嘉誠保理有限公司 (for identification purpose, Shenzhen Sheng Shi Jia Cheng Factoring Company Ltd. ("**Sheng Shi**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB3.4 million (equivalent to approximately HK$3.8 million) assigned to Sheng Shi from the factoring customers of Sheng Shi for a term of 1 year from the date of execution of the refactoring agreement 1, with the factoring principal amount of approximately RMB3.0 million (equivalent to approximately HK$3.4 million) and an interest rate of 10.63% per annum. On 31 October 2022, Shanghai Dongrui entered into a refactoring agreement 2, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB29.8 million (equivalent to approximately HK$33.7 million) assigned to Sheng Shi from the factoring customers of Sheng Shi for a term of 1 year from the date of execution of the refactoring agreement 2, with the factoring principal amount of approximately RMB26.9 million (equivalent to approximately HK$30.4 million) and an interest rate of 10.60% per annum. For further details, please refer to the announcement of the Company dated 31 October 2022.

On 3 November 2022, Shanghai Dongrui entered into a refactoring agreement with Sheng Shi, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB18.0 million (equivalent to approximately HK$20.4 million) assigned to Sheng Shi from the factoring customers of Sheng Shi for a term of 1 year from the date of execution of the refactoring agreement, with the factoring principal amount of approximately RMB16.3 million (equivalent to approximately HK$18.4 million) and an interest rate of 10.62% per annum.

On 3 November 2022, Shanghai Dongrui entered into a refactoring agreement with 磐嶼商業保理有限公司(for identification purpose, Pun Yu Commercial Factoring Ltd. ("**Pun Yu**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB55.2 million (equivalent to approximately HK$62.4 million) assigned to Pun Yu from the factoring customers of Pun Yu for a term of 1 year from the date of execution of the refactoring agreement, with the factoring principal amount of approximately RMB44.9 million (equivalent to approximately HK$50.8 million) and an interest rate of 10.62% per annum. For further details, please refer to the announcement of the Company dated 3 November 2022.

On 4 November 2022, Shanghai Dongrui entered into a factoring agreement with 重慶柏翠苗木有限公司 (for identification purpose, Chongqing Baicui Tree Nurseries Company Ltd. ("**Chongqing Baicui**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB55.9 million (equivalent to approximately HK$63.2 million) assigned to Chongqing Baicui from the factoring customers of Chongqing Baicui for a term of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB50.0 million (equivalent to approximately HK$56.6 million) and an interest rate of 11.78% per annum. For further details, please refer to the announcement of the Company dated 4 November 2022.

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 15 September 2022, Shanghai Dongrui entered into a 2022 re-factoring agreement with 國昀瑞業(深圳)商業保理有限公司 (for identification purpose, Guojun Xiuer (Shenzhen) Commercial Factoring Ltd. ("**Guojun Xiuer**")), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB6.5 million (equivalent to approximately HK$7.4 million) assigned to Guojun Xiuer from the factoring customers of Guojun Xiuer for a term of 1 year from the date of execution of the 2022 re-factoring agreement, with the factoring principal amount of approximately RMB5.9 million (equivalent to approximately HK$6.7 million) and an interest rate of 10.63% per annum. On 17 November 2022, Shanghai Dongrui entered into the supplemental agreement with Guojun Xiuer to amend certain terms of the 2021 re-factoring agreement, including extending the financing term from 17 November 2022 to 17 December 2022 and revising the consideration from approximately RMB40.7 million (equivalent to approximately HK$46.0 million), to approximately RMB40.4 million (equivalent to approximately HK$45.7 million). Please refer to the announcement of the Company dated 17 November 2022.

On 15 September 2022, Shanghai Dongrui entered into the factoring agreement 1 with 上海翃眩實業有限公司 (for identification purpose, Shanghai Hongxuan Industrial Company Ltd. ("**Shanghai Hongxuan**")), pursuant to which Shanghai Dongrui agreed to provide financing being secured by accounts receivable of approximately RMB10.6 million (equivalent to approximately HK$12.0 million) assigned to Shanghai Hongxuan from the factoring customers of Shanghai Hongxuan for a period of 1 year from the date of signing of the factoring agreement 1 with the factoring principal amount of RMB9.5 million (equivalent to approximately HK$10.7 million) and an interest rate of 12.00% per annum. On 28 November 2022, Shanghai Dongrui and Shanghai Hongxuan entered into the factoring agreement 2, pursuant to which Shanghai Dongrui agreed to provide financing being secured by accounts receivable of approximately RMB41.3 million (equivalent to approximately HK$46.7 million) assigned to Shanghai Hongxuan from the factoring customers of Shanghai Hongxuan for a period of 1 year from the date of signing of the factoring agreement 2 with the factoring principal amount of RMB36.9 million (equivalent to approximately HK$41.7 million) and an interest rate of 12.00% per annum. Please refer to the announcement of the Company dated 28 November 2022.

PROPERTY INVESTMENT HOLDING

重慶寶旭商業管理有限公司 (for identification purpose, Chongqing Baoxu Commercial Property Management Ltd. ("**Chongqing Baoxu**")), a subsidiary of which 70% equity interest is owned by the Company, is principally engaged in the commercial business of Dong Dong Mall, a shopping arcade for commercial use and located at No. 2, Second Lane, Nanping East Road, Nanan District, Chongqing in PRC with a total gross floor area of 18,043.45 square meters. Dong Dong Mall is adjacent to a main pedestrian street and a number of shopping malls, where is a hot-spot of fashion, shopping, entertainment and business for residents around south Chongqing due to its convenient public transportation.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

PROPERTY INVESTMENT HOLDING (CONTINUED)

In 2022, the local COVID-19 infection cases in the PRC caused by the divergent variants of COVID-19 continued to fluctuate. In November 2022, a large scale outbreak occurred in Chongqing City. city-wide lockdown measures in Chongqing City were implemented to contain the outbreak of local COVID-19 cases in Chongqing City, movement of citizens was restricted, leading to a significant impact on the consumption pattern of consumers and significantly reduced the consumption desire of the people, resulting in a decrease in the revenue of Dong Dong Mall. Under these uncertain circumstances, Dong Dong Mall relieved tenants' pressure by methods such as reducing rents and maintained a stable leasing rate for commercial space.

For the year ended 31 December 2022, the Group's property investment segment contributed revenue of approximately HK$9.7 million (2021: approximately HK$12.0 million), representing a decrease of approximately 19.17% which was mainly attributable to the implementation of lockdown in Chongqing City. In addition, due to the weak economy affected by COVID-19, as the continuous COVID-19 pandemic affecting the property market in Chongqing, the valuation of Dong Dong Mall had decreased. For the year ended 31 December 2022, the assessed fair value losses of Dong Dong Mall accounted for approximately HK$31.4 million (2021: fair value gains of approximately HK$15.8 million), thus generating unfavorable impact for the Group in 2022. For the year ended 31 December 2022, this segment recorded loss after tax of approximately HK$20.5 million (2021: profit after tax of approximately HK$19.3 million). In fact, excluding the impact of fair value assessment of Dong Dong Mall, the profitability of this segment can still be maintained this year.

SALES OF FLOWERS AND PLANTS

During the year, sales of flowers and plants declined due to the adverse impact of the COVID-19 pandemic. For the year ended 31 December 2022, Group's sales of flowers and plants segment has contributed revenue of approximately HK$39.0 million (2021: approximately HK$70.3 million), representing a decrease of approximately 44.52%. However, this segment has recorded a profit after tax of approximately HK$0.6 million for the year ended 31 December 2022 (2021: profit after tax of approximately HK$1.2 million).

BUSINESS REVIEW (CONTINUED)

DISTRESSED ASSETS MANAGEMENT

Shanghai Dongkui, a 77.58% owned subsidiary of the Company, acquired 安信萬邦資產管理有限公司 (for identification purpose, Anxin Wanbang Asset Management Co., Ltd. ("**Anxin Wanbang**")), with a cash amount of RMB60,000 (equivalent to approximately HK$73,620 as at the date of acquisition). On the date of acquisition, the net liabilities of Anxin Wanbang were approximately RMB1.7 million (equivalent to approximately HK$1.9 million), the purchase price was RMB60,000 (equivalent to approximately HK$67,860), and the registered capital of Anxin Wanbang was RMB50.0 million (equivalent to approximately HK$56.6 million). Anxin Wanbang is principally engaged in the provision of services and distressed assets management. For the year ended 31 December 2022, Anxin Wanbang has not contributed revenue (2021: revenue of approximately HK$0.4 million). Meanwhile, Anxin Wanbang has recorded a loss after tax of approximately HK$3.3 million for the year ended 31 December 2022 (2021: loss after tax of approximately HK$9.0 million), due to the recognition of expenses, including staff costs and depreciation expenses, despite there is no revenue in the Group's distressed assets management segment.

Since the acquisition, Anxin Wanbang's team has explored two business models for the distressed assets management business, by studying a number of projects and exploring how to take the business forward in compliance with the relevant regulations. However, in the implementation of these two models, we have not been able to find a suitable business model solution for the Company and a project with a high return and low risk. In view of this, in June 2022, Shanghai Dongkui, disposed (the "**Disposal**") of its entire interest in Anxin Wanbang to an independent third party for a consideration of RMB0.1 million (equivalent to approximately HK$0.1 million), representing the prevailing market price of distressed assets management companies of similar size and nature at the time of the Disposal. The Board considers that the Disposal represents a good opportunity for the Group to enhance its cash flow within a short period of time and at the same time, to delineate the risks faced by the Company. The terms of the Disposal were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of Disposal are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

PROSPECTS

In 2022, the conflict between Russia and Ukraine continued and many major economies in the world were facing difficult situations. The impact on the global economy worsened as the US Federal Reserve fastened the pace of interest rate hikes. At the same time, the PRC continued to face a complex and critical situation brought by the local cases of COVID-19 caused by the divergent variants of COVID-19. In order to stabilize the economic growth, the PRC government has introduced various economic stabilization policies and put efforts in the restoration of a stable economy in the PRC. In terms of financial policy, the PRC adhered to the direction of maintaining stable growth and increased the support of the real economy and strived to resume the core competitiveness of its macroeconomy.

PROSPECTS (CONTINUED)

Looking ahead to 2023, the economic policy of the PRC will gradually focus on stability. As the impact of the COVID-19 pandemic is under control and with the promotion of relaxation measures and led by measures such as the easing of restrictions on real estate, we believe that the economy of the PRC will resume steady growth in 2023. The Group will prudently grasp the investment opportunities in the market and seek progress and development in a stable manner. The Group expects that it will achieve better business development with the full relaxation of the pandemic prevention and control measures and the continuation of the growth policy.

Dongkui Business

In the coming year, Shanghai Dongkui will continue to invest its resources in factoring/refactoring business to reduce the operational risk and to cope with the changing economic environment in the future.

Compared with financial institutions such as banks and insurance institutions, commercial factoring companies can meet the small, high frequency and urgent financing needs faced by small and micro enterprises, which are difficult to cover by traditional financial institutions, and help alleviate the financing difficulties of small and medium-sized enterprises. It has developed into one of the important carriers of financial inclusion and received continuous support from the relevant policies.

On 15 August 2022, the Standing Committee of the Shanghai Municipal People's Congress issued "Certain Regulations on Green Financial Development in Shanghai Pudong New District", which supports the Shanghai Commercial Paper Exchange to provide technical support for the development of green notes, participate in the formulation of green notes standards, and explore the formulation of green standards for supply chain financing including notes financing, receivables financing and factoring financing. It also encourages financial institutions in Pudong New District to issue green notes through Shanghai Commercial Paper Exchange, taking the role of rendering targeted support for green notes re-discounting business, and to provide quality payment financing solutions to upstream and downstream enterprises in the green industry chain.

On 15 September 2022, the People's Government of Minhang District of Shanghai issued a circular entitled "Implementation Opinions on Supporting the Development of Modern Financial Industry and Promoting the Integration of Production and Finance in Minhang District", which explicitly proposed to encourage the healthy development of local financial organizations. Based on the annual supervisory ratings of local financial organizations such as small loan companies, finance leasing companies and commercial factoring companies, together with the scale of their main business, enterprises will be given corresponding support every year upon recognition.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

PROSPECTS (CONTINUED)

Dongkui Business (continued)

In order to better serve the function of factoring services for small and medium-sized enterprises, Shanghai Dongkui will continue to leverage its business characteristics, actively seek investment opportunities, continuously extend its service areas and expand its revenue sources. At the same time, the Group will make full use of the customer credit data and payment clearing data accumulated in its own business system to select quality customers and continuously improve its risk prevention and control capabilities, and actively promote the integration of financial technology with factoring business to digitally empower management improvement and business development, and promote the digital and intelligent transformation and upgrade of the Group's factoring/refactoring business.

Property Investment Holding

With the continued recurrence of the COVID-19 pandemic, people's income growth has dropped and lagged behind expectations, and their willingness to spend money has decreased, coupled with the restrictions on movement due to the pandemic lockdown, leading to a negative impact on traditional shopping malls. Besides, the rise of online shopping has also had a negative impact on physical shopping malls. To boost consumer confidence, the Chongqing municipal government has launched a number of measures with the aim of reviving consumption and stabilising economic growth to promote consumer sentiment. On 8 February 2022, the Office of the Chongqing Municipal People's Government issued the "Several Policies for Fostering and Building an International Consumer Centre City in Chongqing" ("**Several Policies**") to support business development. On 22 June 2022, the Chongqing Municipal People's Government issued the "Several Measures to Further Unleash Consumption Potential and Promote Sustainable Recovery of Consumption in Chongqing" to help the recovery of difficult industries such as food and beverage, retail, tourism, civil aviation, road and water and railway transportation. The continued strengthening of relevant policies is expected to enhance the potential for business development in Chongqing.

Dong Dong Mall, a property held by the Group, in addition to meeting people's shopping needs, also provides consumers with a full range of facility services for dining and entertainment, as well as a wide range of shops, including fashion boutiques, restaurants and lifestyle centres. In recent years, Dong Dong Mall has continued to expand its retail offerings by adding family entertainment and broaden its business with the inclusion of parent-child entertainment items and transform existing projects to cope with the challenges from e-commerce and abreast of modern developments.

On 12 August 2022, Chongqing city issued the "Chongqing Children's Development Plan (2021-2030)" to further protect children's rights of survival, development, protection and participation, and to improve the overall quality of children. On the same day, the Chongqing Municipal People's Government issued the "Chongqing Women's Development Plan (2021-2030)", which proposes to improve the environment for women's development. The improvement in the development environment for women and children is expected to boost fertility intentions in the medium to long term, which will in turn boost the maternity and parenting markets.

PROSPECTS (CONTINUED)

Property Investment Holding (continued)

Dong Dong Mall has positioned itself as a children and parenting neighborhood centre with its layout, business solicitation, operation and promotion focusing on the children industry to attract customers and tenants. This year, due to the impact of the COVID-19 pandemic, Dong Dong Mall offered rent reductions to the tenants to tide over the tough times. Looking ahead to 2023, with the full relaxation of anti-COVID-19 control measures, residents will no longer be restricted on movement, and footfall in physical shopping malls is expected to gradually return to pre-COVID-19 levels. In addition, as economic and social activities return to normal, consumer confidence will be rebuilt and, against the backdrop of a long-term improvement in the parent-child market, profitability of the Dong Dong Mall is expected to return to its previous level of development.

Sales of Flowers and Plants

On 19 July 2022, the Chongqing Municipal People's Government issued the "Implementation Opinions on Promoting Green Development in Urban and Rural Construction", which mentioned accelerating the creation of national forest cities, optimising the layout of green areas in the spatial planning of the country, continuously increasing the forest coverage rate, promoting the construction of green cities and creation of national eco-garden cities. The implementation of the relevant policies will give rise to the creation of national forest cities, and hence a huge demand for greenery and flowers, and Chongqing Baoxu, will likely to be benefited from the policy support.

Chongqing Baoxu has positioned itself as a supplier of landscape greening flowers and plants to small and medium-sized real estate developers in the PRC, aiming to provide quality landscape greening related flowers and supply flowers and plants to real estate projects at competitive prices. As the Chongqing city government continues to promote the green and low-carbon transformation of society and the construction of an eco-garden city, the Group's business of sales of landscape greening flowers and plants has good prospects.

In the future, Chongqing Baoxu will continue to expand its business steadily according to the policy direction of Chongqing city, expand its sales channels to constantly expand the flower and plant market, achieve steady improvement in operating efficiency by strengthening value creation, and create greater value for customers and shareholders.

Distressed Assets Management Business

In the coming year, despite the Disposal, the Company believes that the business outlook for distressed assets management business remains positive. The key success factor for the future development of the distressed assets management business lies in finding the right team of talents and designing a business model that suits the rules of listed companies to develop various types of distressed asset businesses. The Company is in the course of looking for a suitable team to design and optimise a business model that suits the management parameters and management characteristics of a listed company and to find more better and more suitable projects which we believe can contribute to the future sustainable development of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group had bank and cash balances of approximately HK$147.3 million as at 31 December 2022 (2021: approximately HK$40.2 million). The management believes that the Group has sufficient cash and cash equivalents to fund its operations and future development. As at 31 December 2022, the current ratio of the Group, representing current assets divided by current liabilities, was approximately 11.5 (2021: approximately 12.0).

As at 31 December 2022, the Group had no gearing ratio (2021: nil), which is calculated as net debt divided by total capital. Net debt is calculated as amounts due to related companies and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position, plus net debt. As at 31 December 2022, the Group had no borrowing which exceeded cash and cash equivalents (2021: nil).

Capital Structure

As at 31 December 2022, the Group had no current and non-current borrowings (2021: nil).

The Group did not use any derivative to hedge its exposure to interest rate risks for the years ended 31 December 2022 and 2021. The Group monitored its capital by maintaining a sufficient net cash position to satisfy its commitments and working capital requirements.

Pledge of Assets

For the years ended 31 December 2022 and 2021, the Group had no pledged asset.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group operates in Hong Kong and the PRC with most of the transactions denominated and settled in local currencies.

Currently, the Group does not use any derivative financial instrument to hedge its exposure to foreign exchange risks.

Contingent Liabilities or Commitments

As at 31 December 2022 and 2021, the Group had no significant contingent liability nor did it incur any significant capital expenditure or enter into any significant commitment in respect of any capital expenditure.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: nil).

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the importance of good corporate governance practices and believes that it is essential to enhance shareholders' value and safeguard shareholders' interests. The Directors are of the opinion that the Company has complied with the code provisions (the "**Code Provision**") as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the year ended 31 December 2022.

The Company regularly reviews its corporate governance practices to ensure they comply with the CG Code and align with the latest developments.

AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Board (the "**Audit Committee**") currently consists of three independent non-executive Directors, namely Mr. Chan Ying Kay (Chairman of the Committee), Mr. Leung Kin Hong and Mr. Wang Jin Ling. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2022 and discussed with the management and the auditor of the Company on the accounting principles and practices adopted by the Group and other financial reporting matters.

SCOPE OF WORK OF BAKER TILLY HONG KONG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited ("**Baker Tilly Hong Kong**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong on the preliminary announcement.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (THE "MODEL CODE")

The Company has adopted its own code of conduct regarding dealings in the securities of the Company by the Directors and the relevant employees (who are likely to be in possession of inside information relating to the Company or its securities) (the "**Guidelines for Securities Transactions by Relevant Employees**") on terms no less exacting than the Model Code as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code and the Guidelines for Securities Transactions by Relevant Employees for the year ended 31 December 2022.

In addition, no incident of non-compliance of the Guidelines for Securities Transactions by Relevant Employees by the relevant employees of the Group was noted by the Company throughout the year ended 31 December 2022.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility to prepare consolidated financial statements that give a true and fair view of the state of affairs of the Group and of the consolidated financial performance and consolidated cash flows for each financial period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares for the year ended 31 December 2022.

INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective system of internal control and for reviewing its effectiveness through the Audit Committee. The Group's system of internal control includes a defined management structure with limits of authority, and is designed to help the Group achieve its business objectives, safeguard its assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensure compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

During the year, the Board has reviewed the effectiveness of the system of internal control through the Audit Committee and no material internal control deficiencies were identified by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's results announcement for the year ended 31 December 2022 is published on both websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.doyenintl.com). The annual report of the Company for the year ended 31 December 2022 containing all the information as required in Appendix 16 to the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all of our staff for their hard work and dedication. I would also like to thank our clients and business partners for their continued trust, as well as you, our shareholders, for your constant support.

By Order of the Board
Doyen International Holdings Limited
Lo Siu Yu
Chairman

Hong Kong, 22 March 2023

For the purpose of this announcement, conversion of RMB into HK$ is based on the approximate exchange rate of RMB1 to HK$1.131. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK$ or RMB have been, could have been or may be converted at such or any other rate or at all.

As at the date of this announcement, the Board comprises Mr. Lo Siu Yu (Chairman), Mr. Tai Xing (Chief Executive Officer) and Mr. Cho Chun Wai, as executive Directors, Mr. Pan Chuan and Ms. Sun Lin as non-executive Directors, and Mr. Chan Ying Kay, Mr. Leung Kin Hong and Mr. Wang Jin Ling as independent non-executive Directors.