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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 2023

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 2023 as follows:

For the year ended 31 December 2023, the Group recorded revenue of approximately HK\$72.6 million (2022: approximately HK\$107.1 million), representing a decrease of 32.21%.

The profit attributable to owners of the Company for the year ended 31 December 2023 was approximately HK\$13.3 million (2022: loss of approximately HK\$17.3 million).

As at 31 December 2023, the Group’s gearing ratio was zero (2022: 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 2023*

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	4	72,582	107,120
Purchases		(6,156)	(37,713)
Staff costs		(15,755)	(18,056)
Depreciation		(1,991)	(2,458)
Other income		780	1,431
Other gains and losses	5	(6,122)	(21,778)
Fair value gains/(losses) on investment properties		4,781	(31,377)
Reversal of impairment losses on loan receivables, net		6,695	297
Impairment losses on trade receivables, net		(586)	(5)
Other operating expenses		(16,970)	(13,010)
Finance income, net	6	1,249	155
Profit/(loss) before tax		38,507	(15,394)
Income tax expense	7	(18,616)	(3,105)
Profit/(loss) for the year		<u>19,891</u>	<u>(18,499)</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		13,286	(17,317)
Non-controlling interests		6,605	(1,182)
		<u>19,891</u>	<u>(18,499)</u>
Earnings/(loss) per share	9		
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted		<u>1.04</u>	<u>(1.36)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit/(loss) for the year	<u>19,891</u>	<u>(18,499)</u>
Other comprehensive expense, net of tax		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(18,849)	(59,240)
Reclassification of cumulative exchange reserve upon disposal of a subsidiary	<u>-</u>	<u>397</u>
	<u>(18,849)</u>	<u>(58,843)</u>
Total comprehensive income/(expense) for the year	<u><u>1,042</u></u>	<u><u>(77,342)</u></u>
Total comprehensive income/(expense) attributable to:		
Owners of the Company	(773)	(60,857)
Non-controlling interests	<u>1,815</u>	<u>(16,485)</u>
	<u><u>1,042</u></u>	<u><u>(77,342)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Note</i>	2023 HK\$'000	2022 HK\$'000
Non-current assets			
Property, plant and equipment		29	21
Right-of-use assets		3,507	4,241
Investment properties		295,702	278,690
Intangible assets		7,096	7,096
Deferred tax assets		18,138	26,674
		<u>324,472</u>	<u>316,722</u>
Current assets			
Loan receivables	<i>10</i>	495,465	520,074
Trade receivables	<i>11</i>	10,542	11,037
Prepayments, deposits and other receivables		5,567	2,485
Financial assets at fair value through profit or loss		6,977	6,894
Cash and cash equivalents		159,548	147,319
		<u>678,099</u>	<u>687,809</u>
Current liabilities			
Accruals and other payables		23,909	26,413
Amounts due to related companies		1,146	1,429
Lease liabilities		2,066	1,830
Current tax liabilities		32,169	30,259
		<u>59,290</u>	<u>59,931</u>
Net current assets		<u>618,809</u>	<u>627,878</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Total assets less current liabilities	<u>943,281</u>	<u>944,600</u>
Non-current liabilities		
Other payables	1,345	–
Lease liabilities	1,384	2,400
Deferred tax liabilities	<u>2,683</u>	<u>1,647</u>
	<u>5,412</u>	<u>4,047</u>
NET ASSETS	<u><u>937,869</u></u>	<u><u>940,553</u></u>
Capital and reserves		
Share capital	1,174,378	1,174,378
Reserves	<u>(411,132)</u>	<u>(410,359)</u>
Equity attributable to owners of the Company	763,246	764,019
Non-controlling interests	<u>174,623</u>	<u>176,534</u>
TOTAL EQUITY	<u><u>937,869</u></u>	<u><u>940,553</u></u>

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 properties 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 2023, 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 is the ultimate controlling party of the Company.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSS**”)

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) (CONTINUED)

(a) New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies to the consolidated financial statements.

(b) Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 (“**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 (2022: four) reportable segments. No operating segments have been aggregated to form the following reportable segments:

Investment properties holding	– properties 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)

Segment revenues and results

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

	Investment properties holding <i>HK\$'000</i>	Dongkui business <i>HK\$'000</i>	Sales of flowers and plants <i>HK\$'000</i>	Distressed assets management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2023					
Disaggregated by timing of revenue recognition					
Point in time	–	–	6,331	–	6,331
Over time	<u>15,754</u>	<u>50,497</u>	<u>–</u>	<u>–</u>	<u>66,251</u>
Segment revenue	<u><u>15,754</u></u>	<u><u>50,497</u></u>	<u><u>6,331</u></u>	<u><u>–</u></u>	<u><u>72,582</u></u>
Segment profit/(loss) after tax	<u><u>7,986</u></u>	<u><u>36,779</u></u>	<u><u>(739)</u></u>	<u><u>(141)</u></u>	<u><u>43,885</u></u>
Unallocated amounts:					
Staff costs					(10,625)
Depreciation of right-of-use assets					(1,626)
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")					83
Exchange losses, net					(6,205)
Other income					404
Finance income					233
Finance costs					(99)
Other corporate expenses					<u>(6,159)</u>
Consolidated profit after tax					<u><u>19,891</u></u>

4 SEGMENT INFORMATION (CONTINUED)

Segment revenues and results (Continued)

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

	Investment properties holding <i>HK\$'000</i>	Dongkui business <i>HK\$'000</i>	Sales of flowers and plants <i>HK\$'000</i>	Distressed assets management <i>HK\$'000</i>	Total <i>HK\$'000</i>
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
Segment revenue	<u>9,721</u>	<u>58,436</u>	<u>38,963</u>	<u>–</u>	<u>107,120</u>
Segment profit/(loss) after tax	<u>(20,453)</u>	<u>41,600</u>	<u>605</u>	<u>(3,293)</u>	18,459
Unallocated amounts:					
Staff costs					(9,617)
Depreciation of right-of-use assets					(1,537)
Fair value losses on financial assets at FVTPL					(983)
Gain on disposals of property, plant and equipment					13
Exchange losses, net					(20,573)
Other income					453
Finance income					93
Finance costs					(101)
Other corporate expenses					<u>(4,706)</u>
Consolidated loss after tax					<u>(18,499)</u>

4 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

As at 31 December 2023

	Investment properties holding <i>HK\$'000</i>	Dongkui business <i>HK\$'000</i>	Sales of flowers and plants <i>HK\$'000</i>	Distressed assets management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	334,934	631,764	10,542	4	977,244
Unallocated assets:					
Right-of-use assets					3,125
Intangible assets					7,096
Financial assets at FVTPL					6,977
Cash and cash equivalents					6,877
Other assets					1,252
Consolidated assets					<u>1,002,571</u>
Segment liabilities	10,488	11,491	992	–	22,971
Unallocated liabilities:					
Current tax liabilities					24,670
Other liabilities					17,061
Consolidated liabilities					<u>64,702</u>

4 SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

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

As at 31 December 2022

	Investment properties holding <i>HK\$'000</i>	Dongkui business <i>HK\$'000</i>	Sales of flowers and plants <i>HK\$'000</i>	Distressed assets management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	312,190	641,476	11,037	5	964,708
Unallocated assets:					
Right-of-use assets					3,484
Intangible assets					7,096
Financial assets at FVTPL					6,894
Cash and cash equivalents					5,259
Other assets					<u>17,090</u>
Consolidated assets					<u><u>1,004,531</u></u>
Segment liabilities	10,436	11,055	–	–	21,491
Unallocated liabilities:					
Current tax liabilities					25,097
Other liabilities					<u>17,390</u>
Consolidated liabilities					<u><u>63,978</u></u>

4 SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 31 December 2023

	Investment properties holding <i>HK\$'000</i>	Dongkui business <i>HK\$'000</i>	Sales of flowers and plants <i>HK\$'000</i>	Distressed assets management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Addition to non-current assets (Note)					
Allocated	20,067	–	–	–	20,067
Unallocated					<u>1,267</u>
					21,334
Depreciation					
Allocated	6	358	–	1	365
Unallocated					<u>1,626</u>
					1,991
Reversal of impairment losses on loan receivables, net	–	(6,695)	–	–	(6,695)
Impairment losses on trade receivables, net	–	–	586	–	586
Income tax expense/(credit)					
Allocated	2,081	17,106	(51)	–	19,136
Unallocated					<u>(520)</u>
					<u><u>18,816</u></u>

4 SEGMENT INFORMATION (CONTINUED)

Other segment information (Continued)

For the year ended 31 December 2022

	Investment properties holding <i>HK\$'000</i>	Dongkui business <i>HK\$'000</i>	Sales of flowers and plants <i>HK\$'000</i>	Distressed assets management <i>HK\$'000</i>	Total <i>HK\$'000</i>
Addition to non-current assets (Note)					
Allocated	5	1,130	–	–	1,135
Unallocated					<u>4,286</u>
					5,421
Depreciation					
Allocated	6	380	–	535	921
Unallocated					<u>1,537</u>
					2,458
Reversal of impairment losses on loan receivables, net	–	(297)	–	–	(297)
Impairment losses on trade receivables, net	–	–	5	–	5
Income tax expense/(credit)					
Allocated	(6,610)	11,990	–	–	5,380
Unallocated					<u>(2,275)</u>
					<u><u>3,105</u></u>

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 2023 and 2022 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.

Information about major customers

Revenue from a customer of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Sales of flowers and plants		
Customer a	<u>N/A*</u>	<u>38,963</u>

* Revenue did not contribute for 10% or more of the Group's revenue.

5 OTHER GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Fair value gains/(losses) on financial assets at FVTPL	83	(983)
Gain on disposals of property, plant and equipment	–	13
Loss on disposal of a subsidiary	–	(235)
Foreign exchange losses, net	<u>(6,205)</u>	<u>(20,573)</u>
	<u>(6,122)</u>	<u>(21,778)</u>

6 FINANCE INCOME, NET

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance income		
Interest income on bank deposits	1,381	312
Finance costs		
Interest on lease liabilities	<u>(132)</u>	<u>(157)</u>
Finance income, net	<u>1,249</u>	<u>155</u>

7 INCOME TAX EXPENSE

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
PRC Enterprise Income Tax (“EIT”)		
Provision for the year	9,098	14,115
Over-provision in prior years	(123)	–
Withholding tax on distributed profits from a subsidiary		
Provision for the year	690	958
Over-provision in prior years	<u>–</u>	<u>(2,049)</u>
	9,665	13,024
Deferred tax	<u>8,951</u>	<u>(9,919)</u>
Income tax expense	<u>18,616</u>	<u>3,105</u>

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits for the years ended 31 December 2023 and 2022.

7 INCOME TAX EXPENSE (CONTINUED)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the years ended 31 December 2023 and 2022.

Under the 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, a provision for dividend withholding tax of approximately HK\$690,000 was changed to profit or loss for the year ended 31 December 2023 (2022: a net over-provision of approximately HK\$1,091,000 was credited to profit or loss).

The income tax expense can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit/(loss) before tax	<u>38,507</u>	<u>(15,394)</u>
Tax at the applicable tax rates in the jurisdictions concerned	10,345	(1,533)
Tax effect of income not taxable for tax purpose	(533)	(1,536)
Tax effect of expenses not deductible for tax purpose	1,843	6,371
Tax effect of tax losses not recognised	338	1
Utilisation of tax losses previously not recognised	(1)	–
Tax effect of deductible temporary difference not recognised	10,322	4,356
Utilisation of deductible temporary differences previously not recognised	(3,054)	(2,279)
Over-provision in prior years	(123)	(2,049)
Deferred tax on undistributed profits of a PRC subsidiary	(1,211)	(1,184)
Withholding tax on distributed profits from a subsidiary	<u>690</u>	<u>958</u>
Income tax expense	<u><u>18,616</u></u>	<u><u>3,105</u></u>

8 DIVIDENDS

No dividend was paid or proposed for ordinary shareholder of the Company during the years ended 31 December 2023 and 2022, nor has any dividend been proposed since 31 December 2023 (2022: Nil).

9 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Earnings/(loss)		
Earnings/(loss) for the purpose of basic earnings/(loss) per share (profit/(loss) for the year attributable to owners of the Company)	<u>13,286</u>	<u>(17,317)</u>
	2023	2022
	'000	'000

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share

<u>1,274,039</u>	<u>1,274,039</u>
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The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the both years ended 31 December 2023 and 2022 as there were no potential ordinary shares in issue for both 2023 and 2022.

10 LOAN RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Fixed-rate loan receivables	496,141	529,523
Less: Allowances for credit losses	<u>(676)</u>	<u>(9,449)</u>
	<u>495,465</u>	<u>520,074</u>

As at 31 December 2023, the Group's loans to customers of approximately HK\$496,141,000 (2022: approximately HK\$525,158,000) were secured by collaterals such as equipments or trade receivables (2022: a property or trade receivables) of the relevant customers and repayable by instalments within one year (2022: two years) from the draw-down dates. The effective interest rate on such loans ranged from 9.4% to 11.0% (2022: 8.0% to 15.4%) per annum.

10 LOAN RECEIVABLES (CONTINUED)

Ageing analysis is prepared based on contractual due date:

	2023			2022		
	Loan portion <i>HK\$'000</i>	Interest portion <i>HK\$'000</i>	Total <i>HK\$'000</i>	Loan portion <i>HK\$'000</i>	Interest portion <i>HK\$'000</i>	Total <i>HK\$'000</i>
Within one month	2,158	193	2,351	20,217	277	20,494
One to three months	20,680	1,517	22,197	4,299	65	4,364
Three to six months	–	–	–	35,984	2,429	38,413
Over six months but within one year	<u>464,052</u>	<u>6,865</u>	<u>470,917</u>	<u>448,997</u>	<u>7,806</u>	<u>456,803</u>
	<u>486,890</u>	<u>8,575</u>	<u>495,465</u>	<u>509,497</u>	<u>10,577</u>	<u>520,074</u>

11 TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	11,178	11,092
Less: Allowances for credit losses	<u>(636)</u>	<u>(55)</u>
	<u>10,542</u>	<u>11,037</u>

As at 1 January 2022, trade receivables from contracts with customers amounted to approximately HK\$11,019,000.

Trade receivables are due within 30 days (2022: 30 days) from the day of the customer accepts and takes the control of the products. The ageing analysis of trade receivables net of allowance for credit losses presented based on invoice date is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within one month	576	11,037
One to three months	257	–
Three to six months	1,642	–
Over six months but within one year	336	–
Over one year	<u>7,731</u>	<u>–</u>
	<u>10,542</u>	<u>11,037</u>

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS

BUSINESS REVIEW

For the year ended 31 December 2023, the Group recorded revenue of approximately HK\$72.6 million (2022: approximately HK\$107.1 million), representing a decrease of 32.21%. 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 Doyen International Holdings Limited (the “**Company**”) owns 77.58% equity interest, and Shanghai Dongkui’s subsidiary, are principally engaged in the provision of secured loan financing, short-term loan business, factoring and refactoring business (collectively, the “**Dongkui Business**”). In 2023, Dongkui Business operations remained stable.

The profit attributable to owners of the Company for the year ended 31 December 2023 was approximately HK\$13.3 million (2022: loss of approximately HK\$17.3 million). The increase in profit was mainly due to the assessed fair value gains on investment properties of approximately HK\$4.8 million (2022: fair value losses of approximately HK\$31.4 million); and net reversal of impairment losses on loan receivables of approximately HK\$6.7 million (2022: net reversal of impairment losses on loan receivables of approximately HK\$0.3 million).

DONGKUI BUSINESS

In 2023, as the customers repaid their loans on time, and thanks to the efforts from our team. the business operation of Shanghai Dongkui remained sound and stable. 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 2023, the Dongkui Business segment, being the loan financing segment of the Group, contributed revenue of approximately HK\$50.5 million (2022: revenue of approximately HK\$58.4 million), representing a decrease of approximately 13.53%. This segment has recorded profit after tax of approximately HK\$36.8 million (2022: profit after tax of approximately HK\$41.6 million). The decrease in profit was mainly due to the decrease in revenue of Dongkui Business. 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 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Loan Financing Business

On 13 January 2023, Shanghai Dongkui entered into a loan financing agreement with 重慶隆雅特金屬材料有限公司 (for identification purpose, Chongqing Longyate Metal Material Co., Ltd. (“**Chongqing Longyate**”)), pursuant to which, Shanghai Dongkui purchased the machinery and equipment from Chongqing Longyate for a total consideration of Renminbi (“**RMB**”) 2 million (equivalent to approximately HK\$2.2 million), which was leased back to Chongqing Longyate for a term of 1 year in accordance with the loan financing agreement at the interest rate of 9.80% per annum.

Short-term Loan Business

As at 22 October 2021, 儋州中誠裝修有限公司 (for identification purpose, Dan Zhou Zhongcheng Decoration Co., Ltd. (“**Dan Zhou Zhongcheng**”)) has not repaid the loan of RMB25 million (equivalent to approximately HK\$27.5 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\$27.8 million). On 20 March 2023, auction of a property of the guarantor, a villa on Bandao Longwan, Nanbian Hailu, Sanya City, the People’s Republic of China the (“**PRC**”) (the “**Property**”) was held by the Suburban People’s Court of Sanya City, Hainan Province (the “**Sanya Court**”) according to the judgment from the Sanya Court dated 18 June 2022. The Property was auctioned and sold for approximately RMB28.8 million (equivalent to approximately HK\$31.7 million) to an independent third party. After deducting miscellaneous costs and charges as directed by the Sanya Court, approximately RMB23.6 million (equivalent to approximately HK\$26.0 million) was repaid to the Group to partly satisfy its claim in relation to the debts under the loan agreement on 24 July 2023. For further details, please refer to the announcements of the Company dated 21 October 2019, 23 October 2020, 25 October 2021, 28 September 2022 and 26 July 2023.

Factoring/Refactoring Business

On 19 April 2023, 東銳商業保理(上海)有限公司 (for identification purpose, Dongrui Factoring (Shanghai) Co. Ltd. (“**Shanghai Dongrui**”)) entered into a factoring agreement with 重慶嘉望商貿有限公司 (for identification purpose, Chongqing Jia Wang Industrial Co., Ltd. (“**Chongqing Jia Wang**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB21.1 million (equivalent to approximately HK\$23.2 million) assigned to Chongqing Jia Wang from the factoring customers of Chongqing Jia Wang for a period of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB19 million (equivalent to approximately HK\$20.9 million) at the interest rate of 11.00% per annum. Please refer to the announcement of the Company dated 19 April 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 29 June 2023, Shanghai Dongrui entered into a factoring agreement with 武漢合縱創展貿易有限公司 (for identification purpose, Wuhan Hezong Chuangzhan Trade Company Limited (“**Wuhan Hezong**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB18.9 million (equivalent to approximately HK\$20.8 million) assigned to Wuhan Hezong from the factoring customers of Wuhan Hezong for a period of 1 year from the date of execution of the factoring agreement, with the factoring principal amount of RMB17 million (equivalent to approximately HK\$18.7 million) at the interest rate of 11.00% per annum. Please refer to the announcement of the Company dated 29 June 2023.

On 19 December 2022, Shanghai Dongrui entered into a factoring agreement with 上海翺眩實業有限公司 (for identification purpose, Shanghai Hongxuan Industrial Company Limited (“**Shanghai Hongxuan**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by accounts receivable of approximately RMB6.7 million (equivalent to approximately HK\$7.4 million) assigned to Shanghai Hongxuan from the factoring customers of Shanghai Hongxuan for a term of 1 year from the date of execution of the factoring agreement with the factoring principal amount of RMB6 million (equivalent to approximately HK\$6.6 million) at the interest rate of 12.00% per annum. On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with Shanghai Hongxuan, pursuant to which Shanghai Dongrui agreed to provide financing secured by accounts receivable of approximately RMB20.0 million (equivalent to approximately HK\$22.0 million) assigned to Shanghai Hongxuan from the factoring customers of Shanghai Hongxuan for a term of 1 year from the date of execution of the factoring agreement with the factoring principal amount of RMB18 million (equivalent to approximately HK\$19.8 million) at the interest rate of 11.00% per annum. Please refer to the announcement of the Company dated 15 September 2023.

On 19 December 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 Limited (“**Chongqing Pumei**”)), pursuant to which Shanghai Dongrui agreed to provide financing secured by accounts receivable of approximately RMB6.2 million (equivalent to approximately HK\$6.8 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 RMB5.5 million (equivalent to approximately HK\$6.1 million) at the interest rate of 12.00% per annum. On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Pumei, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB9.9 million (equivalent to approximately HK\$10.9 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 RMB9 million (equivalent to approximately HK\$9.9 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 19 December 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 Limited (“**Chongqing Maotong**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB6.7 million (equivalent to approximately HK\$7.4 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 RMB6 million (equivalent to approximately HK\$6.6 million) at the interest rate of 12.00% per annum. On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Maotong pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB9.4 million (equivalent to approximately HK\$10.3 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 RMB8.5 million (equivalent to approximately HK\$9.4 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

On 19 December 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 Limited (“**Chongqing Baicui**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB2.8 million (equivalent to approximately HK\$3.1 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 RMB2.5 million (equivalent to approximately HK\$2.8 million) at the interest rate of 12.00% per annum. On 15 September 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Baicui, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB9.4 million (equivalent to approximately HK\$10.3 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 RMB8.5 million (equivalent to approximately HK\$9.4 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

On 15 September 2023, Shanghai Dongrui entered into a refactoring agreement with 深圳盛世嘉誠保理有限公司 (for identification purpose, Shenzhen Sheng Shi Jia Cheng Factoring Company Limited (“**Sheng Shi**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB8.6 million (equivalent to approximately HK\$9.5 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 RMB7.9 million (equivalent to approximately HK\$8.7 million) at the interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 15 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 11 October 2023, 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 Limited (“**Chongqing Chaofung**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB58.4 million (equivalent to approximately HK\$64.2 million) assigned to Chongqing Chaofung from the factoring customers of Chongqing Chaofung for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB53 million (equivalent to approximately HK\$58.3 million) at the interest rate of 10.00% per annum. For further details, please refer to the announcement of the Company dated 11 October 2023.

On 17 October 2023, Shanghai Dongrui entered into a factoring agreement Chongqing Maotong, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB44.4 million (equivalent to approximately HK\$48.8 million) assigned to Chongqing Maotong from the factoring customers of Chongqing Maotong for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB40 million (equivalent to approximately HK\$44.0 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 17 October 2023.

On 27 September 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Pumei, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB44.4 million (equivalent to approximately HK\$48.8 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 RMB40 million (equivalent to approximately HK\$44.0 million) at the interest rate of 11.00% per annum. On 17 October 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Pumei, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB22.2 million (equivalent to approximately HK\$24.4 million) assigned to Chongqing Pumei from the factoring customers of Chongqing Pumei for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB20 million (equivalent to approximately HK\$22.0 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 17 October 2023.

On 31 October 2023, Shanghai Dongrui entered into a refactoring agreement with Sheng Shi, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of RMB29 million (equivalent to approximately HK\$31.9 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 RMB26.5 million (equivalent to approximately HK\$29.2 million) at the interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 31 October 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 2 November 2023, 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 Limited (“**Pun Yu**”)), pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB54.2 million (equivalent to approximately HK\$59.6 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 RMB49.6 million (equivalent to approximately HK\$54.6 million) at the interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 2 November 2023.

On 6 November 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Baicui, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivable of approximately RMB74.4 million (equivalent to approximately HK\$81.8 million) assigned to Chongqing Baicui from the factoring customers of Chongqing Baicui for a period of 1 year from the date of signing of the factoring agreement, with the factoring principal amount of RMB67 million (equivalent to approximately HK\$73.7 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 6 November 2023.

On 28 November 2023, Shanghai Dongrui entered into a factoring agreement with Shanghai Hongxuan, pursuant to which Shanghai Dongrui agreed to provide financing being secured by accounts receivable of approximately RMB41.1 million (equivalent to approximately HK\$45.2 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 with the factoring principal amount of RMB37 million (equivalent to approximately HK\$40.7 million) at the interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 28 November 2023.

On 19 December 2023, Shanghai Dongrui entered into a factoring agreement with Chongqing Maotong, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB22.2 million (equivalent to approximately HK\$24.4 million) assigned to Chongqing Maotong from the factoring customers of Chongqing Maotong for a term of 1 year from the date of signing the factoring agreement, with the factoring principal amount of RMB20 million (equivalent to approximately HK\$22.0 million) and an interest rate of 11.00% per annum. For further details, please refer to the announcement of the Company dated 19 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Factoring/Refactoring Business (continued)

On 22 December 2023, Shanghai Dongrui entered into a refactoring agreement with Pun Yu, pursuant to which, Shanghai Dongrui agreed to provide financing secured by the accounts receivables of approximately RMB18.9 million (equivalent to approximately HK\$20.8 million) assigned to Pun Yu from the factoring customers of Pun Yu for a term of 1 year from the date of signing the refactoring agreement, with the factoring principal amount of approximately RMB17.3 million (equivalent to approximately HK\$19.0 million) and an interest rate of 9.41% per annum. For further details, please refer to the announcement of the Company dated 22 December 2023.

During the year ended 31 December 2023, the Group entered into (i) one loan financing agreement with one borrower; and (ii) 17 factoring/refactoring agreements with nine borrowers. Such borrowers include:

- Chongqing Longyate (which is principally engaged in processing of rebar, sales of construction materials);
- Chongqing Jia Wang (which is principally engaged in sales of building construction materials and machinery);
- Wuhan Hezong (which is principally engaged in sales of, among others, building materials and office equipment);
- Shanghai Hongxuan (which is principally engaged in, among others, technology development of computing software and electronic products);
- Chongqing Pumei (which is principally engaged in, among others, planting and sales of flowers and seedlings);
- Chongqing Maotong (which is principally engaged in construction related business);
- Chongqing Baicui (which is principally engaged in, among others, tree nurseries, planting and selling flowers and plants);
- Sheng Shi (which is principally engaged in, among others, investment consultation);
- Chongqing Chaofung (which is principally engaged in building and construction services); and
- Pun Yu (which is principally engaged in provision of loan factoring services)

all of which are private companies. The majority of such borrowers have credit ratings ranging from AAA to A.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Loan receivables

As at 31 December 2023, the Group's total loan receivables amounted to approximately HK\$495.5 million (2022: approximately HK\$520.1 million). The breakdown of the loan receivables of the Group as at 31 December 2023, categorised into the three segments in the Loan Financing Segment, namely Loan Financing Business, Short-term Loan Business and Factoring/Refactoring Business are as follows:

	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
Loan Financing Business	2,397	(47)	2,350
Short-term Loan Business	–	–	–
Factoring/Refactoring Business	493,744	(629)	493,115
	<u>496,141</u>	<u>(676)</u>	<u>495,465</u>
Total	<u><u>496,141</u></u>	<u><u>(676)</u></u>	<u><u>495,465</u></u>

INVESTMENT PROPERTIES HOLDING

Dong Dong Mall

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 the PRC with a total gross floor area of approximately 18,043.45 square meters (“**sq.m.**”). Nanping East Road in Nan'an District, Chongqing Municipality, is a bustling commercial area. Due to the convenient public transportation, Dong Dong Mall has become a hot-spot of fashion, shopping, entertainment and business for residents around south Chongqing. This area attracts numerous consumers and tourists because it offers a variety of high-quality goods and services as well as various entertainment and leisure options.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

INVESTMENT PROPERTIES HOLDING (CONTINUED)

Dong Dong Mall (continued)

In order to revive and expand consumption, the PRC government has launched a series of policies. These policies aim to increase residents' income through various channels and improve the consumption environment, thereby enabling the ongoing recovery of the consumer market. With the effectiveness of these policies gradually becoming more apparent, the consumer market is expected to continue to recover, bringing development opportunities to Dong Dong Mall.

To maintain a stable leasing rate for commercial space and good customer relationships, Dong Dong Mall mitigated the pressure on the merchants by providing them with various incentives, such as rent concessions. As of 2023, Dong Dong Mall had granted rent concessions of a total of approximately RMB0.4 million (equivalent to approximately HK\$0.5 million) for the merchants, which accounted for approximately 3.08% of Dong Dong Mall's revenue in 2023.

Chengdu Office

On 25 April 2023, 三亞清石實業有限公司 (for identification purpose, Sanya Qingshi Industrial Co., Ltd. (“**Sanya Qingshi**”)), a wholly-owned subsidiary of Shanghai Dongkui, entered into a contract with 成都東銀信息傳媒有限公司 (for identification purpose, Chengdu Dongyin Information Media Co., Ltd.), pursuant to which Sanya Qingshi agreed to purchase a property (i.e. Rooms no. 1 and 2 of 4th Floor, Unit 1, Building 6 of a scientific research office building of 天府新谷 (for identification purpose, Tianfu Xingu), on the land located at No. 399 West Section of Fucheng Avenue, Chengdu, PRC) (the “**Chengdu Office**”), with the aggregate gross floor area of each of Rooms no. 1 and 2 being 1,437.93 sq.m. and 974.76 sq.m. respectively, at a total consideration of RMB19 million (equivalent to approximately HK\$20.9 million).

As one of the central cities in the Western region of the PRC, the continuous economic growth of Chengdu brings an increasing demand for office buildings. Being located in the business district of Chengdu, the Chengdu Office will continue to benefit from the economic growth of the city. In June 2023, Sanya Qingshi has entered into tenancy agreements with the tenants for the Chengdu Office for terms of nearly 10 years at an aggregate annual rent of approximately RMB1.6 million (equivalent to approximately HK\$1.8 million). This will bring stable income to the Group in the future.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

INVESTMENT PROPERTIES HOLDING (CONTINUED)

For the year ended 31 December 2023, the Group's investment properties holding segment contributed revenue of approximately HK\$15.8 million (2022: approximately HK\$9.7 million), representing an increase of approximately 62.89%, which was mainly attributable to the increase in rental income of Dong Dong Mall and Chengdu Office. For the year ended 31 December 2023, the assessed fair value gains of Dong Dong Mall and Chengdu Office accounted for approximately HK\$4.8 million (2022: fair value loss of approximately HK\$31.4 million). For the year ended 31 December 2023, this segment recorded profit after tax of approximately HK\$8.0 million (2022: loss after tax of approximately HK\$20.5 million).

SALES OF FLOWERS AND PLANTS

In 2023, the sluggishness of the real estate market in the PRC continuously led to a decrease in demand for flowers and plants in the market, thus affecting the sales revenue of flower and plant business owners. As a result, the Group experienced a relative decline in the sales of flowers and plants during the year. For the year ended 31 December 2023, the Group's sales of flowers and plants segment has contributed revenue of approximately HK\$6.3 million (2022: approximately HK\$39.0 million), representing a decrease of approximately 83.85%. Despite the fact that the downturn in the real estate market in Chongqing has posed certain challenges to the flower and plants market, the Group has made proactive efforts to adapt to the market demand and expand its sales channels in order to maintain its competitiveness.

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\$66,000), and the registered capital of Anxin Wanbang was RMB50 million (equivalent to approximately HK\$55.0 million). Anxin Wanbang is principally engaged in the provision of services and distressed assets management. In June 2022, Shanghai Dongkui disposed the entire interest in Anxin Wanbang to an independent third party for a consideration of RMB0.1 million (equivalent to approximately HK\$0.1 million) (the “**Disposal**”). After the Disposal, the Group is still in the process of finding a suitable team to design and optimize a business model that suits the management practices and features of a listed company.

For the year ended 31 December 2023, the Group's distressed assets management segment has not contributed revenue (2022: Nil). Accordingly, this segment recorded loss after tax of approximately HK\$0.1 million for the year ended 31 December 2023 (2022: loss after tax of approximately HK\$3.3 million).

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

PROSPECTS

Looking ahead to 2024, it is expected that the PRC economy will continue its trend of recovery. In the face of domestic and international challenges, the PRC government will continue to strengthen its support for the economy and has been seeking progress in a stable manner in order to achieve high-quality development. The Group will closely monitor domestic and international economic dynamics while consistently assessing the changes in policy risks. On the basis of ensuring safety and compliance, the Group will undergo business expansion prudently and strive for long-term high-quality development.

Dongkui Business

In 2024, Shanghai Dongkui will continue to invest its resources in the factoring/refactoring business. Shanghai Dongkui will follow the operation principles of professionalism, standardization and marketization, and enhance risk control measures, thus consistently improving customer quality, reducing operational risks and ensuring the smooth operation of the Dongkui Business.

Commercial factoring plays an important role in serving the real economy, addressing financing hurdles for small and medium-sized enterprises, and reducing leverage for large enterprises. In recent years, the PRC government has emphasized the importance of healthy development of the supply chain finance industry, including commercial factoring, and has introduced a series of supportive policies to guide the standardized and healthy development of the commercial factoring industry.

On 18 July 2023, Shanghai Municipal Economic and Informatization Commission, Shanghai Municipal Commission of Commerce and Shanghai Municipal Development and Reform Commission issued a circular entitled “Action Plan for Promoting the High-Quality Development of Industrial Internet Platforms in Shanghai (2023-2025)”. The action plan states that industrial Internet platforms should carry out in-depth collaboration with financial institutions (including banks and insurers) as well as financial organizations in relation to finance leasing, commercial factoring and financing guarantees, so as to provide diversified services to upstream and downstream enterprises. At the same time, the circular also promotes financial institutions and industrial Internet platforms to jointly explore trustworthy models based on blockchain technology to increase supply chain financial services.

Shanghai Dongkui will continue to adhere to the philosophy of compliant operation in accordance with laws and regulations, continue to strengthen business processes and internal control mechanisms, and strengthen risk control management of the approval business. On the basis of compliance, the Group will keep developing the sub-segments of its services while also proactively seeking business innovation, expanding market space and potential, creating new points of growth for its businesses, and activating the momentum of innovation and development.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

PROSPECTS (CONTINUED)

Investment Properties Holding

Dong Dong Mall

With the economy and society returning to a state of normality, the implementation of various policies to promote consumption and the accelerated return of offline consumption, the consumer market in Chongqing sustained recovery on a whole. On 27 November 2023, the Chongqing Development and Reform Commission issued the “Measures to Restore and Expand Consumption”, which aim to further stabilise the consumption potential and promote the sustained recovery of consumption in terms of five aspects: vigorously promoting automobile consumption, comprehensively improving housing and household consumption, improving the quality and development of new types of consumption, continuously expanding cultural and tourism consumption, and making every effort to create a good consumption environment.

In addition to meeting people’s shopping needs, Dong Dong Mall, a property held by the Group, 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. Positioned as a family-oriented shopping centre serving the neighbourhood, Dong Dong Mall is designed to attract customers and merchants by focusing on children-oriented businesses through restructuring, investment, operation and promotion. Moreover, there are a number of themed plazas and event venues, where various cultural and art activities and parent-child entertainment programmes are held from time to time to provide consumers with more entertainment and cultural experiences.

In the future, Dong Dong Mall will focus its brand as a “parent-child centre”, actively establish comfortable and healthy venues for commercial consumption, constantly upgrade facilities and shopping mall services, and hold diversified programmes and activities to turn Dong Dong Mall into an imaginative and fresh parent-child leisure destination, so as to revive the consumption experience of the neighbourhood and unleash development vitality.

Chengdu Office

As a major city in the Western region of the PRC, Chengdu has extensive prospects and massive development potential. Especially under the government’s increased support for the service industry, the office market of Chengdu will receive long-term stable support. Chengdu has a good foundation in the service industry, and it is expected that in the future, there will be economic opportunities brought by industry transformation and the demographic structure when the government increases its support for the service industry. Industries such as finance, real estate, tourism and technology will experience rapid development, providing long-term support for the office market of Chengdu.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

PROSPECTS (CONTINUED)

Investment Properties Holding (continued)

Chengdu Office (continued)

The Chengdu Office held by the Group is located in a business district with a strategic location. In June 2023, Sanya Qingshi entered into a tenancy contract with an independent third party tenant for the Chengdu Office for a term of nearly 10 years. With good communication with customers, the leasing of the Chengdu Office will generate stable income for the Group in the foreseeable future.

Although property prices in China continue to fall, rents in Chongqing and Chengdu showed signs of stabilization and an upward trend. The Group will continue to monitor the market changes and identify suitable property markets with stable returns in order to increase the Group's rental income.

Sales of Flowers and Plants

In recent years, the real estate market in Chongqing was subject to continued downward pressure and the market has not yet recovered in confidence. The development pace of real estate developers has slowed down, resulting in reduced demand for flowers and plants. In order to support the recovery of the real estate market, on 20 September 2023, the Chongqing Municipal People's Government promulgated the Decision of the Chongqing Municipal People's Government on Modification of the Provisional Measures on Trial Reform of Imposing Real Estate Tax on Certain Individual Residential Properties in Chongqing Municipality and the Detailed Rules for the Implementation of the Administration of Individual Residential Property Tax Collection in Chongqing Municipality to reduce the cost of purchase of residential property and encourage housing demand.

On 3 July 2023, Chongqing Municipal People's Government and the National Forestry and Grassland Administration jointly issued the Notice of the Chongqing Municipal People's Government and the National Forestry and Grassland Administration on Issuing the Implementation Plan for the Construction of Chongqing as a Scientific Greening Pilot Demonstration City, which proposed to fully utilize the potential of greening and vigorously launch tree planting and courtyard greening, with the goal of greening, beautification and improving the living environment.

The recovery of the real estate market and the construction of the eco-city will positively impact the development of the Group's business of sales of flowers and plants. The Group is committed to providing flowers and plants of high quality for landscape greening and to providing products and services to customers at competitive prices. The Group will continue to seek market opportunities and explore new sales channels to enhance the quality and efficiency of its operations and maintain its competitiveness in the market.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATIONS (CONTINUED)

PROSPECTS (CONTINUED)

Distressed Assets Management Business

With the economic downturn and the advancement of supply-side reform, some industries and enterprises have entered into a period of adjustment, and distressed assets have continued to increase, which has brought new development potential to the distressed assets industry. On 21 August 2023, the Ministry of Finance and the State Taxation Administration issued the Announcement on the Continued Implementation of the Tax Policy on the Setting Off of Non-performing Debts of Banking Financial Institutions and Financial Asset Management Companies against Their Debts, which supports banking and financial institutions and financial asset management companies in disposal of non-performing debts with a view to effectively prevent financial risks.

In the future, the Group will continue to seek development opportunities in the distressed asset management industry and identify suitable team members. We would like to design an optimized business model to meet the requirements of the industry practices and features of a listed company. At the same time, we will establish effective disposal processes and systems, and look for high-quality disposal service agencies for cooperation, in order to enhance our disposal capacity and efficiency. In this way, we are able to seize the opportunities of the development of the distressed asset management industry and actively contribute to economic development and financial stability.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group had bank and cash balances of approximately HK\$159.5 million as at 31 December 2023 (2022: approximately HK\$147.3 million). The management believes that the Group has sufficient cash and cash equivalents to fund its operations and future development. As at 31 December 2023, the current ratio of the Group, representing current assets divided by current liabilities, was approximately 11.4 (2022: approximately 11.5).

As at 31 December 2023, the Group had no gearing ratio (2022: 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 2023 and 2022, the Group’s gross debt had not exceeded cash and cash equivalents.

FINANCIAL REVIEW (CONTINUED)

Capital Structure

As at 31 December 2023, the Group had no current and non-current borrowings (2022: nil).

The Group did not use any derivative to hedge its exposure to interest rate risks for the years ended 31 December 2023 and 2022. 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 2023 and 2022, 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.

Employees and remuneration policy

As at 31 December 2023, the Group had 29 employees (31 December 2022: 30 employees). During the year ended 31 December 2023, the total staff costs recognized as expenses were approximately HK\$15.8 million (2022: HK\$18.1 million).

In terms of talent training, the Group will further enhance its employee training program with internal and external resources. The employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to its existing employees at different levels to specialize and strengthen their skill sets.

The Group adopts remuneration policies similar to its peers in the industry. The remuneration payable to its staff is fixed by reference to the duties and the prevailing market rates. The Group is subject to social insurance contribution plans or other pension schemes prescribed by the local governments and is required to pay on behalf of its employees, a monthly social insurance funds covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, and the housing provident fund, or to contribute regularly to mandatory provident fund schemes on behalf of its employees.

In determining the remuneration and compensation packages of the Directors and senior management, the Group will take into account, among other things, salaries paid by comparable companies, time commitment and their respective responsibilities and performance of the Group.

Contingent Liabilities or Commitments

As at 31 December 2023 and 2022, 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.

FINANCIAL REVIEW (CONTINUED)

Significant events after the year ended 31 December 2023

There were no significant events arising subsequent to the year ended 31 December 2023 as at the date of this annual results announcement.

Dividends

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: 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 C1 to the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year ended 31 December 2023.

The Company regularly reviews its corporate governance practices to ensure that 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 Audit 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 2023 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 2023 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 C3 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 2023.

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 2023.

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 2023.

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 2023 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 2023 containing all the information as required in Appendix D2 to the Listing Rules will be dispatched to shareholders (where required) 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 2024

For the purpose of this announcement, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1 to HK\$1.10. 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.