

JOYAS  
INTERNATIONAL HOLDINGS LTD.

(a company incorporated in Bermuda with limited liability)



2022  
ANNUAL REPORT



## CONTENTS

CORPORATE INFORMATION	<b>02</b>
STATEMENT OF THE CHAIRMAN	<b>04</b>
FINANCIAL HIGHLIGHTS	<b>05</b>
FINANCIAL AND OPERATIONS REVIEW	<b>06</b>
BOARD OF DIRECTORS	<b>08</b>
EXECUTIVE OFFICER	<b>09</b>
FINANCIAL CONTENTS	
REPORT OF THE DIRECTORS	<b>10</b>
STATEMENT BY THE DIRECTORS	<b>12</b>
INDEPENDENT AUDITORS' REPORT	<b>13</b>
AUDITED FINANCIAL STATEMENTS:	
Consolidated statement of financial position	<b>16</b>
Statement of financial position	<b>17</b>
Consolidated statement of profit or loss and other comprehensive income	<b>18</b>
Consolidated statement of changes in equity	<b>19</b>
Consolidated statement of cash flows	<b>21</b>
Notes to the financial statements	<b>23</b>
KEY INFORMATION OF DIRECTORS TO BE RE-ELECTED	<b>53</b>
CORPORATE GOVERNANCE REPORT	<b>58</b>
SUSTAINABILITY REPORT	<b>71</b>
SHAREHOLDING STATISTICS	<b>74</b>
NOTICE OF ANNUAL GENERAL MEETING	<b>76</b>

This annual report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

# Corporate Information

BOARD OF DIRECTORS	:	Cheung Yin (Independent Non-Executive Chairman) Ong Chor Wei (Non-Independent Non-Executive Director and Deputy Chairman) Vincent Cheung Chun Wai (Executive Director and Chief Executive Officer) Francis Lee Fook Wah (Independent Non-Executive Director)
COMPANY SECRETARY	:	Gwendolyn Gn Jong Yuh, LLB (Hons)
DEPUTY COMPANY SECRETARY	:	Lui Mui Ching, BCom, CPA (Aust.), CPA
BERMUDA RESIDENT REPRESENTATIVE AND ASSISTANT SECRETARY	:	Ocorian Services (Bermuda) Limited Victoria Place 5 <sup>th</sup> Floor, 31 Victoria Street Hamilton HM10, Bermuda
AUDIT COMMITTEE	:	Cheung Yin (Chairman) Ong Chor Wei Francis Lee Fook Wah
NOMINATING COMMITTEE	:	Cheung Yin (Chairman) Ong Chor Wei Francis Lee Fook Wah
REMUNERATION COMMITTEE	:	Cheung Yin (Chairman) Ong Chor Wei Francis Lee Fook Wah
RISK MANAGEMENT COMMITTEE	:	Cheung Yin (Chairman) Francis Lee Fook Wah
REGISTERED OFFICE	:	Victoria Place 5 <sup>th</sup> Floor, 31 Victoria Street Hamilton HM10, Bermuda
PRINCIPAL PLACE OF BUSINESS	:	Rm 1415, Leighton Centre 77 Leighton Road Causeway Bay, Hong Kong Tel: (852) 2620 5298 Fax: (852) 2865 0012
COMPANY REGISTRATION NUMBER	:	38991
SINGAPORE SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632

# Corporate Information

BERMUDA PRINCIPAL REGISTRAR AND TRANSFER AGENT	:	Ocorian Services (Bermuda) Limited Victoria Place 5 <sup>th</sup> Floor, 31 Victoria Street Hamilton HM10, Bermuda
LEGAL ADVISORS TO THE COMPANY ON HONG KONG LAW	:	Vincent T. K. Cheung, Yap & Co. 4/F, VC House 4-6 On Lan Street Central, Hong Kong
AUDITORS	:	Baker Tilly TFW LLP Chartered Accountants of Singapore 600 North Bridge Road #05-01 Parkview Square Singapore 188778
		Partner-in-charge: Ms. Guo Shuqi (Since financial year ended 31 December 2019)
LEGAL ADVISORS TO THE COMPANY ON BERMUDA LAW	:	Appleby Suites 4201-03 & 12, 42/F One Island East, Taikoo Place 18 Westlands Road Quarry Bay, Hong Kong
PRINCIPAL BANKERS	:	Bank of Communications (Hong Kong) Limited Unit B B/F & G/F, Unit C G/F, Wheelock House, 20 Pedder Street, Central, Hong Kong
		CIMB Bank Berhad 30 Raffles Place #04-01 Singapore 048622
SPONSOR	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318

# Statement of the Chairman

On behalf of the Board of Directors (the “**Board**”), we are pleased to present to you the Annual Report of Joyas International Holdings Limited (“**Joyas Int’l**”, or the “**Company**”) for the financial year ended 31 December 2022 (“**FY2022**”).

In FY2022, Joyas Int’l and its subsidiaries (together the “**Group**”) recorded higher revenue of approximately HK\$3.9 million, increased by approximately HK\$494,000 or 14.4% as compared with the financial year ended 31 December 2021 (“**FY2021**”). The increase was mainly attributed to increase in interest income from the financing business due to an increase in amount of loan disbursements in the People’s Republic of China (the “**PRC**”) (including HK) during FY2022 compared to FY2021. The increase was partially offset by the absence of foreign exchange investment gain in FY2022.

## OUTLOOK

### Nickel ore

Up to the date of this Annual Report, there is no material update since the Company’s third quarter results announcement dated 11 November 2022 except that Mr. Wang De Zhou (“**WDZ**”) has made further repayment of approximately HK\$163,000 and he will continue to do so when he has surplus funds.

As disclosed in the Company’s announcement dated 18 March 2022 and 26 October 2022, based on the financial check conducted by a professional firm, there are no substantial assets held by WDZ, Mr Wang De Wei and Madam Wang Jun Zhe in Hong Kong and Singapore, other than shareholding in PT Shenniu Mining Indonesia. Accordingly, upon considering the limited assets, uncertainty for recovery and substantial legal efforts, potential significant cost and time required, pursuing a legal course of action may not be the most appropriate course of action for the Group at the moment.

The Group will continue to pursue the repayment while considering the various course of actions which include a) arranging funds required to continue with the legal course of action such as to enforce the share charge of the shareholding in PT Shenniu Mining Indonesia and claiming against Mr Wang De Wei and Madam Wang Jun Zhe. Such action will be considered when the Group has excess funds and b) the settlement proposal by WDZ by way of ownership of certain mining concession in Indonesia (“Proposed Settlement”) proposal by WDZ in the Company’s announcement dated 18 March 2022. With the opening of borders for the PRC and Indonesia, the Directors plan to meet WDZ in Indonesia to discuss the Proposed Settlement in May 2023.

The Board is of the opinion that the current approach by the management is in the best interest of the Company and shareholders under the current circumstances.

On 14 October 2022, the Group has disposed its entire 70% of the total issued and paid-up share capital of Hong Kong Silver Basic Group Limited (“**HK Silver**”). As disclosed in the announcement dated 26 October 2022, the disposal will not affect the Group’s right in the legal course of action in respect of the recoverability of the Deposit as the plaintiff to the legal course of action is Asiapac Growth Holdings Limited which continues to be a subsidiary of the Group. In addition, the disposal of HK Silver will also resolve the Group’s audit qualifications issues.

### Financing business

During FY2022, the Group’s financing business has been contributing to the Group’s revenue. The Group expects such contribution to remain for at least the next 12 months.

The management will continue to raise additional funds (by equity or debt or both) to expand the working capital base of the Group.

### Fintech and blockchain related services

On 18 January 2022, the Group, through its wholly-owned subsidiary, Asiapac Growth Holdings Limited (“**Asiapac**”), entered into a joint cooperation agreement (“**Joint Cooperation Agreement**”) with Splendid Powerful Limited (“**Splendid Powerful**”) in relation to a proposed joint co-operation as detailed below (the “**Proposed Joint Co-operation**”). Please refer to the announcement in relation to the Proposed Joint Co-operation dated 18 January 2022.

Pursuant to the Joint Cooperation Agreement, a new entity, Meta Technology International Limited (“**Meta**”), was incorporated in Hong Kong, with an issued share capital of HK\$10,000. Asiapac holds 60% of the issued share capital of Meta while Splendid Powerful holds 40% of the issued share capital of Meta.

The Joint Co-operation involves the setting up of Meta which will be engaged in the provision of financial technology (“**Fintech**”) and blockchain related service.

The Group is still exploring and evaluating the various business and investment opportunities in the Fintech and blockchain industry. There are no developments in the Joint Co-operation as of the date of this annual report and the Company will provide updates when there are material developments. The Group is hopeful that the Fintech and blockchain will provide a new revenue stream to the Group.

### Other updates

The Group is currently still in negotiation with several potential targets on an acquisition or cooperation opportunity. No definitive agreement has been reached as of to date.

Previously, the Group generates revenue only from the financing business and has a limited working capital base. As a result, the Company may be deemed as a cash company pursuant to Rule 1017 of the SGX-ST Listing Manual Section B: Rules of Catalist if it fails to demonstrate the sustainability and viability of the Group’s business by, amongst others, (i) improving the financial position of the Group by expanding its working capital base via equity and/or debt; and (ii) increasing the revenue stream of the Group. During FY2021, the Group expanded its working capital base via debt. In addition, the Group has expanded its revenue stream to include fintech and blockchain related services as announced on 18 January 2022.

The Company will update shareholders via SGXNET as and when there are any material developments on the above matters.

As of 31 December 2022, the Group has net assets of approximately HK\$11.4 million and net current assets of HK\$11.4 million, including cash and bank balances of approximately HK\$10.5 million. Cash flow forecast was prepared up to 30 June 2024 and it showed a net positive cash position as at 31 December 2023 and 30 June 2024. Based on the assumptions that there will be no collection problems in the Financing Business and the loans can be repayable on demand, the Company should have sufficient resources to meet its obligations for at least 12 months from the date of this annual report. The assumptions are considered to be reasonable based on the past track record. To date, there are no customers who are financially affected by COVID-19.

## APPRECIATION

I would like to thank our fellow directors on the Board for their valued contributions. On behalf of the Board, I also wish to thank the management and staff for their dedication, commitment and contributions to the Group.

In addition, I would like to thank our valued customers, business partners and suppliers for their continuing support, patronage and guidance. I would like to express my appreciation to shareholders for their continued support of the Company.

Thank you.

**Cheung Yin**

Independent Non Executive Chairman

6 April 2023

# Financial Highlights

	2022 HK\$'000	2021 HK\$'000
<b>OPERATING RESULTS</b>		
Revenue	<b>3,936</b>	3,442
Profit/ (loss) before tax	<b>1,163</b>	(1,272)
Profit/ (loss) after tax	<b>1,035</b>	(1,417)
Net profit/ (loss) attributable to the equity holders of the Company	<b>639</b>	(1,603)
<b>EARNINGS PER SHARE (HK CENTS) -</b>		
Basic and diluted	<b>0.03</b>	(0.07)
<b>FINANCIAL POSITION</b>		
Total assets	<b>26,594</b>	32,492
Total bank and other debts	<b>13,904</b>	19,744
Shareholders' equity	<b>11,389</b>	10,155
Debt to equity ratio (times)	<b>1.22</b>	1.94
Cash and bank balances	<b>10,542</b>	13,668
<b>CASH FLOWS</b>		
Net cash used in operating activities	<b>3,929</b>	(7,087)
Cash and bank balances	<b>10,542</b>	13,668

# Financial and Operations Review

## OVERVIEW

Joyas International Holdings Limited and its subsidiaries (together the “**Group**”) are principally engaged in financing and related business during the financial year. During FY2022, the Group disposed nickel ore business with effect from 14 October 2022.

## OPERATING RESULTS

### Statement of profit or loss and other comprehensive income

#### *Revenue*

The Group’s revenue increased by approximately HK\$494,000 or 14.4% from HK\$3.4 million in FY2021 to approximately HK\$3.9 million in FY2022.

The increase in revenue was mainly attributed to increase in interest income from the financing business due to an increase in amount of loan disbursements in the PRC (including HK) during FY2022 compared to FY2021. The increase was partially offset by the absence of foreign exchange investment gain in FY2022.

An analysis of sales of the Group’s products to its principal markets, namely the Europe and the PRC (including HK) during the period under review is as follows:-

	Others			Financing Activities		
	FY2022 HK'000	FY2021 HK'000	Change %	FY2022 HK'000	FY2021 HK'000	Change %
USA	–	–	–	–	–	–
Europe	–	202	(100.0)	–	–	–
The PRC (including HK)	–	–	–	<b>3,936</b>	3,240	21.5
Total turnover	–	202	(100.0)	<b>3,936</b>	3,240	21.5

	FY2022		FY2021		Year-on-year % change
	HK\$'000	%	HK\$'000	%	
Revenue					
Financing Activities					
- interest income	<b>3,486</b>	<b>88.6</b>	2,790	81.0	24.9
- loan referral services income	<b>450</b>	<b>11.4</b>	450	13.1	–
Fair value gain on financial assets at FVTPL	–	–	202	5.9	(100.0)
	<b>3,936</b>	<b>100.0</b>	3,442	100.0	14.4

The Group only operated in one principal market and has one principal business activity, namely financing business, in FY2022 and two principal market and has two principal business activity, namely financing business and foreign exchange investment in FY2021.

#### *Other income*

Other income increased by approximately HK\$921,000 or 1261.6% from approximately HK\$73,000 in FY2021 to approximately HK\$994,000 in FY2022. This was mainly attributed to: (a) an increase in government grant of approximately HK\$24,000; (b) an increase in bank interest income of approximately HK\$68,000, and (c) gain on disposal of HK Silver of approximately HK\$900,000 for 4Q22 compared to a gain on disposal of Topping Tact Limited of HK\$36,000 for 4Q21. The increase was partially offset by the write back of warrants of approximately HK\$35,000 which has expired in February 2021.

#### *Administrative expenses*

Administrative expenses decreased by approximately HK\$635,000 or 16.2% from approximately HK\$3.93 million in FY2021 to approximately HK\$3.30 million in FY2022. This was mainly attributed to: (a) less professional fees compared to corresponding previous year of approximately HK\$405,000; (b) lower director remuneration of approximately HK\$51,000 mainly attributable to lower level of director fees for the new directors of the Company appointed in April 2021; (c) decrease in rent and property tax of approximately HK\$40,000 incurred by HK Silver which has since been disposed; and (d) decrease in guarantee fee of approximately HK\$60,000 in relation to the financing activities business in 4Q21; and (e) decrease in exchange loss.

# Financial and Operations Review

## *Finance costs*

Finance costs increased by approximately HK\$713,000 or 127.8% from approximately HK\$558,000 in FY2021 to approximately HK\$1.27 million in FY2022. This was mainly attributed to: (a) higher borrowing cost to finance the loan and advance in financing activities; and (b) higher interest on bank overdraft of approximately HK\$207,000 due to higher amount outstanding.

## *Profit/ (loss) before taxation*

As a result of the above, the Group had recorded a profit before taxation of approximately HK\$1.2 million (FY2021: loss before taxation approximately HK\$1.27 million).

## *Taxation*

Taxation of approximately HK\$128,000 was provided for Hong Kong subsidiaries in FY2022 (FY2021: approximately HK\$145,000). The provision in FY2022 included provision of taxation for the current year of approximately HK\$128,000. (FY2021: comprised of provision of taxation for FY2021 of HK\$125,000 and under provision of HK\$20,000 in prior year).

## **Statement of Financial Position**

### *Current assets*

Current assets decreased by approximately HK\$5.9 million from approximately HK\$32.5 million as at 31 December 2021 to approximately HK\$26.6 million as at 31 December 2022. This decrease was mainly attributed to: (a) decrease in loan and advances under trade and other receivables of approximately HK\$2.5 million due to repayment from a borrower; and (b) decrease in cash and bank balances of approximately HK\$3.1 million due mainly to repayment of other borrowings and bank borrowings.

### *Current liabilities*

Current liabilities decreased by approximately HK\$7.1 million from approximately HK\$22.3 million as at 31 December 2021 to approximately HK\$15.2 million as at 31 December 2022. The decrease was mainly attributed to: (a) repayment of bank and other borrowings by approximately HK\$5.8 million; and (b) the decrease in trade and other payables by approximately HK\$1.7 million following the disposal of HK Silver which previously had HK\$1.7 million of trade and other payables prior to disposal. The decrease is partially offset by an increase in other payables which consists mainly of amount due to HK Silver of approximately HK\$476,000.

## **Liquidity and cash flow**

During FY2022, the Group's net cash generated from operating activities was approximately HK\$3.9 million. This was mainly attributed to: (a) decrease in trade and other receivables of approximately HK\$439,000; (b) profit before taxation from operations with adjustments for non-cash items of approximately HK\$664,000; (c) decrease in loans and advances of approximately HK\$2.5 million; and (d) increase in trade and other payables of approximately HK\$455,000.

The Group's net cash generated from investing activities was approximately HK\$56,000. This was mainly attributed to: (a) receipt of bank interest of approximately HK\$70,000; and (b) net cash disposed for the disposal of HK Silver of approximately HK\$14,000.

The Group's net cash used in financing activities was approximately HK\$5.4 million. This was mainly attributed to: (a) repayment of other borrowings of approximately HK\$5.4 million and (b) fund withdrawn in non-liquid deposits of approximately HK\$1.7 million.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$1.5 million.

As at 31 December 2022, the Group had cash and bank balance of HK\$10.5 million (31 December 2021: HK\$13.7 million) and unutilised banking facilities of approximately HK\$683,000 (31 December 2021: HK\$990,000).

## Board of Directors

**Cheung Yin**, Independent Non-Executive Chairman, was appointed as an Independent Non-Executive Director to the Board on 18 January 2021. Ms Cheung was last re-elected to the Board on 28 April 2022. She was appointed the Chairman of the Board on 30 April 2021. Ms Cheung is currently a Chief Financial Officer of LWH Advisory Limited, a company incorporated in Macau which is principally engaged in provision of various financial services. Ms Cheung is also the Company Secretary and Authorised Representative for Finet Group Limited (Stock Code: 8317) and GBA Holdings Limited (Stock Code: 261). Ms Cheung is also an independent non-executive director of Prosperous Printing Company Limited (Stock Code: 8385), which is listed on the Growth Enterprise Market of the SEHK. Ms. Cheung worked for Coastal Greenland Limited which is listed on the main board of the SEHK as a qualified accountant for the period from April 2004 to June 2007 and senior accounting manager/accounting manager for the period from September 1995 to March 2004. She has over 29 years of experience in accounting, auditing and financial management. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of the CPA Australia. Ms. Cheung obtained a master's degree in Business Administration from the University of Wales, Newport in the United Kingdom in December 2009 and a Bachelor's degree in Business (Accountancy) from the Charles Sturt University in Australia in April 1991.

Ms. Cheung is due for re-election as a Director at the forthcoming Annual General Meeting of the Company ("AGM").

**Vincent Cheung Chun Wai** Executive Director and Chief Executive Officer was appointed to the Board on 30 April 2021. Mr. Cheung handles the general management of the Group and its financing business. He is also the assistant vice president of CCIG Financial Services Limited, a 70% indirectly owned and principal operating subsidiary of the Group from 2016. Prior to this, he was the assistant to Chairman of CCIG Credit Limited from 2015 to 2016 and assistant general manager of AEON Credit Service (Asia) Co. Limited from 2006 to 2015. He holds a Certificate of Accredited Mediator awarded by Hong Kong Mediation Centre, Certificate awarded by Hong Kong Mediation Accreditation Association Limited (HKMAAL), Certified Workplace Mediator CWPM 1099 awarded by International Dispute Resolution & Risk Management Institute (IDRMI), Certificate awarded by Mediator Assessor Training Programme by CEDR and Degree in Master of Business Administration in Executive Management awarded by Royal Roads University Canada.

**Francis Lee Fook Wah**, Independent Non-Executive Director, was appointed to the Board on 30 April 2021. He is member of the Audit, Remuneration and Nominating Committees.

Mr Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer until 1993. Between 1993 and 1994, he joined OCBC Bank as an assistant manager. Between 1994 and 2001, he worked at Deutsche Morgan Grenfell Securities as a dealer's representative. He served at the Singapore branch of the Bank of China between 2001 and 2004 as an assistant manager. Between 2004 and 2005, he worked at AP Oil International Ltd as an investment and project manager. Between 2005 and 2011, he was the chief financial officer and finance director of Man Wah Holdings Limited, a company listed on the Hong Kong Stock Exchange. He also served as a Non-Independent Non-Executive Director of Man Wah Holdings Ltd between January 2011 and February 2012.

He was the Chief Financial Officer of OKH Global Ltd from March 2015 until December 2017. Mr Lee is currently the Chief Financial Officer and Executive Director for Vibrant Group Ltd, a company listed on the Main Board of the Singapore Stock Exchange.

He is an Independent Director of Pavillon Holdings Limited, Asiaphos Limited and Net Pacific Financial Holdings Limited. Mr Lee is also a Non-Independent Non-Executive Director of Figtree Holdings Limited.

Mr Lee was also an Independent Director of Sheng Siong Group Limited and Metech International Limited.

Mr Lee graduated from the National University of Singapore with a Bachelor of Business Administration (Accountancy) in 1990 and obtained a Master of Business Administration (Investment and Finance) from the University of Hull in 1993. He is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Lee is also a member of the Singapore Institute of Directors.

**Ong Chor Wei**, Non-Independent Non-Executive Director and Deputy Chairman, was appointed to the Board on 21 December 2007. Mr Ong was last re-elected to the Board on 28 April 2021. Mr Ong is currently an executive director and Chief Executive Officer of Net Pacific Financial Holdings Limited (a company listed on the SGX-ST). Mr. Ong is also an executive director of GBA Holdings Limited (Stock Code: 261). Mr. Ong is also an independent non-executive director of Denox Environmental & Technology Holdings Limited (Stock Code: 1452) and Smart Globe Holdings Limited (Stock Code: 1481, previously 8485), all of which are listed on the SEHK. Previously, Mr Ong was an independent non-executive director of Nameson Holdings Limited (Stock Code: 1982) from 2016 to 2022, O-Net Technologies (Group) Limited (Stock Code 877) from 2010 to 2020 and Man Wah Holdings Limited (Stock Code: 1999) from 2010 to 2022, all of which are listed on the SEHK. Mr Ong was also a non-executive director of Prosperous Printing Company Limited (Stock Code: 8385) (2016 to 2020) and Hong Wei (Asia) Holdings Company Limited (Stock Code: 8191) (2013 to 2016), both companies are listed on the Growth Enterprise Market of the SEHK, and Vico International Holdings Limited (Stock Code: 1621) (2017 to 2019), a company listed on the SEHK. Mr Ong was also an executive director on a part-time basis of Zibao Metals Recycling Holdings Plc (a company trading on AIM, a market operated by the London Stock Exchange Plc) from 2014 to 2019.

Mr Ong has over 31 years of experience in finance and accounting. He holds a Bachelor of Laws degree from The London School of Economics and Political Science, University of London. He also holds a distance learning degree in Masters in Business Administration jointly awarded by The University of Wales and The University of Manchester. Mr Ong is an associate member of The Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ong is due for re-election as a Director at the forthcoming AGM.

## Executive Officer

**Lui Mui Ching**, Accounting Manager and Deputy Company Secretary joined the group in September 2006. Ms. Lui is responsible for the overall accounting and financial reporting matters of the Group, including financial accounting, management accounting, budgeting and forecasting, statutory reporting of the Group companies, internal controls and tax planning and as the Company Secretary, she is also responsible for the compliance affairs of the Group. Prior to joining the Group, she worked as an accountant in various companies in different industrial sections. She was the accountant for a listed company, listed on the Growth Enterprise Market of the SEHK, between 2004 and 2006 and a publishing company between 1995 and 2003. Ms. Lui holds a Bachelor of Commerce (Major in Accounting) from Curtin University of Technology, Western Australia, 1994, and has been a member of CPA Australia since 1996. She is also a member of the Hong Kong Institute of Certified Public Accountants.

None of the Executive Officer are related to each other, the directors and/or the substantial shareholders of the Company.

# Report of the Directors

The directors submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2022.

## Names Of Directors

The directors of the Company in office at the date of this report are:

*Executive director:*

Vincent Cheung Chun Wai

*Non-Executive director:*

Ong Chor Wei

*Independent Non-Executive directors:*

Cheung Yin

Francis Lee Fook Wah

In accordance with Bye-Law 104 of the Bye-Laws of the Company, Mr Ong Chor Wei and Ms Cheung Yin, will retire at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

## Arrangements To Enable Directors To Acquire Shares And Debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares or debentures of the Company or of any other corporate body, other than as disclosed in this report.

## Directors' Interest In Shares, Debentures Or Warrants

According to the Register of Directors' Shareholdings kept by the Company, none of the directors who held office at the end of the financial year had any interest in the shares, debentures or warrants of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 1.1.2022	As at 31.12.2022	As at 1.1.2022	As at 31.12.2022
The Company				
Francis Lee Fook Wah	5,597,346	<b>5,597,346</b>	–	–
Ong Chor Wei <sup>(1)</sup>	5,600,000 <sup>(2)</sup>	<b>5,600,000<sup>(2)</sup></b>	560,000,000 <sup>(2)(3)</sup>	<b>560,000,000<sup>(2)(3)</sup></b>

Notes:

- (1) Ong Chor Wei ("Mr. Ong"), Non-Independent Non-Executive Director and Deputy Chairman of the Company, holds 50% interest in Uprich Holdings Limited, a BVI investment holding company and holds 15.4% interest in Joyas Investments Group Limited. The remaining 50% interest in Uprich Holdings Limited is held by Mr Wong Wai Shan ("Mr. Wong"). Both Mr Ong and Mr Wong are also directors of Uprich Holdings Limited. Mr Ong and Mr Wong are not related to each other or other directors of the Company. Uprich Holdings Limited became a shareholder of Joyas Investments Group Limited on 30 March 2007.

- (2) As at 31 December 2022, Mr. Ong holds 5,600,000 shares in the capital of the Company through his nominee, Bank J. Safra Sarasin Ltd, Hong Kong Branch.

- (3) Mr. Ong is a director and holds a 100% shareholding interest in Delton Group Limited, a controlling shareholder of Reach Win Limited. Accordingly, he is deemed to be interested in the 560,000,000 (2021 - 560,000,000) shares in the Company held by Reach Win Limited.

Except as disclosed in this report, no director who held office at the end of the financial year had interests, direct or deemed, in shares, debentures or warrants of the Company, or of any related corporations, either at the beginning or at the end of the financial year.

The directors' interests in the ordinary shares of the Company as at 21 January 2023 were the same as at 31 December 2022.

## Directors' Contractual Benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

## Joyas Share Option Scheme 2018

Since Joyas Share Option Scheme 2007 had expired, the Company adopted a new scheme known as the Joyas Share Option Scheme at a special general meeting of the Company held on 26 April 2018 (the "2018 Scheme"). The 2018 Scheme will continue to be in force at the discretion of the Remuneration Committee subject to a maximum period of 10 years, commencing on the date on which the Scheme was adopted.

The 2018 Scheme seeks to attract, retain and provide incentives to participants to encourage greater dedication and loyalty by enabling the Company to provide recognition for past contributions and services. The Company believes that this, in turn, will help to motivate participants generally to contribute towards the Company's long-term success. Save for Joyas Share Option Scheme 2007 which has expired, the Company did not and currently does not have any other share option or share scheme in force. No share options have been granted under the 2018 Scheme which is administered by the Remuneration Committee.

# Report of the Directors

## Joyas Share Option Scheme 2018 (Cont'd)

The 2018 Scheme allows participation of controlling shareholders and associates of controlling shareholders as the Company acknowledges that the contributions and services of employees who are controlling shareholders and employees who are associates of controlling shareholders are equally important to the Company's long-term success. Rule 852 of the Catalist Rules states that the participation in a scheme by controlling shareholders and their associates must be approved by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options granted to that participant. In light of Rule 852 of the Catalist Rule, the Board will update the shareholders each time a resolution is passed to grant options to the participants of the 2018 Scheme. As a safeguard, the controlling Shareholders and associates of controlling shareholders will abstain from voting on any resolution in relation to their participation in the 2018 Scheme.

## Audit Committee

The Audit Committee during the financial year and at the date of this report comprises the following members:

Cheung Yin (Chairman)  
Ong Chor Wei  
Francis Lee Fook Wah

The Audit Committee performs the functions specified in the Catalist Rules and the Code of Corporate Governance. In performing those functions, the committee reviewed the following:

- (i) reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance before their submission to the Board;
- (ii) reviewing and reporting to the Board at least annually the overall adequacy and effectiveness of the Group's material internal controls, including accounting, financial, operational, compliance and information technology controls, and risk management;
- (iii) reviewing at least annually the adequacy and effectiveness of the Company's internal audit function where applicable; Please refer to Principal 9 of the Corporate Governance for explanations on the internal audit conducted in FY2022;
- (iv) reviewing the assurances from the Chief Executive Officer and the Accounting Manager on the financial records and financial statements;
- (v) met with the external auditor, other committees, and management in separate executive sessions to reviewing the audit plans of the Company's external auditors, the results of their examination, their evaluation of the system of internal accounting control and audit cost effectiveness;
- (vi) reviewing the co-operation given by the Group's officers to the Company's external auditors;
- (vii) nominating or recommending the nomination of the Company's external auditors and internal auditors for appointment, re-appointment or removal;
- (viii) approving the remuneration and terms of engagement of the Company's external auditors and internal auditors;
- (ix) reviewing the adequacy, effectiveness, independence, scope and results of the Company's external auditors and internal auditors;
- (x) reviewing the independence and objectivity of the Company's external auditors at least annually; and
- (xi) reviewing interested person transactions.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee has recommended to the Board the re-appointment of the Company, Baker Tilly TFW LLP, Public Accountants and Chartered Accountants, Singapore as the Company's external auditors at the forthcoming annual general meeting.

Full details regarding the Audit Committee are provided in the Corporate Governance Report.

In appointing our auditor for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

## Independent Auditor

The independent auditor, Baker Tilly TFW LLP has expressed its willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

---

Vincent Cheung Chun Wai  
Director

---

Ong Chor Wei  
Director

# Statement by the Directors

We, Vincent Cheung Chun Wai and Ong Chor Wei, being two of the directors of Joyas International Holdings Limited, do hereby state that, in the opinion of the directors,

- (i) the accompanying consolidated statement of financial position of the Group and statement of financial position of the Company and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group together with the notes thereto, are drawn up so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2022, and of the Group's financial performance, changes in equity and cash flows for the financial year then ended in accordance with International Financial Reporting Standards; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay off its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue on 6 April 2023.

ON BEHALF OF THE DIRECTORS

.....  
Vincent Cheung Chun Wai  
Director

.....  
Ong Chor Wei  
Director

# Independent Auditor's Report

*to the shareholders of Joyas International Holdings Limited  
(incorporated in Bermuda with limited liability)*

## Report on the Audit of the Financial Statements

### **Qualified Opinion**

We have audited the accompanying financial statements of Joyas International Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 16 to 52, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

### **Basis for Qualified Opinion**

#### Comparative figures and amount due to related party

The comparative figures disclosed in these financial statements are based on the financial statements of the Group for the previous financial year ended 31 December 2021, on which we expressed a disclaimer of opinion on the deposits paid to a supplier, trade payable owing to the supplier, amounts due to related parties, impairment of investment in associate and amount due from an associate. The extract of the basis for disclaimer of opinion on the financial statements of the Group for the financial year ended 31 December 2021 is disclosed in Note 25 to the financial statements. The basis for disclaimer of opinion relates to a subsidiary, Hong Kong Silver Basic Group Limited ("HK Silver") except for an amount due to related party of HK\$700,000 which relates to another subsidiary of the Group. HK Silver was disposed of during the current financial year as disclosed in Note 5 to the financial statements.

In view of the matter described above, since the opening balances as at 1 January 2022 enter into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2022, we were unable to determine whether adjustments might have been found necessary in respect of the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year ended 31 December 2022.

For the amount due to related party of HK\$700,000 which was written back in the financial year ended 31 December 2019 and relates to another subsidiary of the Group, the Group has obtained a letter of waiver from the related party dated 31 December 2022. We were unable to obtain sufficient appropriate evidence on the accumulated write back of amount due to related party of HK\$700,000 as at 1 January 2022. Consequently, we were unable to determine whether any adjustments might be necessary in respect of the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year ended 31 December 2022.

Our opinion on the current financial year's financial statements is also modified because of the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicate in our report.

#### **Loss allowance on loans and advances**

As disclosed in Note 6 to the financial statements, the Group's loans and advances amounted to HK\$15,624,000 after providing for loss allowance of HK\$1,376,000 and represented 59% of the Group's total assets as at 31 December 2022. Loans and advances comprise six borrowers that represent 100% of the total loans and advances.

The assessment of impairment of loans and advances is considered a key audit matter as it requires the application of significant estimates and judgements by management and loans and advances is significant to the Group's total assets. The significant estimates and judgements applied in the assessment of loss allowance on loans and advances are disclosed in Note 2(b) and Note 21.3 to the financial statements.

The Group determined expected credit loss ("ECL") for loans and advances by conducting credit assessment on a loan-by-loan basis and assessed the probability of default and loss given default of each loan. In making their judgements, the Group considers the financial capabilities of the borrowers of the loan granted which includes assessing the credit portfolio of the borrowers and the assessment of the loan to security ratio, the historical loss rates and where applicable, incorporating forward-looking information which is based on assumptions and forecasts of future economic conditions with consideration on the impact of the current macroeconomic uncertainties and how these conditions will affect the Group's ECL assessment.

#### Our procedures to address the key audit matter

We obtained an understanding of the Group's credit policy, credit assessment procedures and basis for determination of ECL. We evaluated and challenged the reasonableness of management's estimates and judgements applied in the ECL calculation including the adjustments for forward-looking information. We assessed the completeness and accuracy of historical and other information used in calculating the ECL. We checked that the scheduled principal and interest repayments for the current financial year have been met by checking payments received during the year and obtained written confirmations for all loans and advances as at year end.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

# Independent Auditor's Report

*to the shareholders of Joyas International Holdings Limited  
(incorporated in Bermuda with limited liability)*

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2022, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matters described in the *Basis for Qualified Opinion* section of our report, we are unable to conclude whether or not the other information is materially misstated with respect to the matters.

## **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The director's responsibilities include overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

# Independent Auditor's Report

*to the shareholders of Joyas International Holdings Limited  
(incorporated in Bermuda with limited liability)*

## **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Guo Shuqi.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

6 April 2023

# Consolidated Statement of Financial Position

At 31 December 2022

	Note	31 December 2022 HK\$'000	The Group 31 December 2021 HK\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in an associated company	3	–	–
Property, plant and equipment	4	–	–
		–	–
<b>Current assets</b>			
Trade and other receivables	6	<b>16,052</b>	18,824
Cash and bank balances	7	<b>10,542</b>	13,668
		<b>26,594</b>	32,492
<b>Total assets</b>		<b>26,594</b>	32,492
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	8	<b>22,139</b>	22,139
Accumulated losses		(117,152)	(123,097)
Other reserves	9	<b>105,742</b>	111,239
Attributable to owners of the Company		<b>10,729</b>	10,281
<b>Non-controlling interests</b>	5	<b>660</b>	(126)
<b>Total equity</b>		<b>11,389</b>	10,155
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	<b>1,187</b>	2,478
Borrowings	12	<b>13,904</b>	19,744
Current tax liabilities		<b>114</b>	115
Warrants	10	–	–
<b>Total liabilities</b>		<b>15,205</b>	22,337
<b>Total equity and liabilities</b>		<b>26,594</b>	32,492

The accompanying notes form an integral part of these financial statements.

# Statement of Financial Position

At 31 December 2022

	The Company		
	31 December 2022	31 December 2021	
	Note	HK\$'000	HK\$'000
<b>Assets</b>			
<b>Non-current asset</b>			
Investment in subsidiaries	5	<b>8</b>	8
<b>Current assets</b>			
Trade and other receivables	6	<b>15,160</b>	15,887
Cash and bank balances	7	<b>164</b>	306
		<b>15,324</b>	16,193
<b>Total assets</b>		<b>15,332</b>	16,201
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	8	<b>22,139</b>	22,139
Accumulated losses		<b>(149,664)</b>	(147,582)
Other reserves	9	<b>128,724</b>	128,724
<b>Total equity</b>		<b>1,199</b>	3,281
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	<b>14,133</b>	12,920
Warrants	10	–	–
<b>Total liabilities</b>		<b>14,133</b>	12,920
<b>Total equity and liabilities</b>		<b>15,332</b>	16,201

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Profit or Loss and other Comprehensive Income

For the financial year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	13	3,936	3,442
Other income	14	994	73
Administrative expenses		(3,296)	(3,931)
Net reversal of impairment losses/(impairment losses) on trade and other receivables		800	(298)
Finance costs	15	(1,271)	(558)
Profit/(loss) before taxation	16	1,163	(1,272)
Taxation	17	(128)	(145)
<b>Profit/(loss) and total comprehensive income/(loss) for the financial year</b>		<b>1,035</b>	<b>(1,417)</b>
<b>Profit/(loss) and total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company		639	(1,603)
Non-controlling interests		396	186
		<b>1,035</b>	<b>(1,417)</b>
HK cents			
<b>Profit/(loss) per share for profit/(loss) attributable to equity holders</b>			
- Basic and diluted	18	0.03	(0.07)

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

*For the financial year ended 31 December 2022*

	Attributable to equity holders of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Capital contribution HK\$'000	Foreign currency			Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
						reserve HK\$'000	translation HK\$'000	reserve HK\$'000				
Balance at 1 January 2021	22,139	53,065	52,677	331	5,306	191	(121,825)	11,884	(255)	11,629		
<b>Loss for the financial year</b>	–	–	–	–	–	–	–	(1,603)	(1,603)	186	(1,417)	
<b>Total comprehensive (loss)/income for the financial year</b>	–	–	–	–	–	–	–	(1,603)	(1,603)	186	(1,417)	
<b>Contributions by and distributions to equity holders</b>												
- Acquisition of a subsidiary (Note 5)	–	–	–	–	–	–	–	–	–	(19)	(19)	
- Disposal of a subsidiary (Note 5)	–	–	–	–	–	–	–	–	–	(38)	(38)	
- Transfer of share option reserve after vesting date	–	–	–	(331)	–	–	331	–	–	–	–	
<b>Total transactions with equity holders, recognised directly in equity</b>	–	–	–	(331)	–	–	331	–	(57)	(57)		
Balance at 31 December 2021	22,139	53,065	52,677	–	5,306	191	(123,097)	10,281	(126)	10,155		

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2022

	Attributable to equity holders of the Company										
				Foreign currency							
	Share capital	Share premium	Contributed surplus	Share option reserve	Capital contribution	Translation	Accumulated losses	Total	Non-controlling interests	Total equity	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2022	22,139	53,065	52,677	–	5,306	191	(123,097)	10,281	(126)	10,155	
<b>Profit for the financial year</b>	–	–	–	–	–	–	639	639	396	1,035	
<b>Total comprehensive income for the financial year</b>	–	–	–	–	–	–	639	639	396	1,035	
<b>Contributions by and distributions to equity holders</b>											
- Incorporation of a subsidiary	–	–	–	–	–	–	–	–	4	4	
- Disposal of a subsidiary (Note 5)	–	–	–	–	–	(191)	–	(191)	386	195	
- Transfer of capital contribution reserve upon disposal of a subsidiary	–	–	–	–	(5,306)	–	5,306	–	–	–	
<b>Total transactions with equity holders, recognised directly in equity</b>	–	–	–	–	(5,306)	(191)	5,306	(191)	390	199	
<b>Balance at 31 December 2022</b>	<b>22,139</b>	<b>53,065</b>	<b>52,677</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(117,152)</b>	<b>10,729</b>	<b>660</b>	<b>11,389</b>	

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

*For the financial year ended 31 December 2022*

	Note	2022 HK\$'000	2021 HK\$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation		1,163	(1,272)
Adjustments for:			
Fair value gain on financial assets at fair value	13	–	(202)
Gain on disposal of subsidiaries	14	(900)	(36)
Interest expense	15	1,271	558
Interest income	14	(70)	(2)
Net (reversal of impairment losses)/impairment losses on trade and other receivables	16	(800)	298
Write back of warrants	14	–	(35)
Foreign exchange loss		–	26
Operating profit/(loss) before working capital changes		664	(665)
Changes in financial assets at fair value through profit or loss		–	8,538
Changes in trade and other receivables		439	(11,073)
Changes in loan and advances		2,500	(2,000)
Changes in trade and other payables		455	(1,620)
Cash generated from/(used in) operations		4,058	(6,820)
Income tax paid		(129)	(267)
Net cash generated from/(used in) operating activities		3,929	(7,087)
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary, net of cash acquired	5	–	43
Disposal of subsidiaries, net of cash disposed	5	(14)	(40)
Interest received		70	2
Net cash generated from investing activities		56	5
<b>Cash flows from financing activities</b>			
Repayment of other borrowings (Note A)		(5,435)	(25,503)
Proceeds from other borrowings (Note A)		–	32,870
Repayment of bank loan (Note A)		(999)	–
Repayment of bank overdraft (Note A)		(677)	–
Proceeds from bank overdraft (Note A)		–	9,713
Funds withdrawn/(placed) in non-liquid deposits		1,733	(1,733)
Increase in pledged bank deposits		(70)	(8,268)
Net cash (used in)/generated from financing activities		(5,448)	7,079
Net decrease in cash and cash equivalents		(1,463)	(3)
Cash and cash equivalents at beginning of the financial year		1,933	1,936
Cash and cash equivalents at end of the financial year	7	470	1,933

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

Note A:

## Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of items for which cash flows have been, or would be, classified as financing activities, excluding equity items:

	Balance at 31 December 2021 HK\$'000	Cash flow- Proceeds from loans HK\$'000	Cash flow- Repayment of principal and interest HK\$'000	Non-cash changes				Balance at 31 December 2022 HK\$'000
				Acquisition of subsidiary HK\$'000	Disposal of subsidiary HK\$'000	Interest expense HK\$'000	Foreign exchange difference HK\$'000	
Bank overdraft	9,750	–	(677)	–	–	244	–	9,317
Other borrowings	9,001	–	(5,435)	–	–	1,021	–	4,587
Bank loan	993	–	(999)	–	–	6	–	–

  

	Balance at 31 December 2020 HK\$'000	Cash flow- Proceeds from loans HK\$'000	Cash flow- Repayment of principal and interest HK\$'000	Non-cash changes				Balance at 31 December 2021 HK\$'000
				Acquisition of subsidiary HK\$'000	Disposal of subsidiary HK\$'000	Interest expense HK\$'000	Foreign exchange difference HK\$'000	
Bank overdraft	–	9,713	–	–	–	37	–	9,750
Other borrowings	5,807	32,870	(25,503)	7,801	(12,481)	507	–	9,001
Bank loan	979	–	–	–	–	14	–	993

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 1 General information

Joyas International Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda on 4 October 2006. The registered office of the Company is located at Victoria Place 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business is located at Rm 1415, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong. The Company's shares have been listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") since 13 March 2008. On 5 May 2016, the listing of the Company's shares was transferred from the Main Board to Catalist of the SGX-ST.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. The directors consider the ultimate holding company to be Joyas Investment Group Limited, a company incorporated in the British Virgin Islands (the "BVI").

The financial statements are presented in Hong Kong Dollar ("HK\$"), which is the Company's functional currency and all financial information presented in Hong Kong Dollar are rounded to the nearest thousand ("HK\$'000") except when otherwise indicated.

The consolidated financial statements of the Group and the statement of financial position of the Company for the year ended 31 December 2022 were approved for issue by the board of directors on 6 April 2023.

## 2(a) Going concern

The Group recognised a net loss of HK\$665,000 after excluding the one-off gain on disposal of a subsidiary of HK\$900,000 and net reversal of impairment losses on trade and other receivables of HK\$800,000 (2021: HK\$1,417,000). The Group's net assets as at 31 December 2022 were HK\$11,389,000. Management continues to have a reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of preparation of these financial statements remain appropriate.

The appropriateness of the going concern basis of accounting is dependent on continued availability of borrowings and the cash flows generated from the financing business. As at the date of authorisation of these financial statements, the directors are satisfied that the Group had sufficient headroom on its borrowing facilities, interest income from the Group's financing business will be received timely and the Group's loans and advances are recoverable. In addition, the Group's operating expenses are mainly overhead costs which are relatively limited.

Based on the above factors, the financial statements have been prepared on a going concern basis.

## 2(b) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including interpretations promulgated by the International Financial Reporting Interpretations Committee ("IFRIC") issued by the International Accounting Standards Board ("IASB"). The financial statements also include the applicable disclosure requirements of the Listing Manual Section B: Rules of the Catalist (the "Catalist Rules") of the SGX-ST.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared under historical cost convention except as disclosed in the accounting policies below.

Accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

### **Significant accounting estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The significant accounting estimates and assumptions used and areas involving a significant judgement are described below:

#### **Significant accounting estimates and assumptions used in applying accounting policies**

##### Loss allowance on loans and advances

The Group's loans and advances amounted to HK\$15,624,000 after providing for loss allowance of HK\$1,376,000 and represented 59% of the Group's total assets as at 31 December 2022. The Group determined expected credit loss ("ECL") for loans and advances by conducting credit assessment on a loan-by-loan basis and assessed the probability of default and loss given default of each loan. In making their judgements, the Group considers the financial capabilities of the borrowers of the loan granted which includes assessing the credit portfolio of the borrowers and the assessment of the loan to security ratio, the historical loss rates and where applicable, incorporating forward-looking information which is based on assumptions and forecasts of future economic conditions with consideration on the impact of the current macroeconomic uncertainties and how these conditions will affect the Group's ECL assessment.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical loss rates, assumptions and expectations of future conditions.

As the calculation of loss allowance on loans and advances is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of loans and advances.

Details of ECL measurement and carrying value of loans and advances at reporting date are disclosed in Note 21 and Note 6.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2(b) Basis of preparation (Cont'd)

### **Significant accounting estimates and assumptions used in applying accounting policies (Cont'd)**

#### Impairment of amounts due from subsidiaries and calculation of loss allowance

Determining whether amounts due from subsidiaries are impaired requires an estimation of the amounts and timing of future cash flows based on historical loss experience for assets with similar credit risk.

At the reporting date, the carrying amounts of amounts due from subsidiaries (non-trade) are HK\$15,131,000 (2021: HK\$15,699,000) for the financial year ended 31 December 2022. Management has evaluated ECL of the amounts using reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL.

Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As the calculation of loss allowance on amounts due from subsidiaries is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of amounts due from subsidiaries.

## 2(c) Interpretations and amendments to published standards effective in 2022

#### *New and revised standards that are adopted*

In the current financial year, the Group has adopted all the new and revised IFRS and Interpretations of FRS ("IFRIC") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRICs.

The adoption of these new and revised IFRSs and IFRICs did not have a material effect on the financial results or position of the Group and the Company.

#### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2022 have not been applied in preparing these financial statements. None of these are expected to have significant effect on the financial statements of the Group and the Company.

## 2(d) Summary of significant accounting policies

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transaction, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other components of non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When a change in the Company's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific IFRS.

Any retained equity interest in the previous subsidiary is remeasured at fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 2(d) Summary of significant accounting policies (Cont'd)

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment loss, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary and associated company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### Associated companies

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment loss, if any. Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associated companies. The Group determines at the end of each reporting period whether there is objective evidence that the investments in associated companies is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in profit or loss.

In the Company's financial statements, investments in associates are carried at cost less accumulated impairment loss. On disposal of investment in associates, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

### Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line method to allocate the depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Leasehold improvements	5 years
Tools and equipment	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2(d) Summary of significant accounting policies (Cont'd)

### Financial assets

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component are initially measured at transaction prices.

#### Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Subsequent measurement

##### Debt instruments

Debt instruments include cash and bank balances and trade and other receivables (excluding prepayments). The subsequent measurement categories, depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

##### Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

##### Fair value through profit or loss ("FVTPL")

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income ("FVOCI") are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "Revenue".

#### Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date.

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

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

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2(d) Summary of significant accounting policies (Cont'd)

### Financial assets (Cont'd)

#### Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits.

### Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share premium account.

### Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

### Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences. A financial liability is derecognised when the obligation under the liability is extinguished.

#### Borrowings

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

#### Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

#### Other financial liabilities

These are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Where the Group is the lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of time pattern in which economic benefits from lease assets are consumed.

The Group recognised a right-of-use asset and a corresponding lease liability at the date which the underlying asset is available for use. The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2(d) Summary of significant accounting policies (Cont'd)

### Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

### Employee benefits

#### Retirement benefit contributions

Payment to Mandatory Provident Fund Scheme (the "MPF Scheme") is recognised as an expense when employees have rendered service entitling them to the contributions. The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds. The Group's contributions to the scheme are expensed as incurred and vested in accordance with the scheme's vesting scales. Where employees leave the scheme prior to the full vesting of the employer's contributions, the amount of forfeited contributions is used to reduce the contributions payable by the Group.

#### Employee leave entitlement

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

#### Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

### Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2(d) Summary of significant accounting policies (Cont'd)

### **Impairment of non-financial assets**

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Revenue recognition**

Loan interest income which is recognised on time-proportion basis using effective interest method. Revenue from loan referral service is recognised at a point in time upon service rendered.

### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

### **Finance income and finance costs**

Finance income comprises interest income on fixed deposits.

Finance costs comprise interest expense on borrowings.

### **Borrowing costs**

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

### **Functional currencies**

#### Functional and presentation currency

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

#### Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation gain differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from net investment in foreign operations, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

When a foreign operation is disposed of, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2(d) Summary of significant accounting policies (Cont'd)

### Functional currencies (Cont'd)

#### Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

### Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

The Group has identified the following reportable segments:

- (a) Financing activities
- (b) Others

Each of these operating segments is managed separately as each of the product lines requires different resources as well as marketing approaches.

The measurement policies the Group used for reporting segment results under IFRS 8 are the same as those used in its financial statements prepared under IFRS, except finance costs, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily includes receivables recorded on the statement of financial position of the Company and cash and cash equivalents of the Group.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily includes borrowings.

## 3 Investment in an associated company

		2022		2021	
		HK\$'000	HK\$'000		
<b>Carrying amount of investment</b>					
At 1 January and 31 December		—	—	—	—

The following information relates to the associated company of the Group at the end of the financial year:

Name of associate	Country of incorporation	Ownership interest held by the Group		Principal activities
		2022	2021	
		%	%	
<b>Indirectly owned</b>				
PT Global Linker Indonesia *	Indonesia	—	49	Inactive
(“PT Global”)				

\* Management accounts used for equity accounting

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 3 Investment in an associated company (Cont'd)

**Summarised financial information of an associate extracted from the management accounts for the year ended 31 December 2021**

	2021 HK\$'000
Revenue	–
Loss after tax	465
Other comprehensive loss	277
<b>Total comprehensive loss</b>	<b>742</b>
Non-current assets	24,529
Current assets	(18,528)
Current liabilities	(18,528)
<b>Net assets</b>	<b>6,001</b>
Group's share net assets based on proportion of ownership interest	3,355
Impairment	(3,355)
<b>Carrying amount of investment</b>	<b>–</b>

On 14 October 2022, the Group had, through its wholly-owned subsidiary, Asiapac Growth Holdings Limited entered into a sale and purchase agreement to dispose of its indirect subsidiary, Hong Kong Silver Basic Group Limited ("HK Silver") (Note 5). Following the completion of the disposal, PT Global, an associate held by HK Silver, ceased to be an associate of the Group with effect from 14 October 2022.

On the date of disposal, the Group had fully impaired its investment in associate and had not recognised its share of losses of PT Global amounting to HK\$771,000 (31.12.2021: HK\$364,000).

## 4 Property, plant and equipment

	Leasehold improvements HK\$'000	Tools and equipment HK\$'000	Total HK\$'000
<b>The Group</b>			

### Cost

At 1 January 2021 and 31 December 2021	50	9	59
Disposal of a subsidiary	(50)	(9)	(59)
<b>At 31 December 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>

### Accumulated depreciation

At 1 January 2021 and 31 December 2021	50	9	59
Disposal of a subsidiary	(50)	(9)	(59)
<b>At 31 December 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>

### Carrying amount

<b>At 31 December 2022</b>	<b>–</b>	<b>–</b>	<b>–</b>
At 31 December 2021	–	–	–

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 5 Investment in subsidiaries

	2022 HK\$'000	2021 HK\$'000
The Company		
<b>Unquoted equity investments, at cost</b>	<b>8</b>	<b>8</b>

At 1 January and 31 December

8

8

Details of the subsidiaries held by the Company are:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Ownership interest held by the Group</b>		<b>Principal activities</b>
		<b>2022</b>	<b>2021</b>	
<b>Directly owned</b>				
Asiapac Growth Holdings Limited ("Asiapac") *	BVI	<b>100</b>	100	Investment holding
<b>Indirectly owned</b>				
Asia Growth Group Limited *	Hong Kong	<b>100</b>	100	Inactive
Hong Kong Silver Basic Group Limited ("HK Silver") *	Hong Kong	–	70	Dormant
CCIG Financial Services Limited ("CCIG Financial") *	Hong Kong	<b>70</b>	70	Licensed money lending business in Hong Kong
Meta Technology International Limited ("Meta") **	Hong Kong	<b>60</b>	–	Dormant

\* Audited by Baker Tilly TFW LLP, Singapore for consolidation purpose

\*\* Audited by H.C. Wong & Co.

### Summarised financial information of subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are considered by management to be material to the Group:

<b>Name of subsidiary</b>	<b>Principal place of business/ Country of incorporation</b>	<b>Ownership interests held by NCI</b>
<b>31 December 2022:</b>		
CCIG Financial	Hong Kong	30%
<b>31 December 2021:</b>		
HK Silver	Hong Kong	30%
CCIG Financial	Hong Kong	30%

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 5 Investment in subsidiaries (Cont'd)

### Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (Cont'd)

The following are the summarised financial information of each of the Group's subsidiaries with NCI that are considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

*Summarised statements of financial position*

	HK Silver HK\$'000	CCIG Financial HK\$'000	Total HK\$'000
<b>2022</b>			
Current assets	–	16,233	16,233
Total assets	–	16,233	16,233
Current liabilities	–	(13,930)	(13,930)
<b>Net assets</b>	<b>–</b>	<b>2,303</b>	<b>2,303</b>
Attributable to:			
- Non-controlling interests	–	690	690
<b>2021</b>			
Current assets	252	19,959	20,211
Total assets	252	19,959	20,211
Current liabilities	(1,789)	(18,843)	(20,632)
Net (liabilities)/assets	(1,537)	1,116	(421)
Attributable to:			
- Non-controlling interests	(461)	335	(126)

\* HK Silver's statement of financial position included investment in an associate, PT Global which has been equity accounted.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 5 Investment in subsidiaries (Cont'd)

### Summarised financial information of subsidiaries with material non-controlling interest ("NCI") (Cont'd)

*Summarised statements of profit or loss and other comprehensive income*

	HK Silver HK\$'000	CCIG Financial HK\$'000	Total HK\$'000
<b>2022</b>			
Revenue	–	3,936	3,936
Profit for the financial year, representing total comprehensive income for the financial year	248	1,186	1,434
Attributable to:			
- Non-controlling interests	74	356	430
<b>2021</b>			
Revenue	–	3,240	3,240
(Loss)/profit for the financial year, representing total comprehensive (loss)/income for the financial year	(158)	586	428
Attributable to:			
- Non-controlling interests	(47)	176	129
<i>Other summarised information</i>			
	HK Silver HK\$'000	CCIG Financial HK\$'000	Total HK\$'000
<b>2022</b>			
Cash flow from operating activities	(3)	6,113	6,110
Cash flow from financing activities	–	(7,480)	(7,480)
<b>Net decrease in cash and cash equivalents</b>	<b>(3)</b>	<b>(1,367)</b>	<b>(1,370)</b>
<b>2021</b>			
Cash flow from operating activities	10	839	849
Cash flow from financing activities	–	(261)	(261)
Net increase in cash and cash equivalents	10	578	588

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 5 Investment in subsidiaries (Cont'd)

### **Acquisition of a subsidiary**

On 13 July 2021, the Group had through its wholly-owned subsidiary, Asiapac acquired 51% of the issued share capital of Topping Tact Limited for HK\$5,100 from a third party. The Group has acquired Topping Tact Limited in order to expand its business into foreign exchange investment by creating an additional and recurrent revenue stream with a view to achieve long-term growth which will enhance long-term shareholder value.

*Fair values of identifiable assets and liabilities of subsidiary at acquisition date*

	Group HK\$'000
Financial assets at fair value through profit or loss	10,031
Trade and other receivables	10
Cash and cash equivalents	43
Borrowings	(7,801)
Trade and other payables	(2,322)
Total identifiable net liabilities acquired	(39)
Goodwill	25
Non-controlling interest	19
<b>Total consideration payable from acquisition of a subsidiary</b>	<b>5</b>

*Effect on cash flows of the Group*

	Group HK\$'000
Cash and cash equivalents in subsidiary acquired, representing net cash inflow from acquisition of a subsidiary	(43)
<i>Goodwill</i>	

The acquired subsidiary is involved in the foreign exchange investment. The goodwill of HK\$25,000 is attributable to synergies expected to arise to the Group after the acquisition. The acquired subsidiary had been subsequently disposed during the financial year ended 31 December 2021. The attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### *Revenue and profit contribution*

The acquired subsidiary contributed revenues of HK\$103,000 and net profit of HK\$59,000 to the Group for the period from 13 July 2021 to 30 December 2021. If the acquisition had occurred on 1 January 2021, the Group revenue would have been HK\$3,448,000 and total loss would have been HK\$1,415,000.

### **Incorporation of a subsidiary**

On 18 January 2022, the Group through its wholly-owned subsidiary, Asiapac, entered into a Joint Cooperation Agreement with Splendid Powerful Limited ("Splendid"). Pursuant to the Joint Cooperation Agreement, the Group incorporated a 60% owned subsidiary, Meta, for cash consideration of HK\$6,000.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 5 Investment in subsidiaries (Cont'd)

### Disposal of subsidiaries

- (a) On 14 October 2022, the Group had through its wholly-owned subsidiary, Asiapac entered into a sales and purchase agreement with Wang De Wei to dispose 7,000 ordinary shares in the share capital of HK Silver, representing 70% of the total issued and paid-up share capital of HK Silver for HK\$1. Following the completion of the disposal, HK Silver ceased to be a subsidiary of the Group with effect from 14 October 2022.

The carrying amounts of identifiable assets and liabilities disposed of and its effects on the cash flows of the Group are as follows:

	Group HK\$'000
Trade and other receivables	633
Cash and bank balances	14
Trade and other payables	(1,742)
Identifiable net liabilities	(1,095)
Non-controlling interest	386
Reclassification of foreign currency translation reserve	(191)
Identifiable net liabilities disposed of	(900)
Gain on disposal of subsidiary (Note 14)	900
Sales proceed receivable from disposal of subsidiary	-
Less: Cash and cash equivalents of the subsidiary disposed of	(14)
<b>Net cash outflow from disposal of subsidiary</b>	<b>(14)</b>

- (b) On 27 January 2022, the Group had through its wholly-owned subsidiary, Asiapac entered into a bought and sale note with Lo Siu Mei Juanna to dispose 5,100 ordinary shares in the share capital of Topping Tact Limited, representing 51% of the total issued and paid-up share capital of Topping Tact Limited for HK\$100,000. Pursuant to a supplemental agreement entered on 27 January 2022, the transfer of beneficial interest shall take effect from 30 December 2021. Following the completion of the disposal and transfer of beneficial interest, Topping Tact Limited ceased to be a subsidiary of the Group with effect from 30 December 2021.

The carrying amounts of identifiable assets and liabilities disposed of and its effects on the cash flows of the Group are follows:

	Group HK\$'000
Financial assets at fair value through profit or loss	1,695
Trade and other receivables	10,978
Cash and bank balances	40
Borrowings	(12,481)
Trade and other payables	(155)
Attributable goodwill	25
Identifiable net assets	102
Non-controlling interest	(38)
Identifiable net assets disposed of	64
Gain on disposal of subsidiary (Note 14)	36
Sales proceed receivable from disposal of subsidiary	100
Less: Consideration receivable from disposal of subsidiary	(100)
Less: Cash and cash equivalents of the subsidiary disposed of	(40)
<b>Net cash outflow from disposal of subsidiary</b>	<b>(40)</b>

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 6 Trade and other receivables

	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Amount due from subsidiaries (non-trade)	–	–	<b>41,089</b>	41,657
Less: Impairment losses on amount due from subsidiaries	–	–	<b>(25,958)</b>	(25,958)
Amount due from an associated company	–	10,672	–	–
Less: Impairment loss on amount due from an associated company	–	(10,672)	–	–
Amount due from a former subsidiary	<b>25,094</b>	–	–	–
Less: Impairment loss on amount due from a former subsidiary	<b>(25,094)</b>	–	–	–
Deposits	<b>13</b>	17	<b>13</b>	17
Loans and advances	<b>17,000</b>	19,500	–	–
Less: Impairment loss on loans and advances	<b>(1,376)</b>	(1,620)	–	–
Trade receivable	<b>150</b>	150	–	–
Interest receivable	<b>206</b>	310	–	–
Other receivables	<b>35</b>	298	–	11
Deposits paid to a supplier <sup>(1)</sup>	–	24,299	–	–
Less: Impairment loss on deposits	–	(24,299)	–	–
Financial assets	<b>16,028</b>	18,655	<b>15,144</b>	15,727
Prepayments	<b>24</b>	169	<b>16</b>	160
Total trade and other receivables	<b>16,052</b>	18,824	<b>15,160</b>	15,887

- <sup>(1)</sup> On 19 March 2015, the Group's former subsidiary, Hong Kong Silver Basic Group Limited ("HK Silver"), entered into an exclusive agency agreement with the supplier for being an exclusive agent for the sale of nickel ore in the PRC (including Hong Kong), which is produced by the supplier. A former key management personnel of the Group, Mr Wang De Zhou, is a shareholder and director of the supplier. Mr Wang De Zhou is also a close member of the family of a key management personnel of the Group. The deposits paid for purchases of nickel ore are unsecured and interest-free. During the financial year ended 31 December 2019, the deposits paid of HK\$24,377,000 was fully impaired and trade payable to the supplier of HK\$10,531,000 was fully written back. During the financial year ended 31 December 2022 and 31 December 2021, the Group received HK\$398,000 and HK\$78,000 respectively from Mr. Wang De Zhou, being partial repayment of the deposit. Following the disposal of HK Silver on 14 October 2022, the balance is no longer consolidated in the Group.

### Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets.

The Group has offered and granted six (2021: eight) loans via its Hong Kong subsidiary, CCIG Financial (registered money lender in Hong Kong). Total undrawn facility amount at the end of financial year ended 31 December 2022 was HK\$7,600,000 (2021: HK\$7,500,000). Any drawdown is subject to management approval.

Country	Nature of business of borrowers	Maturity date	Interest rate		Principal amount of the loan	
			2022 %	2021 %	2022 HK\$'000	2021 HK\$'000
<u>At amortised cost:</u>						
British Virgin Islands	Investment company	Revolving in nature	<b>12</b>	12	<b>5,000</b>	5,000
Hong Kong	Purchasing of consumer debt folio & manage and recover debt	Revolving in nature	<b>12</b>	12	<b>5,000</b>	5,000
Hong Kong	Personal	Revolving in nature	<b>12</b>	12	<b>2,500</b>	7,500
Hong Kong	Personal	Within 3 months from drawdown	<b>36</b>	36	<b>3,000</b>	3,000
Hong Kong	Personal	Within 3 months from drawdown	–	36	–	1,000
Hong Kong	Personal	Within 3 months from drawdown	<b>36</b>	36	<b>1,000</b>	1,000
Hong Kong	Personal	Within 3 months from drawdown	–	36	–	1,000
Hong Kong	Personal	Within 6 months from drawdown	<b>30</b>	30	<b>500</b>	1,000
Less: Impairment loss for the financial year			<b>(1,376)</b>	(1,620)		
			<b>15,624</b>	17,880		

The loans and advances are denominated in HKD.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 7 Cash and cash equivalents

	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Cash in banks	470	3,666	164	306
Fixed deposits	10,072	10,002	–	–
Cash and bank balances	10,542	13,668	164	306

As at 31 December 2022, fixed deposits were pledged to secure bank loans and other banking facilities granted to the Group. Interest accrues on the fixed deposits at 3.25% to 5.30% (2021: 0.14% to 0.25%) per annum.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	2022 HK\$'000	2021 HK\$'000
Cash and bank balances	10,542	13,668
Less: Fixed deposits pledged	(10,072)	(10,002)
Less: Non-liquid cash in banks	–	(1,733)
Cash and cash equivalents	470	1,933

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Hong Kong dollar	10,382	11,638	66	18
United States dollar	–	9	–	–
Singapore dollar	160	2,021	98	288
	10,542	13,668	164	306

## 8 Share capital

The Group and the Company	Number of shares	2022		2021	
		HK\$'000	Number of shares	HK\$'000	Number of shares
Ordinary shares of HK\$0.01 each					
At 1 January and 31 December	10,000,000,000	100,000	10,000,000,000	100,000	100,000

### Issued and fully paid:

Ordinary shares of HK\$0.01 each

Balance at 1 January and 31 December	2,213,776,973	22,139	2,213,776,973	22,139
--------------------------------------	---------------	--------	---------------	--------

All issued shares are fully paid ordinary shares with no par value.

The holder of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 9 Other reserves

	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Share premium	<b>53,065</b>	53,065	<b>53,065</b>	53,065
Contributed surplus reserve	<b>52,677</b>	52,677	<b>75,659</b>	75,659
Capital contribution reserve	–	5,306	–	–
Foreign currency translation reserve	–	191	–	–
	<b>105,742</b>	111,239	<b>128,724</b>	128,724

### Share premium

Share premium represents the excess of proceeds from the issue of new ordinary shares over the nominal value of the shares issued, net of share issue expenses.

### Contributed surplus reserve

Contributed surplus reserve of the Group arose from the capital reduction exercise undertaken during the financial year ended 31 December 2010 whereby the par value of each share of the Company was reduced from HK\$0.50 to HK\$0.01 resulting in a transfer of a credit balance of HK\$52,677,000 from share capital to contributed surplus reserve.

Contributed surplus reserve of the Company relates to the aforesaid capital reduction amounting to HK\$52,677,000 and the excess of the nominal value of the Company's shares issued over the combined net assets of the subsidiaries acquired amounting to HK\$22,982,000.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of a company is available for distribution.

### Capital contribution reserve

Capital contribution reserve represents the capital contribution from a non-controlling interest to a subsidiary.

### Foreign currency translation reserve

The foreign currency translation reserve of the Group arises from the translation of financial statements of group entities whose functional currencies are different from the presentation currency.

## 10 Warrants

On 23 February 2015, the Company allotted and issued 18,173,980 unlisted warrants with an issue price of S\$0.01 each due in 2021 ("2015 Warrants"), and each warrant carries the right to subscribe for one new common share in the capital of the Company at the exercise price of S\$0.10 for each new share.

On 20 March 2017, the Company has made an adjustment to the exercise price and number of 2015 Warrants ("Warrants Adjustments"). Pursuant to the terms of the deed poll dated 15 January 2015 constituting the 2015 Warrants, the Company is required to make the Warrants Adjustments as a result of the proposed non-renounceable and non-underwritten right issue of 2,429,236,398 common shares to the capital of the Company (the "Right Issue").

Pursuant to the terms and conditions of the 2015 Warrants, the Warrants Adjustments has been made to both the existing number of 2015 Warrants and the exercise price of the 2015 Warrants. The number of outstanding 2015 Warrants increased by 8,750,435 from 18,173,980 to 26,924,415.

	Derivative financial liability	
	2022 HK\$'000	2021 HK\$'000
The Group and the Company		
At 1 January	–	35
Written back (Note 15)	–	(35)
At 31 December	–	–

Following the expiration of the 2015 Warrants during the financial year ended 31 December 2021, the carrying amount of the warrants was fully written back.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 11 Trade and other payables

	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Trade payables <sup>(1)</sup>	–	–	–	–
Amounts due to subsidiary <sup>(2)</sup>	–	–	<b>13,561</b>	12,100
Amounts due to a former key management personnel <sup>(3)</sup>	–	316	–	–
Amounts due to related party (non-trade) <sup>(4)</sup>	–	–	–	–
Amounts due to related party (non-trade) <sup>(5)</sup>	–	735	–	–
Amounts due to related party (non-trade) <sup>(6)</sup>	<b>26</b>	–	–	–
Amount due to a former subsidiary (non-trade) <sup>(7)</sup>	<b>476</b>	–	–	–
Other payable	<b>67</b>	114	–	–
Accruals	<b>618</b>	1,313	<b>572</b>	820
Total trade and other payables	<b>1,187</b>	2,478	<b>14,133</b>	12,920

(1) As disclosed in Note 6, trade payables of nickel ore to supplier of HK\$10,531,000 relating to the subsidiary, HK Silver has been written back during the financial year ended 31 December 2019. Following the disposal of HK Silver on 14 October 2022, HK Silver ceased to be a subsidiary of the Group.

(2) The amounts due to subsidiary is unsecured, interest-free and repayable on demand.

(3) This relates to advances given by Mr Wang De Zhou. The amount is unsecured, interest-free and repayable on demand. An amount of HK\$5,373,000 has been written back during the financial year ended 31 December 2019 of which HK\$4,673,000 were advances to HK Silver. Following the disposal of HK Silver on 14 October 2022, the advances written back as at 31 December 2022 was HK\$700,000.

(4) In the financial year ended 31 December 2019, an amount of HK\$300,000 due to a related party relating to the subsidiary, HK Silver had been written back. The related party is an entity in which Mr Wang De Zhou is also a deemed shareholder. Following the disposal of HK Silver on 14 October 2022, HK Silver ceased to be a subsidiary of the Group.

(5) The related party is an entity in which one of the Company's directors is a shareholder. Following the disposal of HK Silver on 14 October 2022, the balance is no longer consolidated in the Group.

(6) The related party is a shareholder of one of the Company's subsidiaries. The amount is unsecured, interest-free and repayable on demand.

(7) The amount due to a former subsidiary is unsecured, interest-free and repayable on demand.

## 12 Borrowings

The Group	2022		2021	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other borrowing <sup>(1)</sup>		<b>4,587</b>		9,001
Bank borrowing <sup>(2)</sup>		–		993
Bank overdraft		<b>9,317</b>		9,750
Total borrowings		<b>13,904</b>		19,744

(1) Other borrowing is repayable on demand and bears interest rate ranging from 12% to 18% (2021: 12% to 18%) per annum.

(2) The bank borrowing is repayable on demand. Interest is charged at cost of funds plus 0.75% and the interest rate during the year ranged from 1.62% to 2.31% (2021: 1.2% to 1.62%) per annum. It is secured by non-liquid cash in banks (Note 7) and personal guarantee by a director. The borrowing has been fully repaid during the financial year ended 31 December 2022.

(3) The bank overdraft of the Group is secured by pledged fixed deposits (Note 7). The bank overdraft does not form an integral part of the Group's cash management.

## 13 Revenue

Revenue from the Group's principal activities recognised during the financial year are as follows:

The Group	2022		2021	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest income		<b>3,486</b>		2,790
Loan referral service income		<b>450</b>		450
Fair value gain on financial assets at FVTPL		–		202
Total revenue		<b>3,936</b>		3,442

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

**14 Other income**

	2022 HK\$'000	2021 HK\$'000
The Group		
Bank interest income	70	2
Write back of warrants (Note 10)	–	35
Gain on disposal of a subsidiary (Note 5)	900	36
Government grant	24	–
	994	73

**15 Finance costs**

	2022 HK\$'000	2021 HK\$'000
The Group		
Interest expense on		
- bank loan	6	14
- bank overdraft	244	37
- other borrowing	1,021	507
	1,271	558

**16 Profit/(loss) before taxation**

The following items have been included in arriving at profit/(loss) before taxation:

	2022 HK\$'000	2021 HK\$'000
The Group		
Audit fees paid to		
- Auditors of the Company	590	570
- Other auditors	35	35
Fees for non-audit services paid to		
- Auditors of the Company	–	–
- Other auditors	–	–
Net (reversal of impairment losses)/impairment losses on trade and other receivables		
- (Reversal of impairment losses)/impairment losses on loans and advances (Note 21)	(244)	376
- Reversal of impairment losses on deposits (Note 21)	(398)	(78)
- Reversal of impairment losses on amount due to a former subsidiary (Note 21)	(163)	–
- Written off on other receivable	5	–
Net (reversal of impairment losses)/impairment losses on trade and other receivables	(800)	298
Foreign exchange loss	17	49
Operating lease expense in respect of rented premises	266	306
Staff costs		
Key management personnel		
- Directors' fees	396	447
- Salaries, wages and other related costs	180	180
- Employer's contributions to defined contribution plans	6	6
Total key management personnel compensation	582	633
Total staff costs	582	633

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17 Taxation

	2022 HK\$'000	2021 HK\$'000
The Group		
<b>Current taxation</b>		
Current year	128	125
Under provision in respect of prior years	–	20
	<b>128</b>	<b>145</b>

### Reconciliation of effective tax rate

	2022 HK\$'000	2021 HK\$'000
The Group		
Profit/(loss) before taxation	<b>1,163</b>	(1,272)
Tax at statutory rates applicable to different jurisdictions	183	102
Tax effect on non-deductible expenses	20	57
Tax effect on non-taxable income	(55)	(4)
Tax rebate	(20)	(30)
Adjustments of current taxation in respect of prior years	–	20
	<b>128</b>	<b>145</b>

### Bermuda

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in Bermuda.

### British Virgin Islands

There is no income tax expense for the subsidiary in the British Virgin Islands as the income of the subsidiary is tax exempted under the laws of the British Virgin Islands.

### Hong Kong

The corporate income tax rate applicable to the subsidiaries in Hong Kong for assessable profits that is more than HK\$2,000,000 is 16.5% (2021: 16.5%) for the financial year ended 31 December 2022. For the first HK\$2,000,000 assessable profits, the corporate income tax rate applicable to the subsidiaries in Hong Kong is 8.25% (2021: 8.25%).

## 18 Profit/(loss) per share

The calculation of basic profit/(loss) per share is based on the profit attributable to the owners of the Company of HK\$639,000 (2021: loss of HK\$1,603,000) and on the weighted average number of 2,213,776,973 (2021: 2,213,776,973) ordinary shares in issue during the year.

Basic profit/(loss) per share and diluted profit/(loss) per share are the same for the years ended 31 December 2022 and 31 December 2021 as there were no dilutive potential ordinary shares outstanding for both years.

## 19 Related party transactions

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following significant transactions with related parties during the year:

	Transaction amount		Balances (Notes 11)	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
The Group				
Administrative expense paid to related parties <sup>(1)</sup>	202	248	–	(735)
Advances from a former key management personnel <sup>(2)</sup>	78	236	–	(316)
Advances from a related party <sup>(3)</sup>	26	–	(26)	–
Loan from a related party <sup>(4)</sup>	–	1,950	–	–
Repayment of loan to a related party <sup>(4)</sup>	–	(5,850)	–	–

<sup>(1)</sup> This relates to entities in which one of the Company's directors is also a controlling shareholder of the entities.

<sup>(2)</sup> This relates to advances given by Mr Wang De Zhou. Following the disposal of HK Silver on 14 October 2022, Mr Wang is no longer a related party of the Group.

<sup>(3)</sup> The related party is a corporate shareholder with significant influence over one of the Company's subsidiaries.

<sup>(4)</sup> This relates to an entity which is held by a shareholder of the Company's subsidiary. Following the disposal of the subsidiary during the financial year ended 31 December 2021, the entity is no longer a related party of the Group.

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 20 Segment information

The executive directors have identified the Group's two product lines as operating segments as further described in Note 2(d):

- (a) Financing activities; and
- (b) Others.

	Financing activities		Others		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue</b>								
External	<b>3,936</b>	3,240	–	202	–	–	<b>3,936</b>	3,442
Total revenue	<b>3,936</b>	3,240	–	202	–	–	<b>3,936</b>	3,442
<b>Segment Results</b>								
Segment profit/(loss) from operations	<b>3,819</b>	2,456	<b>1,063</b>	(43)	–	–	<b>4,882</b>	2,413
Unallocated income							–	35
Unallocated expenses							<b>(2,518)</b>	(3,164)
Finance income							<b>70</b>	2
Finance expense							<b>(1,271)</b>	(558)
Profit/(loss) before income tax							<b>1,163</b>	(1,272)
Income tax expense							<b>(128)</b>	(145)
Profit/(loss) for the financial year							<b>1,035</b>	(1,417)
<b>Other information</b>								
Segment assets	<b>15,989</b>	18,349	<b>2</b>	157	–	–	<b>15,991</b>	18,506
Unallocated assets							<b>10,603</b>	13,986
Consolidated total assets							<b>26,594</b>	32,492
<i>Segment assets includes:</i>								
Investment in associated company	–	–	–	–	–	–	–	–
Segment liabilities	<b>13,930</b>	18,843	<b>77</b>	1,595	<b>(13,781)</b>	(18,700)	<b>226</b>	1,738
Unallocated liabilities							<b>14,979</b>	20,599
Consolidated total liabilities							<b>15,205</b>	22,337
Impairment losses on trade and other receivables	<b>(244)</b>	376	–	–	–	–	<b>(244)</b>	376
Reversal of impairment losses on trade deposit paid	–	–	<b>(398)</b>	(78)	–	–	<b>(398)</b>	(78)
Gain on disposal of subsidiary	–	–	<b>900</b>	–	–	–	<b>900</b>	–

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 20 Segment information (Cont'd)

### Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than deposits, prepayment, other receivables and cash and cash equivalents. These assets are classified as unallocated assets.

### Segment liabilities

The amounts provided to the management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than warrants, current tax liabilities, borrowings and other payables. These liabilities are classified as unallocated liabilities.

The Group's revenue from external customers and non-current assets other than goodwill are categorised into the following geographical areas:

	Revenue from external customers		Non-current assets, other than goodwill	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Principal markets:</b>				
The PRC, including Hong Kong	<b>3,936</b>	3,240	–	–
Europe	–	202	–	–
	<b>3,936</b>	3,442	–	–

Geographical location of customers is based on the domicile location of the customers whilst that of non-current assets is based on their physical location.

During the financial year, there was no revenue from external customers attributed to Bermuda (country of domicile of the Company) and no non-current assets were located in Bermuda (2021: HK\$Nil).

Revenue from customers contributing over 10% of total sales of the Group is as follows:

The Group	2022 HK\$'000	2021 HK\$'000
Customer A (Note)	–	150
Customer B (Note)	<b>592</b>	600
Customer C (Note)	–	750
Customer D (Note)	<b>450</b>	450
Customer E (Note)	<b>600</b>	450
Customer F (Note)	<b>1,080</b>	–
	<b>2,722</b>	2,400

Notes:

Derived from the financing activities

As at 31 December 2022, 76% (2021: 64%) of the Group's interest receivables/trade receivables were due from these customers.

## 21 Financial risk management

The Group's activities expose it to a variety of financial instrument risks, namely market risk (comprising foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments for trading purpose during the financial year.

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to a variety of risks which resulted from both its operating and investing activities. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## **21 Financial risk management (Cont'd)**

### **21.1 Categories of financial assets and liabilities**

The carrying amounts of financial assets and financial liabilities at the end of the reporting period by categories are as follows:

	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
	<b>Financial assets</b>		<b>Financial liabilities</b>	
Financial assets at amortised cost	<b>26,570</b>	32,323	<b>15,308</b>	16,033
	The Group		The Company	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
At amortised cost:				
Trade and other payables	<b>1,187</b>	2,478	<b>14,133</b>	12,920
Borrowings	<b>13,904</b>	19,744	–	–
	<b>15,091</b>	22,222	<b>14,133</b>	12,920

### **21.2 Market risk**

#### **(i) Foreign currency risk**

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group carries out its business within and outside Hong Kong and worldwide with most of the transactions denominated in Hong Kong Dollar ("HKD"), United States Dollar ("USD") and Singapore Dollar ("SGD"). Exposures to currency exchange rates arise from the Group's overseas sales and purchases.

The Group's exposure to currency translation risk arising from its net investment in associate in Indonesia is managed primarily through advances denominated in the relevant foreign currency.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure to foreign currency risk.

Foreign currency denominated financial assets and liabilities, translated into HKD at the closing rates, are as follows:

The Group	USD HK\$'000	SGD HK\$'000
<b>As at 31 December 2022</b>		
Trade and other receivables	–	<b>28</b>
Cash and cash equivalents	–	<b>160</b>
Trade and other payables	–	(2)
Net exposure arising from financial assets and liabilities	–	<b>186</b>
As at 31 December 2021		
Trade and other receivables	–	22
Cash and cash equivalents	9	2,021
Trade and other payables	–	(210)
Net exposure arising from financial assets and liabilities	9	1,833

The Company does not have material financial assets and financial liabilities denominated SGD and USD for the year ended 31 December 2022 and 31 December 2021.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 21 Financial risk management (Cont'd)

### 21.2 Market risk (Cont'd)

#### (i) Foreign currency risk (Cont'd)

##### *Sensitivity analysis*

The following table demonstrates the sensitivity to a reasonably possible change in the SGD and USD exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's profit after tax:

	Group	
	Increase/(decrease) in profit after tax	
	2022 HK\$'000	2021 HK\$'000
SGD/HKD		
- strengthened 3%	6	55
- weakened 3%	(6)	(55)
USD/HKD		
- strengthened 3%	—	—
- weakened 3%	—	—

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its bank balances at fixed rates which are contractually repriced at intervals of less than 6 months (2021: less than 6 months), loans and advances and borrowings from the end of the reporting period. Borrowings at variable rates expose the Group and the Company to cash flow interest rate risk (ie. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). Borrowings at fixed rates expose the Group and Company to fair value interest rate risk (ie. the risk that the value of a financial instrument will fluctuate due to changes in market rates). At the end of the reporting period, approximately 33% (2021: 46%) of its borrowings at fixed rates of interest.

If the interest rate of loans and advances increase/decrease by 50 (2021: 50) basis points with all variables including tax rate being held constant, the profit (2021: loss) after tax of the Group will be lower/higher (2021: higher/lower) by HK\$77,000 (2021: HK\$89,000). Sensitivity analysis for other financial instruments are not presented because the Group's exposure to interest rate risk from other financial instruments are not material.

### 21.3 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations.

As at 31 December 2022, the Group's significant exposure to credit risk arises from loans and advances, trade and other receivables. Credit exposure to an individual counterparty is restricted by credit limits that are approved by the credit committee based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the respective management and the credit committee. The Group's loans and advances comprise six borrowers (2021: eight borrowers) that represented 100% (2021: 100%) of the total loans and advances. There is significant credit concentration in a few borrowers.

The Group performs ongoing evaluations to determine customer credit and limits the amount of credit it extends. For other financial assets, the Group adopts the policy of dealing only with counterparties that are of acceptable credit quality. The default risk of the industry and country in which the customers operate also has an influence on credit risk but to a lesser extent.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment loss unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## **21 Financial risk management (Cont'd)**

### **21.3 Credit risk (Cont'd)**

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

<b>Description of evaluation of financial assets</b>	<b>Basis for recognition and measurement of ECL</b>
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over one year past due, whichever occurs earlier	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

Definition of default

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

- when there is a breach of terms of the facility letter or supplement facility letter by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). For example, when certain key liquidity and solvency ratios at reporting date provide evidence that the borrower is in significant financial difficulty such that it will have insufficient liquid assets to repay the loan when due.

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Cash and cash equivalents are placed with institutions with good credit rating and the management estimate the probability of default and loss given default to be low.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 21 Financial risk management (Cont'd)

### 21.3 Credit risk (Cont'd)

*Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowance.

	Loans and advances		Amount due from a former subsidiary		Amount due from an associated company		Deposits paid to a supplier		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>The Group</b>										
Balance at 1 January	1,620	1,244	–	–	10,672	10,672	24,299	24,377	36,591	36,293
Disposal of subsidiary	–	–	25,257	–	(10,672)	–	(23,901)	–	(9,316)	–
Loss allowance (reversed)/measured:										
Lifetime ECL										
- significant increase in credit risk	(244)	376	(163)	–	–	–	(398)	(78)	(805)	298
Balance at 31 December	1,376	1,620	25,094	–	–	10,672	–	24,299	26,470	36,591

	Amount due from subsidiaries	
	2022	2021
	HK\$'000	HK\$'000
<b>The Company</b>		
Balance at 1 January and 31 December	25,958	25,958

*Trade receivables*

The Group applies the simplified approach to measure the expected credit loss ("ECL") allowance for trade receivables. Under the simplified approach, for trade receivables that do not contain a significant financing component, the loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime ECL. Management assessed that there is immaterial loss allowance relating to trade receivables.

*Loans and advances*

The Group has loans and advances with a carrying value of HK\$15,624,000 (2021: HK\$17,880,000) as at 31 December 2022. The Group assesses whether or not there is an impairment of loans and advances by conducting credit assessment on a loan-by-loan basis. The Group assessed the probability of default and loss given default of each loan. In making their judgements, the Group considers the financial capabilities of the borrowers of the loan granted which includes assessing the credit portfolio of the borrowers and the assessment of the loan to security ratio, the historical loss rates and where applicable, incorporating forward-looking information which is based on assumptions and forecasts of future economic conditions with consideration on the impact of the current macroeconomic uncertainties and how these conditions will affect the Group's estimated credit loss ("ECL") assessment.

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of macroeconomic factors and how these conditions will affect the ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical loss rates, assumptions and expectations of future conditions.

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## **21 Financial risk management (Cont'd)**

### **21.3 Credit risk (Cont'd)**

#### *Other financial assets at amortised cost*

Other financial assets at amortised cost include amount due from subsidiaries (non-trade), amount due from a former subsidiary, amount due from an associated company, deposits, other receivables, deposits paid to a supplier and cash and bank balances.

The table below details the credit quality of the Group's and the Company's financial assets at amortised cost (other than trade receivables and loans and advances):

Group	12-month or lifetime ECL	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000
<b>2022</b>				
Amount due from a former subsidiary	Lifetime ECL	<b>25,094</b>	(25,094)	–
Deposits	12-month ECL	<b>13</b>	–	<b>13</b>
Other receivables	12-month ECL	<b>241</b>	–	<b>241</b>
Cash and bank balances	N.A. Exposure Limited	<b>10,542</b>	–	<b>10,542</b>
<b>2021</b>				
Amount due from an associated company	Lifetime ECL	10,672	(10,672)	–
Deposits	12-month ECL	17	–	17
Other receivables	12-month ECL	608	–	608
Deposits paid to a supplier	Lifetime ECL	24,299	(24,299)	–
Cash and bank balances	N.A. Exposure Limited	13,668	–	13,668
<b>Company</b>				
<b>2022</b>				
Amount due from subsidiaries (non-trade)	Lifetime ECL	<b>41,089</b>	(25,958)	<b>15,131</b>
Deposits	12-month ECL	<b>13</b>	–	<b>13</b>
Cash and bank balances	N.A. Exposure Limited	<b>164</b>	–	<b>164</b>
<b>2021</b>				
Amount due from subsidiaries (non-trade)	Lifetime ECL	41,657	(25,958)	15,699
Deposits	N.A. Exposure Limited	17	–	17
Other receivables	12-month ECL	11	–	11
Cash and bank balances	N.A. Exposure Limited	306	–	306

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 21 Financial risk management (Cont'd)

### 21.4 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial asset.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities.

The Group and Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments. In managing its liquidity, Management monitors and reviews the Group's and Company's forecasts of liquidity reserves (comprising cash and cash equivalents and undrawn borrowing facilities) on the basis of expected cash flows determined at local level in the respective operating companies of the Group in accordance with limits set by the Group.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount HK\$'000	Contractual undiscounted cash flows			Over 5 years HK\$'000		
		Between					
		Total HK\$'000	Less than 1 year HK\$'000	2 and 5 years HK\$'000			
<b>The Group</b>							
<b>As at 31 December 2022</b>							
Trade and other payables	1,187	1,187	1,187	–	–		
Borrowings	13,904	15,185	15,185	–	–		
	<b>15,091</b>	<b>16,372</b>	<b>16,372</b>	–	–		
As at 31 December 2021							
Trade and other payables	2,478	2,478	2,478	–	–		
Borrowings	19,744	21,221	21,221	–	–		
	<b>22,222</b>	<b>23,699</b>	<b>23,699</b>	–	–		
<b>The Company</b>							
<b>As at 31 December 2022</b>							
Other payables	<b>14,133</b>	<b>14,133</b>	<b>14,133</b>	–	–		
As at 31 December 2021							
Other payables	12,920	12,920	12,920	–	–		

## 22 Financial instruments

### 22.1 Carrying amounts and fair values

The carrying amounts of financial assets and liabilities carried at amortised costs approximate their fair value due to their relatively short-term nature.

### 22.2 Fair values

The carrying amount of financial assets and liabilities, comprising trade and other receivables (excluding prepayments and deposits paid to a supplier), cash and bank balances, trade and other payables (excluding advances from customers) and borrowings, approximate their fair values. The Group and the Company do not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 23 Capital management

The Group's and the Company's objectives when managing capital are:

- (a) To safeguard the Group's and the Company's ability to continue as going concern;
- (b) To support the Group's and the Company's stability and growth;
- (c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and
- (d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises trade and other payables and borrowings, less cash and cash equivalents. Net capital represents equity attributable to owners of the Company.

	The Group	The Company		
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Trade and other payables (Note 11)	<b>1,187</b>	2,478	<b>14,133</b>	12,920
Borrowings (Note 12)	<b>13,904</b>	19,744	–	–
Total debt	<b>15,091</b>	22,222	<b>14,133</b>	12,920
Less: Cash and bank balances (Note 7)	<b>(10,542)</b>	(13,668)	<b>(164)</b>	(306)
Net debt	<b>4,549</b>	8,554	<b>13,969</b>	12,614
Equity attributable to owners of the Company	<b>10,729</b>	10,281	<b>1,199</b>	3,281
Total capital and net debt	<b>15,278</b>	18,835	<b>15,168</b>	15,895
Gearing ratio	<b>30%</b>	45%	<b>92%</b>	79%

## 24 Legal claims

There was a deposit of approximately HK\$24.4 million paid by HK Silver in 2015 to a supplier in the Philippines (the "Supplier") for the purchase of nickel ore (the "Deposit"). The deposit is interest free and unsecured.

The deposit paid by HK Silver was funded by Asiapac, a wholly-owned direct subsidiary of the Company which in turn holds a 70% direct shareholding interest in HK Silver. Pursuant to a facility agreement dated 18 March 2015 entered into between Asiapac and HK Silver (the "Facility Agreement"), Asiapac agreed to extend funds of up to US\$3 million to HK Silver (the "funds") which are secured by:

- (i) A personal guarantee from Mr Wang De Zhou ("WDZ") (who is a former director, the former chief executive officer and who is a director and shareholder of the Supplier), and personal guarantees from Mr Wang De Wei and Ms Wang Jun Zhe (who are minority shareholders of HK Silver and who are family members of WDZ), (collectively the "Guarantors"); and
- (ii) A pledge of shares (the "share pledge") in a mining company which owns nickel ore mining concessions in Indonesia and which is majority owned by WDZ.

Under the terms of the Facility Agreement, Asiapac is also entitled to 20% per annum (net of any applicable withholding tax) of the amount of the Funds (in the form of interest or dividends) in accordance to the payment schedule stipulated under the Facility Agreement (the "minimum cost of funding"). The Minimum Cost of Funding is also secured by the guarantees and the Share Pledge.

Up to the date of this financial statements, there is no significant progress on the legal action taken by Group. However, during the financial year, Mr. WDZ has made repayment of approximately HK\$163,000 and he will continue to do so when he has surplus funds.

Based on the financial check conducted by a professional firm, there are no substantial assets held by WDZ and the Guarantors in Hong Kong and Singapore, other than shareholding in PT Shenniu Mining Indonesia. Accordingly, upon considering the limited assets, uncertainty for recovery and substantial legal efforts, potential significant cost and time required, pursuing a legal course of action may not be the most appropriate course of action for the Group at the moment.

# Notes to the Financial Statements

*For the financial year ended 31 December 2022*

## 24 Legal claims (Cont'd)

The Group will continue to pursue the repayment while considering the various course of actions which include:

- (a) arranging funds required to continue with the legal course of action such as to enforce the share charge of the shareholding in PT Shenniu Mining Indonesia and claiming against the Guarantors. Such action will be considered when the Group has excess funds; and
- (b) settlement proposal by WDZ by way of ownership of certain mining concessions in Indonesia ("Proposed Settlement"). With the opening of borders for the People's Republic of China ("PRC") and Indonesia, the directors plan to meet WDZ to discuss the Proposed Settlement within the next two months.

The board is of the opinion that the current approach by the management is in the best interest of the Company and shareholders under the current circumstances.

On 14 October 2022, the Group has disposed its entire 70% of the total issued and paid-up share capital of HK Silver. The disposal will not affect the Group's right in the legal course of action in respect of the recoverability of the deposit as the plaintiff to the legal course of action is Asiapac which continues to be a subsidiary of the Group.

## 25 Basis for disclaimer of opinion on the financial statements for the financial year ended 31 December 2021

The independent auditor's report dated 6 April 2022 expressed a disclaimer of opinion on the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2021. The extract of the basis for disclaimer opinion is as follows:

- (i) Deposits paid to a supplier, trade payable owing to the supplier and amounts due to related parties

As disclosed in Note 6 and Note 12 to the financial statements, deposits of HK\$24,377,000 paid and trade payable of HK\$10,531,000 owing to a supplier, which is a related party by virtue of a director and shareholder of the supplier being a former key management personnel of the Group (the "KMP") were fully impaired and fully written back respectively to profit or loss during the financial year ended 31 December 2019. In addition, during the financial year ended 31 December 2019, the Group wrote back amounts of HK\$5,673,000 due to related parties, which comprised the KMP and an entity in which the KMP is also a shareholder of the entity.

In our current year's audit, we were unable to satisfactorily perform confirmation procedures to satisfy ourselves that the gross amounts of the deposits paid of HK\$24,299,000 (2020: HK\$24,377,000) and trade payables owing to the supplier of HK\$10,531,000 (2020: HK\$10,531,000), before the impairment and write back respectively, were fairly stated. Consequently, we were unable to obtain sufficient appropriate evidence on the accumulated impairment loss on deposits paid of HK\$24,299,000 (2020: HK\$24,377,000) and accumulated write back of trade payables of HK\$10,531,000 (2020: HK\$10,531,000). We were also unable to obtain sufficient appropriate evidence on the accumulated write back of amounts due to related parties of HK\$5,673,000 (2020: HK\$5,673,000).

In view of the matters described above, we were unable to determine whether any adjustments might be necessary to the consolidated financial statements for the financial year ended 31 December 2021.

The auditor's report of the Group for the financial year ended 31 December 2020 included a similar basis for disclaimer on this matter.

- (ii) Unaudited financial information, impairment of investment in associate and amount due from an associate

As disclosed in Note 3 to the financial statements, the Group had fully impaired its investment in associate and recorded an impairment loss of HK\$3,355,000 during the financial year ended 31 December 2019.

As disclosed in Note 6 to the financial statements, the Group recorded a gross amount due from associate of HK\$10,672,000 which was fully impaired during the financial year ended 31 December 2019.

The financial statements of the associate for the financial year ended 31 December 2021 were unaudited and we were unable to obtain sufficient appropriate audit evidence about the financial information of the associate for the financial year ended 31 December 2021. Accordingly, we were unable to obtain reasonable assurance that the recorded gross investment in associate of HK\$3,355,000 and the corresponding accumulated impairment loss of HK\$3,355,000, and the amount due from associate of HK\$10,672,000 and accumulated impairment loss on amount due from associate of HK\$10,672,000 as at 31 December 2021 are not materially misstated in the consolidated financial statements of the Group.

The auditor's report of the Group for the financial year ended 31 December 2020 included a similar basis for disclaimer on this matter.

# Key Information of Directors to be Re-Elected

<b>Key Information</b>		
Name of Director	<b>Cheung Yin</b>	<b>Ong Chor Wei</b>
Date of appointment	18 January 2021	21 December 2007
Date of last re-appointment	28 April 2022	28 April 2021
Age	58	53
Country of principal residence	Hong Kong	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors, having considered the recommendation of the Nominating Committee, supported its recommendation for the re-election of Ms Cheung Yin ("Ms Cheung") as an Independent Non-Executive Chairman of the Company, having reviewed her qualifications and working experience, including her attendance and participation at Board and Board Committees' meeting.	The Board of Directors, having considered the recommendation of the Nominating Committee, supported its recommendation for the re-election of Mr Ong Chor Wei ("Mr Ong") as a Non-Executive Director and Deputy Chairman of the Company, having reviewed his qualifications and working experience, including his attendance and participation at Board and Board Committees' meeting.
Whether the appointment is executive and if so, please state the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC member, etc)	Independent Non-Executive Chairman  Chairman of the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee	Non-Executive Director and Deputy Chairman  Member of the Audit Committee, Nominating Committee and Remuneration Committee
Professional memberships/qualifications	CPA of the Hong Kong Institute of Certified Public Accountants  CPA (Aust.) of the CPA Australia	Associate member of the Institute of Chartered Accountants in England and Wales  Member of the Hong Kong Institute of Certified Public Accountants  Bachelor of Laws degree from the London School of Economics and Political Science, University of London  Master in Business Administration jointly awarded from the University of Wales and the University of Manchester
Working experience and occupation(s) during the past 10 years	November 2022 to January 2023: the Company Secretary and Authorised Representatives of China E-Information Technology Group Limited HK8055  September 2022 to Present: the Company Secretary and Authorised Representatives of Finet Group Limited HK8317  May 2022 to Present: the Company Secretary and Authorised Representatives of GBA Holdings Limited HK261  April 2017 to Present: Chief Financial Officer of LWH Advisory Limited  June 2019 to Nov 2022: Secretary of LWH Consulting Group PLC  October 2013 to April 2017: Financial Controller of Solid Gold Investments Ltd  June 2010 to September 2013: Group Financial Controller and Company Secretary of New Fei Optical Supply Ltd	2022 to Present: Executive Director of GBA Holdings Limited  2014 to 2019: Executive Director of Zibao Metals Recycling Holdings Plc  2010 to Present: Executive Director and CEO of Net Pacific Financial Holdings Limited

## Key Information of Directors to be Re-Elected

Shareholding interest in the Company and its subsidiaries	Nil	Mr Ong is deemed interested in 25.3% of the shares in the Company through his shareholding in Delton Group Limited which owns 50% of Reach Win Limited.
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	<p>Ms Cheung is the Company Secretary and Authorised Representatives of GBA Holdings Limited ("GBA"), a company listed on the Main Board of the Hong Kong Stock Exchange since May 2022. The Company's existing Non-Independent Non-Executive Director and Deputy Chairman, Mr Alan Ong ("Mr Ong"), is the Executive Director of GBA since May 2022 to present. Notwithstanding the above, Ms Cheung is not an employee of GBA and is providing her company secretarial services in her professional capacity.</p> <p>Ms Cheung is an independent director of Prosperous Printing Company Limited ("Prosperous"), a company listed on the GEM of the Hong Kong Stock Exchange since the listing of Prosperous in 2017. The Company's existing Non-Independent Non-Executive Director and Deputy Chairman, Mr Alan Ong ("Mr Ong"), was the non-executive director of Prosperous since the listing of Prosperous in 2017 until Mr Ong's cessation on 16 October 2020.</p> <p>Ms Cheung worked as a Senior Manager at Grandtop Services Limited ("Grandtop") from May 2008 to May 2010 whilst Mr Ong was a director of Grandtop. However, Ms Cheung reported to the General Manager of Grandtop, and did not report directly to Mr Ong during her period of employment.</p>	<p>Ms Cheung, the Company's Independent Non Executive Director is the Company Secretary and Authorised Representatives of GBA Holdings Limited ("GBA"), a company listed on the Main Board of the Hong Kong Stock Exchange since May 2022. The Company's existing Non-Independent Non-Executive Director and Deputy Chairman, Mr Ong, is the Executive Director of GBA since May 2022 to present.</p> <p>Ms Cheung is not an employee of GBA and is providing her company secretarial services in her professional capacity.</p> <p>Ms Cheung is an independent director of Prosperous Printing Company Limited ("Prosperous"), a company listed on the GEM of the Hong Kong Stock Exchange since the listing of Prosperous in 2017. The Company's existing Non-Independent Non-Executive Director and Deputy Chairman, Mr Alan Ong ("Mr Ong"), was the non-executive director of Prosperous since the listing of Prosperous in 2017 until Mr Ong's cessation on 16 October 2020.</p> <p>Ms Cheung worked as a Senior Manager at Grandtop Services Limited ("Grandtop") from May 2008 to May 2010 whilst Mr Ong was a director of Grandtop. However, Ms Cheung reported to the General Manager of Grandtop, and did not report directly to Mr Ong during her period of employment</p>
Conflict of Interest (including any competing business)	Nil	<p>Yes, Mr Ong is a Non-Executive Director of the Company and an Executive Director of Net Pacific Financial Holdings Limited and GBA Holdings Limited, all of which have businesses that are engaged in the financing business, operating as financial lenders within the same market segment in the Peoples' Republic of China (including Hong Kong). Mr Ong's role in GBA Holdings Limited pertains to compliance and is not directly involved in the business decisions relating to loan disbursements.</p> <p>Mr Ong has provided an undertaking to the Company to mitigate any conflicts of interest (including any competing business) between himself and the Group including: to make timely disclosure of any such conflicts of interests, to recuse himself from all discussions and decisions relating to interested transactions, to recuse himself from negotiation for any business opportunities that directly or indirectly competes with any business carried on by the Group. The Nominating Committee has reviewed the existing undertaking provided by Mr Ong to ensure that the Company's interests will not be compromised. Further, having considered Mr Ong's additional principal commitments, the Nominating Committee is satisfied that Mr Ong can continue to discharge his director's duties to the Company and that Mr Ong will not derive any special advantage in relation to those positions that he is or will be conflicted.</p>
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes

# Key Information of Directors to be Re-Elected

<p><b>Other Principal Commitments and Directorships</b></p>	<p><u>Present</u></p> <p>Independent Non-Executive Director of Prosperous Printing Company Limited.</p> <p>Executive Director of LWH Consulting Group Limited</p> <p>Executive Director of Global Mineral Resources Limited</p> <p><u>Principal Commitments</u></p> <p>Chief Financial Officer of LWH Advisory Limited</p>	<p><u>Present</u></p> <ul style="list-style-type: none"> <li>• Independent Non-Executive Director of Denox Environmental &amp; Technology Holdings Limited and Smart Globe Holdings Limited</li> <li>• Chief Executive Officer and Executive Director of Net Pacific Financial Holdings Ltd (previously known as K Plas Holdings Limited)</li> <li>• Executive Director of GBA Holdings Limited</li> <li>• Ever On Investment Limited</li> <li>• Good Scene Investment Limited</li> <li>• Grandtop Services Limited</li> <li>• Joyas Investments Group Limited</li> <li>• Uprich Holdings Limited</li> <li>• Net Pacific Investments Holdings Limited</li> <li>• On Glory Investment Limited</li> <li>• Net Pacific International Limited</li> <li>• Net Pacific Finance Group Limited</li> <li>• Head Quator Limited</li> <li>• Quad Sky Limited</li> <li>• Asia Growth Holdings Limited</li> <li>• Asia Growth Group Limited</li> <li>• Delton Group Limited</li> <li>• Reach Win Limited</li> <li>• Ccig Financial Services Limited</li> <li>• Advent View Holding Limited</li> <li>• Top Pioneer Limited</li> <li>• Meta Technology International Limited</li> <li>• New Concept Group Pty Limited</li> <li>• GBA Land (China) Holdings Limited</li> <li>• GBA Tech Global Holdings Limited</li> <li>• CCTech International Holdings Ltd</li> <li>• GBA Land Holdings Ltd</li> <li>• Great Choice Group Ltd</li> <li>• Real Prime Ltd</li> <li>• Elite Venture Associates Ltd</li> <li>• Super Elite Ventures Ltd</li> <li>• Hillfield Enterprises Limited</li> <li>• Universal Flair Limited</li> <li>• Tactical Assets Ventures Ltd</li> <li>• CCT Land (Anshan Tieyi) Holdings Ltd</li> <li>• CCT Land (Anshan) Holdings Ltd</li> <li>• CCT Land Finance Limited</li> <li>• CCT Tech Ltd</li> <li>• Regal Fair Limited</li> <li>• Top Globe (Hong Kong) Limited</li> </ul> <p><u>Principal Commitments</u></p> <p>Chief Executive Officer and Executive Director of Net Pacific Financial Holdings Ltd (previously known as K Plas Holdings Limited)</p> <p>Executive Director of GBA Holdings Limited</p>
	<p><u>Past 5 years</u></p> <p>Executive Director of Hong Kong Metal &amp; Mining Group Limited</p> <p>Executive Director of LWH Consulting Group PLC.</p> <p><u>Principal Commitments</u></p> <p>Nil</p>	<p><u>Past 5 years</u></p> <p>Non-Executive Director of the following companies:</p> <ul style="list-style-type: none"> <li>• Prosperous Printing Company Limited</li> <li>• Hong Wei (Asia) Holdings Company Ltd.</li> <li>• Vico International Holdings Limited</li> <li>• O-Net Technologies (Group) Limited.</li> <li>• Nameson Holdings Limited</li> <li>• Man Wah Holdings Limited</li> </ul> <p>Executive Director of Zibao Metals Recycling Holdings Plc on part time basis</p> <p><u>Principal Commitments</u></p> <p>Nil</p>

# Key Information of Directors to be Re-Elected

<b>Information required</b>			
<b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b>			
(A)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(B)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(C)	Whether there is any unsatisfied judgment against him?	No	No
(D)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(E)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(F)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(G)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(H)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(I)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(J)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

## Key Information of Directors to be Re-Elected

	<p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
(K)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Disclosure applicable to the appointment of Director only</b>			
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is in relation to a re-election of a director.	Not applicable. This is in relation to a re-election of a director	Not applicable. This is in relation to a re-election of a director

# Corporate Governance Report

Joyas International Holdings Limited (the “**Company**”) is committed to maintaining a high standard of corporate governance and has put in place corporate governance practices to protect the interests of its shareholders and enhance long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2022 (“**FY2022**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**2018 Code**”), pursuant to Rule 710 of the Listing Manual Section B: Rules of the Catalist (the “**Catalist Rules**”). The Company has complied with the principles and guidelines as set out in the 2018 Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the 2018 Code. The Company did not adopt any alternative corporate governance practices in FY2022.

## PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

*The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

The Company is effectively headed by the Board of Directors (the “**Board**”) to lead and control it. Apart from its fiduciary and statutory duties and responsibilities, the Board is collectively responsible for the success of the Company and its subsidiaries (collectively, the “**Group**”) and it works with the Management to achieve this. The Board oversees the affairs of the Group and focuses on strategies and policies, with particular attention paid to growth and financial performance. The Board delegates the formulation of business policies and day-to-day management to the Executive Director.

Provision 1.1

The Directors act objectively in the best interests of the Company and hold Management accountable for performance. The Board has put in place a code of conduct and ethics, and has set an appropriate tone-from-the-top and desired organisational culture. The Board also ensures proper accountability within the Company. Directors who face a conflict of interest recuse themselves from discussions and decisions involving issues of conflict.

The Board is responsible for:

1. providing entrepreneurial leadership, setting strategic aims, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
2. establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
3. reviewing the Management’s performance, and ensuring that the Management executes business management decisions with the highest level of integrity;
4. identifying key stakeholder groups and recognising that their perceptions affect the Company’s reputation;
5. setting the Group’s values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
6. considering sustainability issues, for example, environmental and social factors, as part of its strategic formulation;
7. ensuring the Group’s compliance with laws, regulations, policies, directives, guidelines and internal code of conduct;
8. ensuring the Group’s compliance with good corporate governance practices; and
9. approving half-year, quarterly (the Company has commenced quarterly reporting with effect from Q3 2021) and full year results.

Provision 1.2

Directors understand the Company’s business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company’s expense.

Catalist Rule 406(3)(a)

All Directors are updated regularly concerning any changes in risk management, accounting standards, relevant new laws, regulations and changing commercial risks. Directors are encouraged to attend, at the Company’s expense, relevant and useful training or seminars conducted by external organisations. News releases issued by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) which are relevant to the Directors are circulated to the Board. The Board is briefed regularly by the Company’s external auditors on the key changes to the International Financial Reporting Standards. The Board is given updates at each Board meeting on business and strategic developments pertaining to the Group’s business.

During FY2022, briefings, updates and trainings provided to the Directors include:

- briefings by the Company’s external auditors on key changes to the International Financial Reporting Standards at the Audit Committee meetings; and
- updates by the Company Secretary on amendments to the Catalist Rules of the SGX-ST, from time to time.

There were no new Directors appointed during FY2022.

Ms Cheung Yin was appointed on 18 January 2021 and Mr Vincent Cheung Chun Wai was appointed on 30 April 2021. Further to the Company’s announcement dated 6 April 2022, the Board wishes to update that based on the certificates of completion provided by Ms Cheung Yin and Mr Vincent Cheung Chun Wai:

- Ms Cheung Yin has completed eight (8) out of a total of eight (8) modules under the Listed Entity Director Programme (“**LED Programme**”), being LED1 to LED8, conducted by the Singapore Institute of Directors; and
- Mr Vincent Cheung Chun Wai has completed four (4) out of a total of four (4) modules under the LED Programme, being LED1 to LED4, conducted by the Singapore Institute of Directors. As he is an Executive Director of the Company and is not a member of the Audit Committee, Nominating Committee, Risk Management Committee and Remuneration Committee of the Company, the Nominating Committee of the Company is of the view that Mr Vincent Cheung Chun Wai need not attend LED5 to LED8.

Mr Ong Chor Wei and Mr Francis Lee Fook Wah have attended the training on sustainability matters as prescribed by SGX-ST. Both Ms Cheung Yin and Mr Vincent Cheung Chun Wai have not attended the training on sustainability matters as prescribed by SGX-ST due to time constraints and they have confirmed their commitment to attend the training on sustainability matters as prescribed by SGX-ST in the second quarter of 2023.

When a new Director is appointed, the Company will provide a formal letter to the new Director setting out his or her duties and obligations. In addition, the new Director will undergo an orientation program where the Chief Executive Officer will brief him or her on the Group’s business, policies and corporate governance practices to ensure that the new Director is familiar with the Group’s business, policies and corporate governance practices, and is able to discharge his or her duties effectively. Other forms of training include briefings on corporate governance practices and training in accounting, legal and industry-specific knowledge. First time directors will attend mandatory trainings as prescribed by the SGX-ST.

# Corporate Governance Report

The Board also has guidelines setting forth clear directions to the Management on matters that must be approved by the Board. Matters that specifically require Board approval include corporate and strategic directions, nomination of Directors to the Board, appointment of key executive officers, material acquisitions and disposals of assets (with consideration more than 25% of the total assets), share issuances, dividends and other forms of returns to shareholders. All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Company, and objectively make decisions in the best interests of the Company.

Provision 1.3

Board committees, which include the Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") (collectively, the "Board Committees"), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. These terms of reference are reviewed annually, along with the structure and membership of the Board Committees, to ensure their continued relevance. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each Board Committee's activities are described separately under the various sections of each Board Committee below.

Provision 1.4

Catalist Rule 406(3)(e)

Currently the Board is scheduled to meet at least four (4) times a year and as and when warranted by circumstances. This has been the Company's practice since Q3 2021, due to the adoption of quarterly reporting. The Company's Bye-Laws allow Board and Board Committee meetings to be conducted by way of a telephone conference or by means of similar communication.

Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings held in respect of FY2022 and the attendance of the Directors are set out in the table below:

Provision 1.5

Directors' Attendance at Board and Board Committee Meetings										
Name of Directors	Board Meeting		Audit Committee Meeting		Nominating Committee Meeting		Remuneration Committee Meeting		Risk Management Committee Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ong Chor Wei	4	4	4	4	1	1	1	1	15	15*
Cheung Yin	4	4	4	4	1	1	1	1	15	15
Vincent Cheung Chun Wai	4	4	4	4*	1	1*	1	1*	15	15*
Francis Lee Fook Wah	4	4	4	4	1	1	1	1	15	15

**Notes:**

\* By invitation

Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Management provides Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Provision 1.6

The Board reviews legislative and regulatory compliance reports from Management to ensure that the Company takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules of the SGX-ST.

The Company recognises the importance of providing the Board with accurate and relevant information on a timely basis. Information is usually provided at least three (3) working days in advance prior to meetings. The Management highlights key business indicators and major issues that are relevant to the Company's performance from time to time at Board Committee Meetings and provides the Board with quarterly management accounts (with effect from Q3 2021) and such explanation and information on a monthly basis in order to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects.

The Directors have separate and independent access to the Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. Pursuant to Bye-Law 136 of the Company's Bye-Laws, the appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

Provision 1.7

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

*The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

The Board comprises:

Ong Chor Wei	(Non-Independent Non-Executive Director and Deputy Chairman) (Appointed on 21 December 2007 and last re-elected on 28 April 2021)
Cheung Yin	(Independent Non-Executive Director and Chairman) (Appointed on 18 January 2021 and last re-elected on 28 April 2022)
Francis Lee Fook Wah	(Independent Non-Executive Director) (Appointed on 30 April 2021 and last re-elected on 28 April 2022)
Vincent Cheung Chun Wai	(Executive Director and Chief Executive Officer) (Appointed on 30 April 2021 and last re-elected on 28 April 2022)

The Independent Non-Executive Directors consist of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary and these competencies include accounting, finance and business management. The NC has reviewed and confirmed that the Independent Non-Executive Directors are independent in conduct, character and judgment, and none of the Independent Non-Executive Directors have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company. The Independent Non-Executive Directors have also confirmed their independence in accordance with the 2018 Code. In the event that any relationship which is likely to affect the Director's judgment arises, the relevant Director will make timely disclosure of such relationship to the Board.

Provision 2.1

Catalist Rule 406(3)(d)

The Independent Non-Executive Directors provide for a strong and independent element on the Board and are able to exercise objective judgment on corporate affairs independently from the Management, and together with the Non-Executive Directors, constructively challenge and help develop proposals on strategy and also review the performance of the Management in achieving agreed goals and objectives, and monitor the reporting of performance.

# Corporate Governance Report

The composition of the Board and independence of each Independent Non-Executive Director is and will be reviewed annually by the NC in accordance with the guidelines under the 2018 Code. In determining the independence of each Independent Non-Executive Director, the Board and the NC also considers Rule 406(3)(d) of the Catalist Rules which provides that a director is not independent under any of the following circumstances:

- (i) if he is employed by the Company or any of its related corporations for the current or any of the past three (3) financial years;
- (ii) if he has an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three (3) financial years, and whose remuneration is determined by the RC of the Company; or
- (iii) if he has been a director for an aggregate period of more than nine (9) years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

The Board and NC have also considered the new Rule 406(3)(d)(iv) of the Catalist Rules which came into effect on 11 January 2023. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, an Independent Director who has held his or her position for an aggregate period of more than nine (9) years (whether before or after listing) will cease to be independent thereafter. However, such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

As at the date of this Annual Report, none of the current Independent Non-Executive Directors have served on the Board beyond nine (9) years from the date of his/her first appointment.

The Independent Non-Executive Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

There is an element of independence on the Board. Ms Cheung Yin, the Independent Non-Executive Chairman of the Board, and Mr Francis Lee Fook Wah, the Independent Non-Executive Director, is not part of the Management and Independent Non-Executive Directors make up at least one third of the Board.

Provision 2.2

Non-Executive Directors make up a majority of the Board.

Provision 2.3

The Company recognises and embraces the importance of diversity at the Board level and sees diversity as an essential element to ensuring the achievement of its strategic objectives. The Company has implemented a Board Diversity Policy ("Diversity Policy") which sets out the principles and framework adopted by the Company to maintain diversity on the appointment and composition of its Board. The NC reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new directors.

Provision 2.4

The NC will consider directors of all different skills, experiences, ages, genders, nationalities, educational and professional industry background and other relevant personal attributes that are important and needed to support robust and good decision-making at the Board level.

The current composition of the Board provides diversity in terms of skills, experience, knowledge, age, nationality and gender and consists of Directors with relevant skills in the following areas: accounting or finance, business management, business administration, business consulting, product development, corporate finance, audit, compliance and risk management. In particular, gender diversity is reflected by the current Board composition of one (1) female Director out of four (4) Directors. Furthermore, each Director has relevant qualifications and experience in their respective field of expertise. Key information on the Directors can be found in the "Board of Directors" section of this Annual Report.

The NC is aware that under Rule 710A of the Catalist Rules, the Diversity Policy should include (1) the Company's targets to achieve diversity in the Board; (2) the Company's plans and timelines for achieving the targets; (3) the Company's progress towards achieving the targets within the timelines and (4) how the combination of skills, talents, experience and diversity of the Company's Directors serves the needs and plans of the Company.

That said, having considered the nature and scope of the Group's operations and the number of Directors required to ensure effective and meaningful decision-making, the Board is of the view that the current board size of four (4) Directors, with more than one-third of the Directors being independent, is appropriate. Furthermore, in light of the diversity of skills and independence of the current Board, the Board is also of the opinion that the existing composition is sufficient to steer the Company through its current plans and future strategies. The Board exercises judgment on corporate affairs objectively and independently, in particular, from the Management and no individual or small group of individuals dominates the Board's decision-making.

In addition, the current Board composition provides a diversity of skills and knowledge and is represented in the table below:

<b>Balance and Diversity of the Board</b>		<b>Number of Directors as at 31 March 2023</b>
<b>Core Competencies</b>		
- Accounting or finance		4
- Business management, business administration, business consulting		4
- Product development, relevant industry knowledge or experience		2
- Corporate finance		3
- Audit, compliance and risk management		3

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets that the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

Notwithstanding the foregoing, the NC will review the Diversity Policy from time to time as appropriate to ensure that it remains relevant and effective, and shall recommend any revision, if required, to the Board for consideration and approval.

# Corporate Governance Report

To facilitate a more effective check on the Management, Non-Executive Directors (including Independent Non-Executive Directors) have met twice without the presence of the Management in FY2022. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. Provision 2.5

## **PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

*There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The Independent Non-Executive Chairman and the Chief Executive Officer are separate persons and are not related to each other. The Independent Non-Executive Chairman is also an Independent Non-Executive Director. Accordingly, the Company is not required to, and has not appointed, a lead independent Director. There is clear separation of the roles and responsibilities between the Independent Non-Executive Chairman and the Chief Executive Officer in order to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. Provision 3.1  
Provision 3.3

The Independent Non-Executive Directors meet regularly amongst themselves without the presence of the other Directors, where necessary. The Independent Non-Executive Chairman, Ms Cheung Yin, makes herself available to shareholders if they have concerns relating to matters that contact through the Chief Executive Officer has failed to resolve, or where such contact is inappropriate.

The Board has clearly established and set out in writing the division of responsibilities between the Independent Non-Executive Chairman and the Chief Executive Officer. The responsibilities of the Independent Non-Executive Chairman include the following: Provision 3.2

1. leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
2. promote a culture of openness and debate at the Board;
3. ensuring that the Directors receive complete, adequate and timely information;
4. ensuring effective communication with the shareholders;
5. encouraging constructive relations within the Board, between the Board and the Management, and between the Executive Director and the Non-Executive Directors (including the Independent Non-Executive Directors);
6. facilitating the effective contribution of the Non-Executive Directors (including the Independent Non-Executive Directors) in particular; and
7. promoting high standards of corporate governance.

As the Chief Executive Officer of the Company, Mr Vincent Cheung Chun Wai is responsible for overseeing and managing the businesses of the Group. He is accountable to the Board for the conduct and performance of the Group and has been delegated authority to make decisions within certain financial limits authorised by the Board.

## **PRINCIPLE 4: BOARD MEMBERSHIP**

*The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

The members of the NC as at 31 December 2022 are as follows: Provision 4.2

Cheung Yin	(Chairman)
Francis Lee Fook Wah	(Member)
Ong Chor Wei	(Member)

The NC is made up of three (3) Non-Executive Directors with the majority, including the NC Chairman, being independent. The NC is scheduled to meet at least once a year and had convened a meeting on 24 February 2022.

The Company does not have any alternate Directors currently. Alternate Directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include Directors' health and age related concerns as well as Management succession plans.

The NC is regulated by a set of written terms of reference which sets out its authority and its role, including but not limited to establishing a formal and transparent process for: Provision 4.1

1. reviewing and making recommendations to the Board on all Board appointments;
2. appointment and re-appointment of the Directors having regard to each Director's contribution and performance, including, if applicable, as an Independent Non-Executive Director;
3. reviewing the Board's succession plans for Directors, in particular, the appointment and/or replacement of the Independent Non-Executive Chairman, the Chief Executive Officer and key executive officers;
4. developing a process and the criteria for evaluation of the performance of the Board, its board committees and Directors;
5. reviewing the training programs and professional development programs for the Board and its Directors;
6. determining annually whether or not a Director is independent; and
7. assessing the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the commitment, contribution and performance of each Director to the effectiveness of the Board.

# Corporate Governance Report

In the selection and nomination of new Directors, the NC identifies the key attributes that an incoming Director should have, based on the attributes which complement and strengthen the existing Board as well as the requirements of the Group. After the identified attributes are endorsed by the Board, the NC taps on the resources of the Directors' personal contacts for recommendations of potential candidates. Executive recruitment agencies may also be appointed to assist in the search process, where necessary. The potential candidates will go through a shortlisting process. Interviews are then set up with the shortlisted candidates for the NC to assess them before a decision is made. The NC would then proceed to recommend the selected candidate to the Board for appointment.

Provision 4.3  
Catalist Rule 720(4)-(5)

New Directors are appointed by way of a Board resolution, after the NC and the Board have approved their nominations. Such new Directors will submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company. Pursuant to the Company's Bye-Laws, every Director shall retire from office once every three (3) years and for this purpose, at each AGM of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Key information on the Directors can be found in the "Board of Directors" section of this Annual Report.

The Directors who are retiring at the forthcoming AGM of the Company are named below:

Name of Director	Date of initial appointment	Date of last re-election	Due for re-election
Ong Chor Wei	21 December 2007	28 April 2021	Yes
Cheung Yin	18 January 2021	28 April 2022	Yes

Please refer to pages 53 to 57 for additional information in relation to Mr Ong Chor Wei and Ms Cheung Yin.

The role of the NC also includes the responsibility of reviewing the re-nomination of Directors who will retire by rotation, taking into consideration, the Director's integrity, independence, operational and technical contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC. The NC would assess the performance of individual Directors in accordance with the performance criteria set out above. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-election of a Director to the Board.

The NC had, with Mr Ong Chor Wei abstaining from the deliberations, reviewed and recommended that Mr Ong Chor Wei who will retire via rotation pursuant to Bye-Law 104 of the Company's Bye-Laws, be nominated for re-election as a Non-Executive Director and Deputy Chairman at the forthcoming AGM of the Company and subject to being duly re-elected, Mr Ong Chor Wei will remain as an Non-Executive Director and the Deputy Chairman, and member of the RC, AC and NC of the Company.

The NC had, with Ms Cheung Yin abstaining from the deliberations, reviewed and recommended that Ms Cheung Yin who will retire via rotation pursuant to Bye-Law 104 of the Company's Bye-Laws, be nominated for re-election as an Independent Non-Executive Chairman at the forthcoming AGM of the Company and subject to being duly re-elected, Ms Cheung Yin will remain as the Independent Non-Executive Chairman and Chairman of the RC, AC, RMC and NC of the Company. Ms Cheung Yin is considered Independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1 of the 2018 Code.

Provision 4.4

The Independent Non-Executive Directors have confirmed that:

- (a) They are independent in conduct, character and judgement, and they do not have a relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.
- (b) They are not being employed by the Company or any of its related corporations for the current or any of the past three (3) financial years.
- (c) They do not have an immediate family member (being a spouse, child, adopted child, step-child, sibling and parent) who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.
- (d) There are no relationships (including business relationships) which they, their immediate family members, or an organisation which they, or their immediate family members, are a substantial shareholder, partner (with 5% or more stake), executive officer or director in, have with the Company or any of its related corporations, and they do not have any direct association with a substantial shareholder of the Company, in the current and immediate past financial year.
- (e) They or their immediate family members, or a company that they and/or their immediate family members are a substantial shareholder in, have not provided to or received from the Company or its subsidiaries any significant payments or material services, other than their service as a Director of the Company and Directors' fees received for their service as a Director of the Company.
- (f) They or their immediate family members, in the current or immediate past financial year, have not provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for Board service.
- (g) They or their immediate family members, in the current or immediate past financial year, is or was, not a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services).
- (h) They are not and have not been directly associated with a substantial shareholder of the Company, in the current or immediate past financial year.
- (i) They have not served a director of the Company for an aggregate period of more than 9 years (whether before or after listing).

The Board, having taken into account the views of the NC, considers Ms Cheung Yin and Mr Francis Lee Fook Wah, to be independent based on the definition of independence as set out in the Catalist Rules and the 2018 Code.

# Corporate Governance Report

The NC ensures that new directors are aware of their duties and obligations. Although some Directors hold directorships in other listed companies, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors of the Company. These Directors would widen the experience of the Board and give it a broader perspective. The Company has established internal guidelines to address the competing time commitments faced by these Directors serving on multiple boards. The listed company directorships and principal commitments of each Director are set out on page 8 of this Annual Report.

Provision 4.5

The NC is of the view that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments and hence, no maximum number of listed company board representations a Director may hold is prescribed. If a Director is on the board of other listed companies, the NC will consider whether adequate time and attention have been devoted to the Company. In particular, the NC will consider the attendance of a Director in Board meetings or Board Committee meetings and whether a Director provides sufficient feedback or input for matters which require Board's or Board Committee's attention. In the event that there are sufficient grounds for concern, the Independent Non-Executive Chairman and the Chief Executive Officer shall discuss with the NC, and if necessary, bring to the attention of the Director of the issues and in any continuance, the consequences flowing from the situation. The NC has reviewed and is satisfied that the current Directors are able to and have adequately carried out their duties as Directors of the Company and have the adequate time and attention devoted to discharge their duties for FY2022.

## **PRINCIPLE 5: BOARD PERFORMANCE**

*The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole and its Board Committees as well as to assess the Independent Non-Executive Chairman and each individual Director for their contribution and their commitment to their role. The formal appraisal process is based on the objective performance criteria and process recommended by the NC and approved by the Board.

Provision 5.1

The appraisal process focuses on a set of performance criteria which includes, *inter alia*, the evaluation of the following: (a) Board's composition and size; (b) Board's processes; (c) risk management and internal control; (d) Board's effectiveness to meet its performance objectives for the relevant financial year and financial performance indicators; (e) recruitment process; (f) remuneration framework; and (g) financial reporting responsibility. Such performance criteria are approved by the Board and they address how the Directors have collectively enhanced long-term shareholders' value. The NC did not propose any changes to the performance criteria for FY2022.

Provision 5.2

A Board evaluation is conducted annually whereby Directors complete a self-assessment checklist based on the abovementioned various areas of assessment to assess their views on various aspects of the Board's, Board Committees' and individual Director's performance. The Company Secretary collated and submitted the questionnaire results to the NC Chairman. The NC then discussed the results of the assessment, and presented their evaluation and feedback to the Board for discussion on areas of weakness to improve the effectiveness of the Board and Board Committees. No external facilitator had been engaged to assist in the evaluation of the Board's performance for FY2022.

The Independent Non-Executive Chairman acts on the results of the performance evaluation, and where appropriate, proposes new members to be appointed to the Board or seek the resignation of Directors in consultation with the NC through the process as elaborated above. The NC has assessed the performance of the current Board's overall performance during FY2022, and is of the view that the Board and its individual Directors have met their performance objectives.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company in FY2022.

## **REMUNERATION MATTERS**

### **PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

*The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

The RC as at 31 December 2022 comprises the following Directors:

Provision 6.2

Cheung Yin	(Chairman)
Francis Lee Fook Wah	(Member)
Ong Chor Wei	(Member)

The RC is made up of three (3) Non-Executive Directors with the majority of them, including the RC Chairman, being independent. The RC is scheduled to meet at least once a year and had convened a meeting on 24 February 2022. All the members of the RC are Non-Executive Directors so as to minimize the risk of any potential conflict.

The RC is regulated by a set of terms of reference and has access to independent professional advice inside and outside the Company, if necessary, in respect of the remuneration of all Directors and key executive officers. No remuneration consultants were engaged in FY2022.

Provision 6.1

Provision 6.4

The RC's main duties include, *inter alia*:

1. reviewing and recommending to the Board a framework of remuneration and to determine the specific remuneration packages and terms of employment for the Executive Director and key executive officers, including those employees related to the Directors and controlling shareholders of the Group, if any, bearing in mind the need for a cautious comparison (in order to prevent the risk of an upward ratchet of remuneration levels with no corresponding improvements in performance) of pay and employment conditions of comparable companies in the same or similar industries, and to submit such recommendations for endorsement by the entire Board;
2. devising the remuneration framework and specific remuneration packages for Non-Executive Directors; and
3. carrying out its duties in the manner that it deems expedient, subject to any regulations or restrictions that may be imposed upon the RC by the Board from time to time.

# Corporate Governance Report

The RC considers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in- kinds, and termination terms, to ensure they are fair. Provision 6.3

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

## PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

*The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

As part of its review, the RC shall consider whether:

1. the remuneration packages of the Executive Director and key executive officers are comparable to companies in same or similar industries. If appropriate, a proportion of Executive Director's and key executive officers' remuneration would be structured so as to link rewards to the Group's and the individual's performance. The performance-related elements of remuneration may form a significant proportion of the total remuneration package of the Executive Director and key executive officers so that their interests are aligned with the interests of shareholders, and give the Executive Director and key executive officers keen incentives to perform at the highest levels. The performance related elements of remuneration also take into account the risk policies of the Group, are symmetric with risk outcomes and are sensitive to the time horizon of risks; Provision 7.1
2. the Directors' fees of Non-Executive Directors are appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors, but also bearing in mind that Independent Non-Executive Directors are not over-compensated to the extent that their independence may be compromised; Provision 7.2
3. the level of remuneration is appropriate to attract, retain and motivate the Executive Director to provide good stewardship of the Company and key executive officers to successfully manage the Company for the long term, without such level being more than is necessary for this purpose; and Provision 7.3
4. the remuneration packages of employees related to Directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities.

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

*The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

The Company adopts a formal and transparent procedure for developing a policy for fixing remuneration packages of the Executive Director and key executive officers. No Director is involved in deciding his own remuneration. In fixing remuneration packages, the Company takes into account pay and employment conditions of comparable companies in the same or similar industries, as well as the Group's relative performance and the performance of the Executive Director or key executive officers. Provision 8.1

The remuneration policy for the Executive Director and key executive officers consists of salary, bonus, pension fund contributions and benefits-in-kind. The performance conditions used to determine the entitlement of the Executive Director and key executive officers under short-term incentive scheme (such as bonus) and long-term incentive scheme (such as the Joyerias Internacionales S.A. Share Option Scheme 2018) comprises qualitative and quantitative conditions. Examples of quantitative conditions are target revenue, target profit, sales growth and years of service. Examples of qualitative conditions are on-the-job performance, leadership, teamwork, etc. The performance conditions are determined and implemented by the RC. The inclusion of the performance conditions in the service agreements of the Executive Director and key executives are done in a review conducted prior to the renewal of the service agreements of the Executive Director and key executive officers. The RC has reviewed the performance of the Executive Director and key executive officers for FY2022. Per the review, the performance of the Executive Directors and key executive officer have been met. However, there was no variable remuneration paid to the Executive Director and key executive officers because the Company was not materially profitable in FY2022.

The Non-Executive Directors (including Independent Non-Executive Directors) do not have any service contracts. They are paid a Directors' fee for serving on the Board and Board Committees, if any. In determining the quantum of such Directors' fees, factors such as frequency of attendance at meetings, time spent and responsibilities of Directors are taken into account. The RC has also reviewed and assessed the remuneration of the Non-Executive Directors for FY2022. The RC is of the view that the remuneration is appropriate after taking into consideration the effort, time spent and responsibilities of the Non-Executive Directors. The Board recommends payment of such Directors' fees to be approved by shareholders at each AGM of the Company.

The service agreement with the Executive Director is not excessively long and it does not have onerous removal clauses. The Executive Director or the Company may terminate the service agreement by giving to the other party not less than three (3) months' notice in writing, or in lieu of notice, payment of an amount equivalent to three (3) months' salary based on the Executive Director's last drawn salary. The RC aims to be fair and reasonable.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director and key executive officers in certain circumstances. The Board is of the view that as the Group pays performance bonuses (if any) based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its Executive Director and key executive officers, "clawback" provisions in the service agreements may not be relevant or appropriate. In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

# Corporate Governance Report

## Directors' Remuneration

The remuneration of the Directors consists of their salary, bonus, mandatory provident fund ("MPF"), Directors' fees and benefits-in-kind. The details of their remuneration packages are set out below:

### Directors

Directors	Salary HK\$'000	Directors' Fee HK\$'000*	Percentage of Variable Remuneration %	Percentage of Fixed Remuneration (including Directors' Fee) %
<b>Executive Director</b>				
Vincent Cheung Chun Wai	60	96	—	100
<b>Non-Executive Directors</b>				
Ong Chor Wei	—	120	—	100
Francis Lee Fook Wah	—	120	—	100
Cheung Yin	—	60	—	100

\* The remuneration in the form of Directors' fees is subject to shareholders' approval at the forthcoming AGM of the Company.

### Remuneration of Key Executive Officers

There was only one (1) key executive officer during FY2022. The remuneration of the key executive officer (who is not a Director) consists of salary. The details of her remuneration package is set out below:

Key Executive Officers Below S\$250,000	Percentage of Variable Remuneration %	Percentage of Fixed Remuneration %
Lui Mui Ching	—	100

In aggregate, the remuneration of the key executive officer set out in the table above for FY2022 was approximately HK\$60,000.

There were no termination, retirement and post-employment benefits that may be granted to Directors, the Chief Executive Officer and the key executive officer in FY2022.

There are no employees who are substantial shareholders of the Company, or are immediate family members of any Director, the Chief Executive Officer or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2022.

Provision 8.2

### Joyas Share Option Scheme

Provision 8.3

The Company had in place a share option scheme (the "Joyas Share Option Scheme 2007") which was adopted at a special general meeting of the Company held on 21 December 2007. The duration of the Joyas Share Option Scheme 2007 was ten (10) years from the date that it was adopted and had accordingly expired and lapsed on 21 December 2017.

Since the commencement of the Joyas Share Option Scheme 2007, 41,000,000 share options have been granted. As at 18 August 2021, all 41,000,000 share options which have been granted have expired.

Since the expiration of the Joyas Share Option Scheme 2007, the Company has adopted a new share option scheme known as the Joyas Share Option Scheme 2018 (the "Joyas Share Option Scheme 2018") which was approved by shareholders of the Company on 26 April 2018 and is administered by the RC, which comprise Cheung Yin, Francis Lee Fook Wah and Ong Chor Wei.

Please refer to our Circular to Shareholders dated 10 April 2018 for more details of the scheme.

There were no share options granted under the Joyas Share Option Scheme 2018 since its adoption.

Save as disclosed above, there were no other forms of remuneration or other payments and benefits paid by the Company and its subsidiaries, to the Directors and the key executive officers (who are not Directors) for FY2022.

### ACCOUNTABILITY AND AUDIT

#### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

*The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The RMC as at 31 December 2022 comprises the following Directors:

Cheung Yin	(Chairman)
Francis Lee Fook Wah	(Member)

# Corporate Governance Report

The Board ensures that the Management maintains a sound system of risk management and internal controls which is designed to provide a reasonable but not absolute assurance as to the integrity and reliability of the financial information and to safeguard the shareholders' investment and the Group's assets. The Company's external auditors highlighted certain operational and business risks that they became aware of during their audit for FY2022 and have communicated and reported such risks to the AC. The AC and the Management have acknowledged and followed up on the Company's external auditors' recommendations and ensured that the risks highlighted are reasonable and manageable in light of all commercial factors.

Provision 9.1

The RMC also assists the Board in overseeing the risk management and internal controls of the Company. The RMC is made up of two (2) Non-Executive Directors with all of them, including the RMC Chairman, being independent. The RMC is scheduled to meet at least once (1) a year, and the RMC has held 15 meetings in FY2022, the purpose of which was to review new or renew loan applications. The RMC is regulated by a written set of terms of reference and performs, *inter alia*, the roles of overseeing the Company's risk management framework and policies and reviewing the transactions recommended by the credit committee.

Currently, the major source of revenue for the Group comprises interests from loans and advances. The Board has determined that the recoverability of such loans and advances as well as the interests from such loans and advances which in aggregate amount to approximately HK\$17.0 million is a significant risk which the Company has to take on in order to achieve its strategic objectives and value creation. The Management, the credit committees, the RMC and the Board assesses the recoverability of such loans and advances as well as the interests from such loans and advances regularly. Such assessments include reviewing the financial position of the relevant borrowers. There are also internal control guidelines which the Management has to comply with in assessing the credit to be granted to the relevant borrowers.

The Board considers that the members of the RMC are appropriately qualified to discharge their responsibilities.

In respect of FY2022, the Board has also received assurances ("Assurance") from the Chief Executive Officer and the Accounting manager that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and the Group's risk management systems and internal control systems are adequate and effective.

Provision 9.2

The Board, with the assistance of the AC and RMC have undertaken an annual assessment to review the Company's business and operation activities in FY2022 on the adequacy and effectiveness of the Group's risk management and internal control systems addressing financial, operational, compliance and information technology risks. The assessment considered issues dealt with in the Company's external auditors' review by the Board during the year together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for FY2022. In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board had reviewed an overview of the risks which the Group are exposed to, as well as an understanding of what counter measures and internal controls are in place to manage them.

Catalist Rule 719(1)

For internal audit work relating to FY2022, the Company has appointed David Ho & Company, a member of the Institute of Internal Auditors in Hong Kong on 15 March 2023 to (a) review the current internal control policies and procedures currently implemented by the Group on AML/CTF compliance and to provide possible recommendation for improvements, if any; and (b) review documentation in respect of customer due diligence, record keeping, ongoing monitoring, reporting of suspicious transactions and screening of persons and entities designated by the United Nations Security Council in relation to financial sanctions and terrorist financing, and to identify non-compliance, if any.

The internal auditor work carried out by David Ho & Company is guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. David Ho & Company communicated their findings to the Management over the course of the internal audit. David Ho & Company has completed its internal audit work relating to FY2022 and did not find any major shortcomings in their review which suggest that the internal controls of the Group's financing business are inadequate.

In the course of the annual statutory audit of the financial statements, the external auditors also carry out a review of the effectiveness of the Group's internal controls system. The Company works with the external auditors on their recommendations to improve the internal controls system.

Catalist Rule 1204(10)

Based on the internal controls established and maintained by the Group, works performed by the internal and external auditors and reviews performed by management, various Board Committees and the Board, the Board is of the opinion, with the concurrence of the AC and RMC, that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2022.

## PRINCIPLE 10: AUDIT COMMITTEE

*The Board has an Audit Committee ("AC") which discharges its duties objectively.*

The AC as at 31 December 2022 comprises the following Directors:

Provision 10.2

Cheung Yin	(Chairman)
Ong Chor Wei	(Member)
Francis Lee Fook Wah	(Member)

The AC is made up of three (3) Non-Executive Directors with the majority of them, including the AC Chairman, being independent. The AC is scheduled to meet at least three (3) times a year and had convened four (4) meetings on 24 February 2022, 11 May 2022, 11 August 2022 and 10 November 2022. The members of the AC have confirmed that they have recent and relevant accounting or related financial management expertise and experience.

# Corporate Governance Report

The AC is regulated by a written set of terms of reference and performs, *inter alia*, the following functions:

Provision 10.1

1. reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Group's financial performance before their submission to the Board;
2. reviewing and reporting to the Board at least annually the overall adequacy and effectiveness of the Group's material internal controls, including accounting, financial, operational, compliance and information technology controls, and risk management systems;
3. reviewing at least annually the adequacy and effectiveness of the Company's internal audit function where applicable. Please refer to Principal 9 for explanations on the internal audit conducted in FY2022;
4. reviewing the assurances from the Chief Executive Officer and the Accounting Manager on the financial records and financial statements;
5. reviewing the audit plans of the Company's external auditors, the results of their examination, their evaluation of the system of internal accounting control and audit cost effectiveness;
6. reviewing the co-operation given by the Group's officers to the Company's external auditors;
7. nominating or recommending the nomination of the Company's external auditors and internal auditors for appointment, re-appointment or removal to the Board for consideration;
8. recommending the remuneration and terms of engagement of the Company's external auditors and internal auditors to the Board for consideration;
9. reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;
10. reviewing the independence and objectivity of the Company's external auditors at least annually;
11. reviewing interested person transactions; and
12. reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Management reviews the Company's business and operational activities regularly to identify areas of significant business, operational and compliance risks, and employs a wide range of measures to control these risks, including financial, operational, compliance and information technology controls. The Management has embedded the risk management process and internal controls into all business operating procedures, where it becomes ultimately the responsibility of all business and operational managers. All findings or significant matters, if any, are highlighted to the Board and the AC for their review, and the Board monitors and reviews the adequacy and effectiveness of the internal controls and risk management policies.

The Company also has, pursuant to Catalist Rule 1204(18B), in place a whistle-blowing framework, monitored by the AC, where employees of the Group or any other person ("Concerned Persons") may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence to the AC, who is tasked to maintain oversight and monitoring of all whistleblowing reports.

Concerned Persons may, in confidence, submit whistle-blowing reports to [whistleblow-joyas@upbnet.com.hk](mailto:whistleblow-joyas@upbnet.com.hk). The Company has designated an independent function to investigate whistleblowing reports made in good faith. Depending on the nature of the concern raised, an investigation may be conducted involving one or more of the following persons - the AC, internal auditors, external auditors or the forensic professionals and if necessary, reports will be made to the police or the Commercial Affairs Department.

The Company ensures that the identity of the whistle-blower is kept confidential and is committed to the protection of the whistleblower against detrimental or unfair treatment.

The whistle-blowing framework (including the procedures for raising concerns) has been clearly communicated to employees. In FY2022, the AC did not receive any whistle-blowing report.

The AC assesses the independence of the Company's external auditors annually. The aggregate amount of fees paid to the Group's external auditors Baker Tilly TFW LLP and H.C. Wong & Co., Hong Kong, for FY2022 was:

	HK\$'000
Audit fees	625
Non-audit fees	-
Total fees	<hr/> 625

There were no non-audit fees paid in FY2022.

The AC is satisfied with the independence of the Company's external auditors and had accordingly recommended the re-appointment of Baker Tilly TFW LLP as the Company's external auditors.

In addition to the above, the AC has explicit authority to investigate any matter within its terms of reference, full access to and cooperation by the Management, full discretion to invite any Director or key executive to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC has express power to commission investigations into any matter, which has or is likely to have material impact on the Group's operating results or financial results.

The Company's external auditors also have full access to the AC.

# Corporate Governance Report

The Board considers that the members of the AC are appropriately qualified to discharge their responsibilities. At least two (2) members, including the AC Chairman, have accounting or related financial management expertise and experience. None of the AC members was a previous partner or director of the Company's existing external auditing firm or existing external auditing corporation within the last two years and none of the AC members hold any financial interest in the Company's existing external auditing firm or existing external auditing corporation.

Provision 10.3

During FY2022, the AC received briefings from the Company's external auditors on key changes to International Financial Reporting Standards and updates from the Company Secretary on the amendments to the Catalyst Rules of the SGX-ST. This was done to keep the AC members abreast of changes or issues in relation to regulatory requirements, corporate governance issues and accounting standards, which have a direct impact on the review of the Company's internal control process and significant financial reporting issues.

Please refer to Principle 9 for disclosures relating to the internal audit conducted in FY2022.

David Ho & Company primarily reports to the Audit Committee and administratively to the Chief Executive Officer. David Ho & Company also has unrestricted access to the documents, records, properties and personnel of the Company and of the Group, including access to the AC.

Provision 10.4

Catalist Rule  
719(3)

The AC is satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with relevant experience. The internal audit work carried out by David Ho & Company is guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. David Ho & Company communicated their findings to the Management over the course of the internal audit. Key areas for improvements were highlighted and prioritised. David Ho & Company has completed its internal audit work relating to FY2022 and did not find any major shortcomings in their review which suggest the internal controls of the Group's financing business are inadequate. AC has noted that the internal audits were conducted in an effective manner and the necessary co-operation had been provided by the Management to enable the independent auditors to perform the functions. Accordingly, the AC is satisfied that the internal auditors are independent, effective, adequately resourced and have appropriate standing within the Company to discharge its duties effectively.

The AC is satisfied that the internal audit function is independent, effective and adequately resourced.

Catalist Rule  
1204(10c)

For FY2022, the AC met once with the Company's external auditors and internal auditors without the presence of the Management. The AC shall review all non-audit services provided by the Company's external auditors and shall keep the nature and extent of such services under review to balance the maintenance of objectivity and independence. For FY2022, there were no non-audit services performed by the Company's external auditors. The Company confirms that it complies with Rules 712 and 715 of the Catalyst Rules of the SGX-ST. The financial statements of CCIG Financial Services Limited, Hong Kong Silver Basic Group Limited<sup>1</sup> and Asia Growth Group Limited (collectively, the "HK Subsidiaries") have been audited by Baker Tilly TFW LLP for the purpose of consolidating the financial statements of the Group. In FY2022, the Company engaged H.C. Wong & Co. to perform an audit on its HK Subsidiaries for statutory and tax related purposes. In relation to the HK Subsidiaries, the Company, the AC and the Board are satisfied that the appointment of H.C. Wong & Co. as the Company's external auditors for the HK Subsidiaries would not compromise the objectivity, standard and effectiveness of the audit of the Group.

Provision 10.5

The Board (with the concurrence of the AC), taking into consideration the Assurance, and the work conducted by the internal auditors for FY2022, are satisfied that the Group's internal control systems (including financial, compliance, operational and information technology control) as well as risk management systems are adequate and effective for FY2022.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

*The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company recognises the need to communicate regularly, effectively and fairly with shareholders on all material matters affecting the Group and does not practice selective disclosure. In this respect, the Board presents a balanced and understandable assessment of the Group's performance, position and prospects and such responsibility extends to price sensitive announcements, including quarterly and full-year results and reports to regulators, if any, all of which are released through SGXNET. All press releases are announced through SGXNET before they are published. Where there was inadvertent disclosure made to a selected group, the Company ensures that the same is disclosed publicly to all other shareholders as soon as practicable. To-date, there are no such inadvertent disclosures.

The Company may also hold media meetings on significant events.

All shareholders of the Company receive the Annual Report and notice of AGM of the Company which are despatched at least 15 days before the AGM of the Company. If necessary, a notice of general meeting, together with explanatory notes or a circular, is despatched to all shareholders of the Company on items of special business at least 21 days before the general meeting. The forthcoming AGM of the Company will be held by way of electronic means and Shareholders will not be able to attend the AGM in person. To enable Shareholders to participate in and vote effectively at the forthcoming AGM to be held by way of electronic means, the Company has set out detailed information on arrangements relating to attendance at the AGM, submission of questions in advance of and live at the AGM, addressing of substantial and relevant questions at the AGM, and voting procedures for the forthcoming AGM in the Company's announcement dated 12 April 2023.

Provision 11.1

The detailed voting results, including the total number of votes cast for or against each resolution tabled, will be announced immediately at the general meetings and via SGXNET.

<sup>1</sup> Further to the disposal of 70% equity interest in Hong Kong Silver Basic Group Limited ("HK Silver") by the Company's wholly-owned subsidiary Asiapac Growth Holdings Limited on 14 October 2022, HK Silver ceased to be an indirect subsidiary of the Company. Please refer to the Company's announcement dated 14 October 2022 for more information on the disposal.

# Corporate Governance Report

There are separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where resolutions are “bundled”, the Company will explain the reasons and material implications in the notice of meeting. Provision 11.2

Insofar as possible, all Directors attend AGMs and general meetings of the Company to address such questions. The Company’s external auditors, legal advisors (if necessary), the AC Chairman, the NC Chairman and the RC Chairman are also present to assist the Directors in addressing such questions. Provision 11.3

The Directors’ attendance at the general meetings of the Company held in FY2022 are set out in the table below:

Name of Director	Annual General Meeting		Extraordinary General Meeting <sup>(1)</sup>	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Ong Chor Wei	1	1	–	–
Cheung Yin	1	1	–	–
Vincent Cheung Chun Wai	1	1	–	–
Francis Lee Fook Wah	1	1	–	–

**Note:**

(1) No Extraordinary General Meeting was held by the Company in FY2022.

The Company’s Bye-Laws allow a member of the Company to appoint one (1) or two (2) proxies to attend and vote instead of the member. The Company’s Bye-Laws also allow a shareholder of the Company which is a corporation providing nominee or custodial services to shareholders of the Company, to appoint any number of proxies (to the extent permitted by law) to attend and vote at the same general meeting, notwithstanding that such number exceeds two. Voting *in absentia* and email may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised. Provision 11.4

The Company records minutes of all general meetings (i.e., AGMs and EGMs) of the Company and substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and the Management are also recorded. Minutes of meetings are made available to shareholders via SGXNet no later than one (1) month from the date of the meeting. Provision 11.5

The Company has a corporate website at “[joyasintl.com](http://joyasintl.com)”. The Company’s corporate website is a key source of information for the investment community. It contains a wealth of investor-related information on the Company, including where available its business, contact details, financial results, annual reports, press releases, minutes of the general meetings of shareholders and announcements which the Company release via SGXNET from time to time.

The Company does not have a dividend policy. No dividend pay-out is made for FY2022 as the Company was not materially profitable for FY2022. The Board would consider establishing a dividend policy at the appropriate time.

Provision 11.6  
Catalist Rule 704(23)

## PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

*The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

Shareholders are also given the opportunity to express their views and ask questions to the Board regarding the Group and its business at AGMs and general meetings of the Company. Provision 12.1

Apart from the corporate website, announcements, the Annual Reports and AGMs of the Company, the Company also regularly conveys pertinent information, gathers views or inputs from the shareholders and the media, and addresses shareholders’ concerns. In addition, the Company proactively engages shareholders through analyst/media briefings, investor conferences and road shows. At these events, matters pertaining to business strategy, operational and financial performance and business prospects were shared by the senior management team. In disclosing information, the Company strives to be as descriptive, detailed and forthcoming as possible. The Company meets with institutional and or retail investors at least once a year at the AGM of the Company where required.

The Company currently does not have a dedicated investor relations team or an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. The investor relations role is currently performed by the Directors who actively engage and promote regular, effective and fair communication with shareholders. The Board would consider establishing an investor relations policy at the appropriate time and the appointment of a professional investor relations officer to manage the investor relations role should the need arise. The shareholders can contact the Company via channels such as (a) email to the Company under the corporate website; (b) writing to the Company and (c) meetings with Directors during the AGM.

Provision 12.2  
Provision 12.3

## MANAGING STAKEHOLDERS RELATIONSHIP

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

*The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. Provision 13.1

The Company has implemented appropriate channels to identify and engage with its material stakeholders. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business. Such arrangements will include maintaining the corporate website, which is kept updated with current information to facilitate communication and engagement with stakeholders.

# Corporate Governance Report

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders such as through the corporate website. The Company will invite the stakeholders to write to the Company via its corporate website wherein the senior management will address the stakeholders' queries as appropriate.

The Company has a corporate website to keep the stakeholders updated on developments as disclosed under Provision 13.1 above and will be a platform to answer queries from stakeholders through the corporate website. In FY2022, the Company has maintained the Company's website to keep the stakeholders updated of developments as disclosed under Provision 12.1 above and was available to answer queries from stakeholders through the corporate website.

Provision 13.2

Provision 13.3

## DEALINGS IN SECURITIES

In compliance with Rule 1204(19) of the Catalist Rules of the SGX-ST, the Company has adopted and implemented an internal code on dealing in securities.

The Company, Directors and all officers are prohibited from dealing in the Company's securities at least one (1) month before the announcement of the Company's full-year result and two (2) weeks before the announcement of the Company's quarterly results (with effect from Q3 2021) until the date of the release of the announcement, or if they are in possession of unpublished price sensitive information of the Company. In addition, Directors, key executive officers and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Directors and all officers are required to notify the Company of any dealings in the Company's securities (during the open window period) and within two (2) business days of the transaction(s). At all times, the Directors and all officers are aware that it is an offence to deal in the Company's securities and those of other companies when they are in possession of unpublished price-sensitive information in relation to those securities and that the law on insider trading applies to them at all times. As such, the Directors and all officers ensure that their dealings in securities, if any, do not contravene the law.

The internal code on dealing in securities also ensures that the Company, Directors or officers do not deal in the Company's securities on short-term considerations.

The Directors and all officers are periodically reminded of all requirements of the code of conduct and all applicable laws via the regular circulation of internal memoranda. The internal memoranda ensures that the Directors and all officers are aware that they are subject to requirements set out in the various applicable laws. Each Director and officer is required to submit a declaration annually that he is in compliance with and has not breached the code of conduct.

## MATERIAL CONTRACTS

There were no material contracts or loans entered into by the Company or any of its subsidiaries involving the interests of any Director, the Chief Executive Officer or controlling shareholders of the Company, either still subsisting at the end of FY2022 or if not subsisting, were entered into during FY2022.

## RISK MANAGEMENT

The Management oversees the Company's risk management policies and processes and reports to the Board on areas of significant risk to the Company's operations. In addressing and managing the risks faced by the Company, the Management is also supported by the AC and RMC.

The Company seeks to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC and RMC.

## INTERESTED PERSON TRANSACTIONS

The Group has adopted an internal policy in respect of any transaction with interested persons within the definition of Chapter 9 of the Catalist Rules of the SGX-ST and has in place procedures for review and approval of all interested person transactions.

The Group has not obtained a general mandate from shareholders for interested person transactions ("IPT") pursuant to Rule 920 of the Catalist Rules of the SGX-ST.

There were no IPTs with value of S\$100,000 or more entered into during FY2022.

## NON-SPONSORSHIP FEES

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2022.

# Sustainability Report

for the Financial Year ended 31 December 2022

This Sustainability Report describes the Group's sustainability performance for the period from 1 January 2022 to 31 December 2022 ("FY2022"). The report focuses on environmental, social and governance ("ESG") factors, and has been prepared in accordance with Rule 711B and Practice Note 7F: Sustainability Reporting Guide as specified in the Listing Manual Section B: Rules of Catalyst (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and reference has been made to the internationally recognised Global Reporting Initiative (GRI) Standards which represent the global best practice for reporting on a range of economic, environmental and social impact. We referenced the GRI Standard with the understanding of looking at how the business of the Group impacts not just investors, but also the environment, employees, local communities and other stakeholders.

Pursuant to Rule 711B(3) of the Catalyst Rules, the Group has subjected the sustainability reporting process to internal review by outsourced internal auditors David Ho & Company. The Board of Directors has assessed that external assurance is not required for the Sustainability Report at this juncture.

In view of SGX's enhanced listing rules that all issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from FY2022 onwards, we will be taking steps in subsequent years to include climate-related disclosures in our sustainability report, with the aim of reporting on climate-related financial information that may be of interest to our stakeholders and strengthen our approach to managing any climate-related risks.

The Group is committed to maintaining our operations in a manner that is economically, socially and environmentally sustainable while balancing the interest of our various stakeholders, including our shareholders and investors, employees, customers etc. The following sections discuss the material ESG factors we have identified through discussions conducted with key management personnel, which have been reviewed and validated by the Directors. Our Group's business comprises financial services and nickel ore trading which are based in Singapore and Hong Kong. Since FY2017, our nickel ore trading business has been dormant and has been disposed during FY2022. During FY2022, we were principally engaged in the provision of financial services. As such, this Sustainability Report is prepared based on the material ESG factors relating to our financing business.

As the Group's current business activities are providing finance and loans to clients, management has identified that for ESG reporting purposes, metrics regarding Environmental aspect will be: GHG emissions, use of reusable energy, compliance with all applicable laws and regulations, use of environmental friendly material, monitoring on reduction of indirect emission, assessment of GHG emissions of our suppliers and customers going forward. For Social aspect, management has identified our employees being important assets of the Group that need our attention, including employees' benefits, training and education, compliance with all the applicable laws and regulations, employee communication. For the Corporate Governance aspect, the Group has identified anti- corruption, compliance with all the laws and regulations, whistle- blowing policy, product and service responsibility, internal control on business operation, protection of intellectual property rights, data protection and privacy are the principal aspects.

<u>Sustainability Focus Area:</u>	<u>Material Factor:</u>
Environmental	Energy Consumption
Social Responsibility	Talent Retention; Training & Education
Governance	Anti-Corruption; Whistle-blowing; Product and Responsibility Service

## 1. Environmental

Management has adopted GHG Protocol Corporate Value Chain Standard for our reporting requirements.

### a. Energy Consumption

For measuring the Green House Gas ("GHG") emissions of our business operation, we have identified the following subcategories.

Scope 1: we do not have operating machinery and vehicles that have direct emissions

Scope 2: indirect emission mainly from our office electricity consumption

Scope 3: related to our suppliers and clients we served. Data from our customers or suppliers are not included as our clients are mainly companies and individuals that are not involved in the business of direct emission that we are aware of.

As we are principally engaged in the provision of financial services, our business is office-based and electricity consumption serves as a main source of energy usage in our office.

In FY2022, our electricity consumption was 28 KWh/m<sup>2</sup> in line with general office usage of our total occupied area, meeting our target set of maintaining the electricity intensity of 34KWh/m<sup>2</sup> of our total occupied area. Moving forward, we target to maintain the current energy intensity for the financial year ended 31 December 2023 ("FY2023").

We also encourage our employees to travel by public transport as often as practicable, in order to reduce contribution to carbon emissions.

We have been using more telephone and video conferencing for conducting meetings with customers and business counterparts for saving the travelling and time required, especially for overseas business trips, making contribution to environment for reducing indirect emission. We are using mobile telecommunication which become essential during the COVID-19 pandemic.

### b. Going Green in the Office

We strive to create a sustainable and environmentally-friendly office. Running an environmentally-friendly business allows us to reduce negative impacts on the environment. It also benefits our Company through cost-cutting when materials are being re-used, and as a whole, providing a better workplace for our employees. Green policies implemented in our office include, among others:

- adopting a paperless policy in the day-to-day operations of the business by using e-mail to communicate, recycling used paper and by printing on both sides of a sheet of paper. As a result of our paperless office policy and in particular, our strict policy on printing only when necessary, we do not consume a significant amount of office paper, and accordingly, the amount of greenhouse gases generated for the manufacture and the disposal of paper is minimised; We have set a target for reduction in paper consumption improvement by 5% for FY2023. For FY2022, our paper consumption reduced by approximately 5% from 78 rims of papers in FY2021 to 74 rims of papers in FY2022. The consumption was higher than expected due to higher amount of loan documents which required to be printed.
- notices have been placed for reminding employees turning-off electrical appliances and lighting when not in use during lunch break and after office hours before leaving;
- reducing waste generated by re-using, recycling and replacing materials; we are encouraging our employees to reduce the usage of single use plastic items during daily activities, such as plastic holders, utensils, cups, bags, etc.; and using stationery with refill to reduce wastage;
- water supply by property management is only consumed by employees for personal hygiene and general cleaning with no wastage;
- using energy-efficient and energy-saving electrical appliances; and
- using LED lights to save electricity on lighting.

# Sustainability Report

for the Financial Year ended 31 December 2022

Generally, we only dispose materials that we are unable to re-use and the disposal is handled properly by our property management providers. Any compulsory separation of waste would be done before disposal. Materials that are recyclable, such as used printer cartridges, carton boxes, and old newspapers are separated and collected by appropriate parties respectively for recycling. We strive to maintain the aforementioned green policies in the future and will seek improvements, whenever practicable.

Our strategy in the short term is to maintain our electricity consumption and to reduce our paper consumption record in the coming years, and monitor the effectiveness of the various environmentally-friendly measures implemented by our Group. In the long term, we would maintain our lean business model so that resource consumption can be minimised at the source, and to explore other management models, innovations and technological advancements so that we could further minimise the resource consumption, whenever practicable.

## 2. Social Responsibility

### a. Talent Retention

The Group continues to pay high regard to the employees who have serviced the Group over the past years and contribute to the Group's success. Our people play a crucial role in the growth of our business. The retention of a diligent workforce creates a positive work environment, and strengthens employees' commitment to the organisation.

In FY2022, our employee turnover was zero. We target to maintain zero employee turnover for FY2023. The Company plans to achieve this by increasing its revenue stream and providing better employee welfare.

The current manpower planning is to maintain our core professional team with competence under controlled costs for managing our financing business and providing improved returns to our shareholders.

### b. Training & Education

In a dynamic business environment, we recognise the need to continuously upgrade our employees' skills in order to equip them with the tools necessary for growth, especially in respect of internal controls, finance and accounting updates relevant to our business operation. Employees' training and development remain our key priorities. Our employees are encouraged to join continuing professional development ("CPD") programs conducted by external parties in order to improve job performance and enhance career development. We understand the need of our employees to attend such programs, and we have adjusted their workloads to enable them to attend such programs, whenever appropriate and practicable. As a means for our employees to continually develop and to improve their expertise, we endeavour to arrange at least five (5) CPD training hours per employee for employees every year. So far, we have achieved the targeted goal through organising various training courses for our employees in FY2022, meeting our target set in FY2022 of the minimal five (5) CPD training hours per employee. We strive to maintain the minimum five (5) CPD training hours per employee for our employees for FY2023.

Mr Ong Chor Wei and Mr Francis Lee Fook Wah have attended the training on sustainability matters as prescribed by SGX-ST. Both Ms Cheung Yin and Mr Vincent Cheung Chun Wai have not attended the training on sustainability matters as prescribed by SGX-ST due to time constraints and they have confirmed their commitment to attend the training on sustainability matters as prescribed by SGX-ST in the second quarter of 2023.

### c. Employee Welfare

We are believers of work-life balance. We adopt an annual leave policy with entitlement based on the length of service of each employee. Every employee also enjoys a minimum of 21 days paid annual leave. We also encourage employees to work from home when there are circumstances which warrant them to stay home. As such, we provide all the necessary employees' benefits and welfare where legally required to in Singapore and Hong Kong.

### d. Labour Standards

We comply with all relevant employment laws in all countries that we operate in, and in particular, Singapore and Hong Kong. We carry out detailed pre-employment background checks procedures and verifications on identity documents on every candidate. For FY2022, there was no incident of non-compliance with labour standards, in line with the target set in FY2022. We target to maintain this performance in FY2023.

We adopt an 8-hour working system and voluntary overtime. Overtime is limited to be within statutory limit to protect employees' health. In addition, we would assign employee to work on a technical task after the relevant employee has received adequate training to handle the assignment. The total employees' costs incurred by us for FY2022 when compared with FY2021 have been disclosed in the financial statements.

### e. Employee Communication

Open communication is an important element in achieving effective workplace management. Proper communication with the employees is very important for the employees to understand our business strategies and future development.

We encourage employees to voice their opinions through various communication channels at all levels. We provide suggestion boxes, website, internal newsletters and communication meetings where employees can express their concerns and suggestions. Information, opinions and suggestions gathered from the employees are to be followed up by our Executive Director for discussion with senior management.

We encourage our employees to discuss any issues and problems they identified directly with their supervisors. We have the whistle-blowing policy whereby an employee can inform the Chairman of the Audit Committee of any suspected wrong doings and other irregularities that they have identified.

## 3. Governance

### a. Anti-Corruption

We take great care to comply with anti-corruption and money-laundering laws and guidelines. As we are in the financing business, we are fully aware of the risks that we face in combating corruption and money-laundering. Our compliance officer regularly briefs all our employees on all relevant laws and best-practices on these issues so that we stay updated on such matters. All employees are required to sign an annual confirmation of compliance with the relevant laws and regulations.

# Sustainability Report

for the Financial Year ended 31 December 2022

For FY2022, there were no fines or non-monetary sanctions for non-compliance with laws and regulations, in line with the target set in FY2022. There have also been no reported incidents of corruption during the reporting period. It is the Group's goal to maintain zero incidents of corruption for FY2023 and in the years following.

b. Whistle-blowing Policy

The Company also has, pursuant to Catalist Rule 1204(18B), in place a whistle-blowing framework, monitored by the AC, where employees of the Group or any other person ("Concerned Persons") may raise concerns about possible improprieties in matters of financial reporting or other matters in confidence to the AC, who is tasked to maintain oversight and monitoring of all whistleblowing reports. Concerned Persons may, in confidence, submit whistleblowing reports to [whistleblow-joyas@upbnet.com.hk](mailto:whistleblow-joyas@upbnet.com.hk). The Company has designated an independent function to investigate whistleblowing reports made in good faith. Depending on the nature of the concern raised, an investigation may be conducted involving one or more of the following persons - the AC, internal auditors, external auditors or the forensic professionals and if necessary, reports will be made to the police or the Commercial Affairs Department. The Company ensures that the identity of the whistleblower is kept confidential and is committed to the protection of the whistleblower against detrimental or unfair treatment. The whistle-blowing framework (including the procedures for raising concerns) has been clearly communicated to employees. In FY2022, the AC did not receive any whistle-blowing report.

c. Product and Service Responsibility

As a financial services provider, we are aware of the intricacies of our services and products. We endeavour to provide thorough explanations on our services and products when engaging our clients to minimise the chances for possible misunderstandings and/or misinterpretations, and to comply with all relevant laws and regulations.

Occasionally, some misunderstandings and/or misinterpretations may still arise as our clients may have different assumptions or expectations that we could not anticipate. In such circumstances, we will assure our clients that their concern is understood by our employees and we would try our best to address the problems raised. Our reputation is one of our most valuable assets, and any misunderstanding and/or misinterpretations between us and our clients may potentially damage our reputation and may increase the regulatory risk we face; avoiding any misunderstanding and/or miscommunication in the communication between us and our clients is therefore one of the top priorities of our operations.

During FY2022, our interest income increased by positive 25% from HKD2.79 million in FY2021 to HKD3.49 million that we are cautiously optimistic the interest income would continue to improve under our continuous emphasis on sustainability.

In addition, our effort and emphasis in communication with clients distinguishes us from our competitors in that our clients are able to rely on our services and products with assurance. This gives us an edge as we envision that the regulatory framework may impose more stringent requirements on our businesses, particularly on transparency. We are confident that we will be prepared for such requirements, and we continue to evolve to stay ahead of our competitors. We have also been discussing with our clients for their attention on ESG issues for sustainability.

d. Internal controls on business operation

We have implemented internal controls on our business operation to ensure sustainability. All of our loan cases must be reviewed by the Audit Committee to ensure that adequate consideration have been given to all relevant factors before final approval and to ensure that all the loans extended are with manageable credit risks and recoverability.

During FY2022, we have conducted an internal audit review on our internal control system and sustainability reporting process this year focusing on our internal AML and CTF monitoring system to ensure that we have the proper internal control system in place for our financing business. We would continue the internal audit review for improvements to our internal control system ensuring business sustainability.

As at 31 December 2022, we have cash and cash equivalents for HK\$10.5 million (FY2021: HK\$13.7 million) with an outstanding portfolio of loans and advances for HK\$17.0 for FY2022 (HK\$19.5 million for FY2021). The Board has been conservative under the current business environment for managing potential ECL risks and would expand the loans and advances portfolio when suitable opportunities are identified for generating additional interest and fee income. Interest income.

e. Protection of Intellectual Property Rights

We respect Intellectual Property ("IP") rights owned by other parties, organizations and/or individuals. In particular, only licensed software is used on our Company's computers. We also pay attention not to breach any IP rights when preparing marketing materials and reports; for example, before utilising materials prepared by a third-party in our services and products, we would first obtain the third-party's permission and/or consent. In the unlikely event that there is any breach in IP rights, the relevant materials would be removed immediately.

f. Data Protection and Privacy

Data protection and privacy are crucial to our business. As a financial services provider, we do collect sensitive personal and/or corporate information, but we do so only insofar as it is necessary for us to create value for our clients. Further, all personal and/or corporate information are used exclusively for the business commissioned by our clients and would not be used for any other purposes unless explicit prior consent is obtained from our clients.

We take utmost care in protecting the information and data we collect from our clients; in fact, our business nature dictates that we treat all the proprietary information used during our daily operations with strict confidence. Our computer system is maintained by reputable Information Technology contractors, and access to information and data is restricted to personnel handling the relevant project at the relevant time. An emergency plan for handling possible information and data leak is also in place and is reviewed from time to time with contingency back-up plan.

**4. Board Statement**

Our Board considers sustainability issues to be an integral part of our strategic formulation. In the preparation of this Sustainability Report, our Board has reviewed and considered amongst others, the material ESG factors discussed in this Sustainability Report, and has overseen the management in monitoring these material ESG factors.

For oversight, the Board will set up the Group's ESG policy during the coming year for compliance by management and would include discussion of ESG matters in the agenda during the regular board meetings for discussing the risks and opportunities including those climate related. Management is required to comply with the ESG policy when conducting the Group's business operation and inform the Board of any risks and opportunities. Management is required to report to the Board of any irregularities and non-compliance immediately when identified and carry out necessary rectification.

Management role is to keep close attention on the Sustainability issues related to the Group's business operation for possible risks and opportunities and be aware of all the new and relevant rules and regulations on sustainability for compliance.

We hope that the information disclosed in this Sustainability Report, read together with the information in other sections of the Annual Report, will provide the reader with a holistic view of the operations of our Group. We will strive to maintain the standards of the various ESG factors reported and improve them, in accordance with the business activities of the Group, from time to time. With the COVID pandemic condition generally under control and the business activities are expected to return, the Board is optimistic to have a better FY2023 ahead for our financing business and continue focusing on the ESG aspects in our business operation.

# Shareholding Statistics

As at 20 March 2023

Authorised share capital	- HK\$100,000,000
Issued and fully paid-up	- HK\$22,137,770
Issued and fully paid-up shares excluding treasury shares	- 2,213,776,973
Class of shares	- Ordinary shares of HK\$0.01 each
Voting rights	- 1 vote per ordinary share
Treasury shares	- Nil
Subsidiary holdings	- Nil

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 20 March 2023, 22.82% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist issued by the Singapore Exchange Securities Trading Limited is complied with.

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7	0.75	192	0.00
100 – 1,000	154	16.58	147,053	0.01
1,001 – 10,000	252	27.13	1,281,800	0.06
10,001 – 1,000,000	431	46.39	106,475,616	4.81
1,000,001 AND ABOVE	85	9.15	2,105,872,312	95.12
<b>TOTAL</b>	<b>929</b>	<b>100.00</b>	<b>2,213,776,973</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	JOYAS INVESTMENTS GROUP LIMITED	842,951,466	38.08
2	REACH WIN LIMITED	560,000,000	25.30
3	CLOUD NETWORK HOLDINGS LIMITED	300,000,000	13.55
4	CHUANG FU-YUAN	37,787,300	1.71
5	RAFFLES NOMINEES (PTE) LIMITED	31,102,500	1.40
6	PHILLIP SECURITIES PTE LTD	22,779,900	1.03
7	LIM MUI CHOO	21,000,000	0.95
8	DBS NOMINEES (PRIVATE) LIMITED	19,519,400	0.88
9	TAY KIM CHAI JOHNSON	14,000,000	0.63
10	IFAST FINANCIAL PTE. LTD.	13,898,000	0.63
11	TAN LYE SENG	13,481,400	0.61
12	LOO BEE KENG	13,361,600	0.60
13	LIN LIXIN	10,850,000	0.49
14	SEAH KHOON POH	10,000,400	0.45
15	SHEN FUYU	8,400,000	0.38
16	LIN YUANZHI	8,277,000	0.37
17	KOH KAH BENG (XU JIAMING)	7,719,000	0.35
18	LIM & TAN SECURITIES PTE LTD	7,550,000	0.34
19	LIN YANTING	7,400,000	0.33
20	ONG PENG WAI (WANG BINGWEI)	6,000,000	0.27
			<b>1,956,077,966</b>
			<b>88.35</b>

# Shareholding Statistics

As at 20 March 2023

## SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
	Direct Interest	%	Deemed Interest	%
Joyas Investments Group Limited <sup>(1)</sup>	842,951,466	38.08	–	–
Lau Chor Beng, Peter <sup>(2) (3) (5)</sup>	–	–	842,951,466	38.08
Reach Win Limited <sup>(6) (7)</sup>	560,000,000	25.3	–	–
Delton Group Limited <sup>(6)</sup>	–	–	560,000,000	25.3
Cavendish Limited <sup>(7)</sup>	–	–	560,000,000	25.3
Ong Chor Wei <sup>(6)</sup>	5,600,000	0.25	560,000,000	25.3
Yung Fung Ping <sup>(7)</sup>	–	–	560,000,000	25.3
Cloud Network Holdings Limited <sup>(8)</sup>	300,000,000	13.55	–	–
Long Zhenhua <sup>(8)</sup>	–	–	300,000,000	13.55

### Notes:-

- (1) The shareholders of Joyas Investments Group Limited are as follows:-

	Number of shares in Joya Investments Group Limited	%
Lau Chor Beng, Peter <sup>(2) (3) (5)</sup>	591	59.10
Cheung Wai Hung, Danny <sup>(3)</sup>	154	15.40
Uprich Holdings Limited <sup>(4)</sup>	154	15.40
Chan Shui Ki	45	4.50
Lau Chor Wing <sup>(5)</sup>	36	3.50
Lau Chor Ming, Johnny <sup>(5)</sup>	20	2.00
	<b>1,000</b>	<b>100.00</b>

- (1) Lau Chor Beng, Peter, holds 59.10% interest in Joyas Investments Group Limited, is deemed to have an interest in the shares of the Company held by Joyas Investments Group Limited.
- (2) Lau Chor Beng, Peter was the Executive Director and Managing Director of the Company. He has relinquished his role as the Chairman of the Board on 23 March 2018 and resigned from the role of Executive Director and Managing Director of the Company with effect from 30 April 2021.
- (3) Cheung Wai Hung, Danny is the brother-in-law of Lau Chor Beng, Peter. He was a director of the Company. He resigned from the Board on 15 November 2015.
- (4) Ong Chor Wei, the Non-Independent Non-Executive Director and Deputy Chairman of the Company, holds 50% interest in Uprich Holdings Limited, a BVI investment holding company. The remaining 50% interest in Uprich Holdings Limited is held by Mr Wong Wai Shan. Both Mr Ong and Mr Wong are also directors of Uprich Holdings Limited. Mr Ong and Mr Wong are not related to each other or other Directors of the Company.
- (5) Lau Chor Wing and Lau Chor Ming, Johnny are brothers of Lau Chor Beng, Peter.
- (6) Delton Group Limited is deemed interested in the Shares held by Reach Win Limited of which Delton Group Limited is a controlling shareholder. Mr Ong Chor Wei is deemed interested in the Shares held by Reach Win Limited, of which Mr Ong Chor Wei is a director, and he holds 100% shareholding interest in Delton Group Limited. Mr Ong owns 5,600,000 shares held by his nominee, Bank J. Safra Sarasin Ltd, Hong Kong Branch.
- (7) Cavendish Limited is deemed interested in the Shares held by Reach Win Limited of which Cavendish Limited is a controlling shareholder. Ms Yung Fung Ping is deemed interested in the Shares held by Reach Win Limited, of which Ms Yung Fung Ping is a director and she holds 100% shareholding interest in Cavendish Limited.
- (8) Long Zhenhua is deemed interested in the Shares held by Cloud Network Holdings Limited as Long Zhenhua directly holds 26.65% and indirectly holds 73.55% (through Hunan Yunpai Technology Co. Ltd. which he is the sole shareholder) of the total issued and paid-up share capital of Shenzhen Tianqu Holdings Limited which is the sole shareholder of the Shenzhen Better Cloud Network Technology Co. Ltd. which has a controlling interest in Cloud Network Holdings Limited.

# Notice of Annual General Meeting

**Notice is hereby given** that the Annual General Meeting of Joyas International Holdings Limited (the “**Company**”) will be held by way of electronic means on Friday, 28 April 2023 at 3:00 p.m. (Singapore Time) for the following purposes:

## As Ordinary Business

1. To receive and adopt the Report of the Directors and the Published Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' report thereon. **(Ordinary Resolution 1)**
2. To approve the payment of Directors' fees of HK\$396,000 for the financial year ending 31 December 2023 (2022: HK\$396,000). **(Ordinary Resolution 2)**
3. To re-appoint Baker Tilly TFW LLP as the Company's Auditors for the financial year ending 31 December 2023 and to authorise the Directors of the Company to fix their remuneration. **(Ordinary Resolution 3)**
4. To re-elect Ms Cheung Yin who is retiring pursuant to Bye-Law 104 of the Company's Bye-Laws. **(Ordinary Resolution 4)**

*Ms Cheung Yin will, upon re-election as a Director of the Company, remain as Independent Non-Executive Chairman, Chairman of the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee. The Board considers Ms Cheung Yin to be independent for the purposes of Rule 704(7) of the Catalist Rules.*

5. To re-elect Mr Ong Chor Wei who is retiring pursuant to Bye-Law 104 of the Company's Bye-Laws. **(Ordinary Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## As Special Business

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

### 7. Authority to allot and issue Shares and/or Instruments

That, pursuant to the Companies Act of Bermuda, the Company's Bye-Laws and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require new Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, allot and issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated in accordance with sub-paragraph (2) below, of which the aggregate number of new Shares to be allotted and issued other than on a *pro rata* basis to existing shareholders of the Company (including new Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) calculated in accordance with sub-paragraph (2) below;
- (2) subject to such calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of new Shares that may be allotted and issued under sub-paragraph (1) above, the percentage of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of Shares.

Adjustments in accordance with sub-paragraphs (i) and (ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

# Notice of Annual General Meeting

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Bye-Laws for the time being; and
  - (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
- [See Explanatory Note (i)]

**(Ordinary Resolution 6)**

By Order of the Board of Directors of  
**Joyer International Holdings Limited**

Vincent Cheung Chun Wai  
Executive Director and Chief Executive Officer

12 April 2023  
Singapore

**Explanatory Notes:**

- (i) The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company to allot and issue new Shares, make or grant Instruments convertible into Shares and to allot and issue new Shares pursuant to such Instruments. The aggregate number of new Shares to be allotted and issued pursuant to Ordinary Resolution 6 (including new Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 6) shall not exceed 100% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 6 is passed. For allotting and issuing of new Shares, making or granting Instruments convertible into Shares and allotting and issuing new Shares pursuant to such Instruments other than on a *pro rata* basis to existing shareholders of the Company, the aggregate number of new Shares to be allotted and issued pursuant to Ordinary Resolution 6 (including Shares to be allotted and issued in pursuance of the Instruments made or granted pursuant to Ordinary Resolution 6) shall not exceed 50% of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 6 is passed. The authority conferred by Ordinary Resolution 6 will, unless previously revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

**Notes:**

1. Printed copies of this Notice of Annual General Meeting and the Annual Report for the financial year ended 31 December 2022 (the "**FY2022 Annual Report**") will be sent to members. This Notice of Annual General Meeting and the FY2022 Annual Report may also be accessed at the Company's website at the URL <https://www.joyerint.com/announcement-2023> and <https://www.joyerint.com/annual-report> respectively. This Notice of Annual General Meeting and the FY2022 Annual Report are also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the Annual General Meeting of the Company via electronic means (including arrangements by which the proceedings of the Annual General Meeting of the Company may be electronically accessed via live audio-visual webcast or live audio-only stream), submission of comments, queries and/or questions to the Chairman of the Meeting in advance of and live at the Annual General Meeting of the Company, addressing of substantial and relevant comments, queries and/or questions before or at the Annual General Meeting of the Company and voting live at the Annual General Meeting or by appointing proxy(ies) (other than the Chairman or the Meeting) or by appointing the Chairman of the Meeting as proxy at the Annual General Meeting of the Company, are set out in the Company's accompanying announcement dated 12 April 2023. This announcement may be accessed at the Company's website at the URL <https://www.joyerint.com/announcement-2023> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.
3. **As the Annual General Meeting will be held by way of electronic means, members will not be able to attend the Annual General Meeting of the Company in person.**
4. **Voting at the Annual General Meeting.** Voting for all resolutions will be conducted by a poll. A member or his/her/its proxy(ies) (including the Chairman of the Meeting) shall vote live and online (in real time) by logging into the URL <https://conveneagm.com/sg/joyer2023>.

A member may submit a Proxy Form appointing proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting in accordance with the instructions on the Proxy Form if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.

The Proxy Form will be sent to members and may also be accessed at the Company's website at the URL <https://www.joyerint.com/announcement-2023> and is also available on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Where a member (whether individual or corporate) appoints proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy(ies) (other than the Chairman of the Meeting) or the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

5. Duly appointed proxy(ies), including the Chairman of the Meeting acting as proxy, need not be a member of the Company.
6. The Proxy Form must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged with the Company at 35 Selegie Road #10-25 Singapore 188307; or
  - (b) if submitted by way of electronic means, be submitted via email to the Company at [admin@joyerint.com](mailto:admin@joyerint.com),

in either case, by 3:00 p.m. on Wednesday, 26 April 2023. A member who wishes to submit the Proxy Form must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email.**

# Notice of Annual General Meeting

7. **Submission of comments, queries and/or questions in advance of the Annual General Meeting.** Members may submit comments, queries and/or questions related to the resolutions in the Notice of Annual General Meeting to the Chairman of the Meeting in advance of the Annual General Meeting of the Company, in the following manner:

- (a) via the pre-registration website at the URL <https://conveneagm.com/sg/joyas2023>,
- (b) via email at [admin@joyasint.com](mailto:admin@joyasint.com), or
- (c) by post to the registered office of the Company, at 35 Selegie Road #10-25 Singapore 188307,

in each case, by **3:00 p.m. on Thursday, 20 April 2023**.

For more details on the submission of questions in relation to the resolutions to be tabled at the Annual General Meeting, please refer to the accompanying announcement dated 12 April 2023 to this Notice of Annual General Meeting titled "*Annual General Meeting of the Company to Be Held By Way of Electronic Means on Friday, 28 April 2023 At 3:00 p.m. (Singapore Time)*".

8. **Submission of textual comments, queries and/or questions live at the Annual General Meeting.** Shareholders of the Company or their appointed proxy(ies) may also raise textual comments, queries and/or questions live at the Annual General Meeting via the online platform hosting the live audio-visual webcast or live audio-only stream.
9. **Addressing comments, queries and/or questions.** The Company will endeavour to address all substantial and relevant comments, queries and/or questions received from members prior to the Annual General Meeting by publishing the responses to those comments, queries and/or questions received on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.joyerint.com/announcement-2023> by 3:00 p.m., on Monday, 24 April 2023. For substantial and relevant comments, queries and/or questions which the Company is unable to address prior to the Annual General Meeting, the Company will address them at the Annual General Meeting.
10. **Minutes of Annual General Meeting of the Company.** The Company will publish the minutes of the Annual General Meeting of the Company on the Company's website at the URL <https://www.joyerint.com/announcement-2023> under the heading titled "Minutes of Annual General Meeting of the Company" and on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> within one (1) month from the date of the Annual General Meeting of the Company.

## Personal data privacy:

By attending the Annual General Meeting ("AGM") of the Company and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, Catalyst Rules, regulations and/or guidelines (collectively, the "Purposes"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



(a company incorporated in Bermuda with limited liability)