



Joyas International Holdings Limited

(Incorporated in Bermuda)

Company Registration Number: 38991

Financial Statement And Related Announcement
For the financial year ended 31 December 2020

JOYAS INTERNATIONAL HOLDINGS LIMITED

Unaudited Full Year Financial Statement And Related Announcement for the Financial Year Ended 31/12/2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For the year ended 31 December 2020 (“FY2020”)

The Group

	2020 (Unaudited) HK\$'000	2019 (Published*) HK\$'000	Increase/ (Decrease) %
Revenue	1,838	2,148	(14.4)
Other income	752	16,300	(95.4)
Administrative expenses	(3,959)	(4,704)	(15.8)
Impairment losses on trade and other receivables	(6)	(35,408)	(100.0)
Other operating expenses	-	(3,386)	(100.0)
Finance costs	(377)	(1,816)	(79.2)
Share of profit of an associate	-	281	(100.0)
Loss before taxation	<u>(1,752)</u>	<u>(26,585)</u>	(93.4)
Taxation	49	(198)	(124.7)
Loss for the year	<u><u>(1,703)</u></u>	<u><u>(26,783)</u></u>	(93.6)
Other comprehensive income after tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of foreign currency translation differences of associated companies	-	139	(100.0)
Other comprehensive income for the year, net of tax of nil	<u>-</u>	<u>139</u>	(100.0)
Total comprehensive loss for the year	<u><u>(1,703)</u></u>	<u><u>(26,644)</u></u>	(93.6)

* As per published accounts in the Annual Report of the Company for the financial year ended 31 December 2019.

The Group

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000	Increase (Decrease) %
Loss attributable to:			
Owners of the Company	(1,835)	(27,184)	(93.2)
Non-controlling interests	<u>132</u>	<u>401</u>	(67.1)
	<u>(1,703)</u>	<u>(26,783)</u>	(93.6)
Total comprehensive loss attributable to:			
Owners of the Company	(1,835)	(27,087)	(93.2)
Non-controlling interests	<u>132</u>	<u>443</u>	(70.2)
	<u>(1,703)</u>	<u>(26,644)</u>	(93.6)

The Group's loss before income tax is arrived at after charging/(crediting):

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000	Increase/ (Decrease) %
Interest income	(9)	(72)	(87.5)
Sundry income	(158)	-	100.0
Fair value gain on derivative component of convertible bonds	-	(14)	(100.0)
Fair value loss on warrants	-	30	(100.0)
Auditors' remuneration	575	605	(5.0)
Depreciation of property, plant and equipment	1	4	(75.0)
Impairment loss on investment in an associated company	-	3,355	(100.0)
Impairment losses on trade and other receivables			
-investment and amount due from an associate	-	10,672	(100.0)
-loan and advances	6	359	(98.3)
-trade and other receivables	-	24,377	(100.0)
Write-off of			
-accounts payable	-	(10,531)	(100.0)
-other payables	-	(5,673)	(100.0)
Share of profit of an associate of PTGLI (Note)	-	(281)	(100.0)
Foreign exchange gains, net	(585)	(10)	5750.0
Operating lease expense in respect of rented premises	301	304	(1.0)
Interest expenses	377	1,816	(79.2)

Note: On 10 October 2018, the Group had, through the Company's 70%-owned indirect subsidiary, Hong Kong Silver Basic Group Limited ("HK Silver"), disposed of 1,954,350 ordinary shares, representing 15% of the issued and paid-up share capital of PT Global Linker Indonesia ("PTGLI") to Fill Stone International Limited, an independent third party (the "Disposal of Shares in PTGLI"). Following the completion of the Disposal of Shares in PTGLI, HK Silver's shareholding in PTGLI has reduced to 49%. Accordingly, PTGLI ceased to be a subsidiary of the Group and was accounted for as an associated company of the Group. There was no share of profit of an associate as PTGLI was loss making and the Group was not required to share the losses beyond the share capital.

Please refer to the Company's announcement with respect to the Disposal of Shares in PTGLI dated 28 January 2019.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**Statement of Financial Position
As at 31 December 2020**

The Group

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	-	1
Current assets		
Trade and other receivables	17,803	17,511
Pledged bank deposits	1,760	5,529
Cash and bank balances	1,936	11,123
	<u>21,499</u>	<u>34,163</u>
TOTAL ASSETS	<u>21,499</u>	<u>34,164</u>
EQUITY		
Capital and Reserves		
Share capital	22,139	19,139
Accumulated losses	(121,210)	(122,017)
Other reserves	111,570	112,327
Attributable to owners of the Company	<u>12,499</u>	<u>9,449</u>
Non-controlling interests	9	(123)
Total equity	<u>12,508</u>	<u>9,326</u>
LIABILITIES		
Non-current liabilities		
Borrowings	5,000	-
Warrants	-	35
	<u>5,000</u>	<u>35</u>
Current liabilities		
Trade and other payables	1,932	2,089
Borrowings	1,786	900
Convertible bonds	-	21,460
Warrants	35	-
Current tax liabilities	238	354
	<u>3,991</u>	<u>24,803</u>
Total liabilities	<u>8,991</u>	<u>24,838</u>
Total equity and liabilities	<u>21,499</u>	<u>34,164</u>

Statement of Financial Position (continued)
As at 31 December 2020

The Company

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
ASSETS		
Non-current assets		
Investment in subsidiaries	8	8
Current assets		
Trade and other receivables	15,734	24,513
Cash and bank balances	107	565
	<u>15,841</u>	<u>25,078</u>
Total assets	<u>15,849</u>	<u>25,086</u>
EQUITY		
Capital and Reserves		
Share capital	22,139	19,139
Accumulated losses	(145,342)	(145,942)
Other reserves	129,055	129,812
	<u>5,852</u>	<u>3,009</u>
Total equity	<u>5,852</u>	<u>3,009</u>
LIABILITIES		
Non-current liabilities		
Warrants	-	35
Current liabilities		
Trade and other payables	9,962	582
Warrants	35	-
Convertible bonds	-	21,460
	<u>9,997</u>	<u>22,042</u>
Total liabilities	<u>9,997</u>	<u>22,077</u>
Total equity and liabilities	<u>15,849</u>	<u>25,086</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2020		As at 31 December 2019	
Secured (Unaudited)	Unsecured	Secured (Published)	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
979	807	-	22,360

Amount repayable after one year

As at 31 December 2020		As at 31 December 2019	
Secured (Unaudited)	Unsecured	Secured (Published)	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	5,000	-	-

As at 31 December 2020, the Group's other borrowings amounted to approximately HK\$5.8 million (31 December 2019: approximately HK\$900,000).

As at 31 December 2020, the Group has no outstanding convertible bonds (31 December 2019: approximately S\$3.5 million, equivalent to approximately HK\$21.5 million). The outstanding convertible bonds as at 31 December 2019 were fully redeemed in cash on 21 February 2020.

Details of any collateral

As at 31 December 2020, the banking facilities granted to the Group amounted to approximately HK\$1.8 million (31 December 2019: approximately HK\$5.5 million) of which approximately HK\$979,000 (31 December 2019: Nil) were utilised. These facilities were secured by legal charges over certain bank deposits of the Group of approximately HK\$1.8 million, and personal guarantee was provided by a non-executive director of the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows
For the year ended 31 December 2020**

The Group

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
Cash flows from operating activities		
Loss before income tax:	(1,752)	(26,585)
Adjustments for:		
Interest income	(9)	(72)
Depreciation of property, plant and equipment	1	4
Share-based payment expense	-	248
Fair value gain on derivative component of convertible bonds	-	(14)
Fair value loss on warrants	-	30
Impairment loss on investment in an associated company	-	3,355
Impairment losses on trade and other receivables	6	35,408
Written off of		
-accounts payable	-	(10,531)
-other payables	-	(5,673)
Unrealised exchange loss	-	172
Share of results of an associate	-	(281)
Interest expenses	377	1,644
Operating loss before working capital changes	(1,377)	(2,295)
Currency translation adjustments	-	1
Changes in trade and other receivables	(298)	258
Changes in loan and advances	-	1,000
Changes in financial assets at fair value through profit and loss	-	2,584
Changes in trade and other payables	(157)	610
Cash (used in)/generated from operations	(1,832)	2,158
Income tax paid	(67)	-
Net cash (used in)/generated from operating activities	(1,899)	2,158
Cash flows from investing activities		
Net Cash inflow from Disposal of JGL Group (Note A)	-	4,500
Interest received	9	72
Net cash generated from investing activities	9	4,572

Consolidated Statement of Cash Flows (continued)
For the year ended 31 December 2020

The Group (continued)

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
Cash flows from financing activities		
Placement of ordinary shares	5,094	-
Share issue expense	(209)	-
Redemption of convertible bonds	(20,322)	-
Interest paid on convertible bonds	(1,365)	(1,422)
Proceed from bank borrowings	4,494	-
Repayments of bank borrowings	(3,535)	-
Interest paid on bank borrowings	(9)	-
Interest paid	(94)	(121)
Proceed from other borrowings	5,000	-
Repayments of other borrowings	(120)	(472)
Decrease/(increase) in pledged bank deposits	3,769	(69)
Net cash used in financing activities	<u>(7,297)</u>	<u>(2,084)</u>
Net (decrease)/increase in cash and cash equivalents	(9,187)	4,646
Cash and cash equivalents at beginning of year	11,123	6,477
Cash and cash equivalents at end of year	<u>1,936</u>	<u>11,123</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>1,936</u>	<u>11,123</u>

Note A:

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
Analysis of net cash inflow from disposal of Joyas Group Limited and its subsidiaries (the “Disposal of JGL Group”):		
Cash consideration received	<u>-</u>	<u>4,500</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity
For the year ended 31 December 2020**

The Group

	Equity attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Share option reserve	Capital contribution reserve	Foreign currency translation reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January 2019 (published)	19,139	51,180	52,677	2,725	5,306	94	(94,833)	36,288	(566)	35,722
Loss for the year	-	-	-	-	-	-	(27,184)	(27,184)	401	(26,783)
Other comprehensive income:										
- Share of foreign currency translation differences of associated companies	-	-	-	-	-	97	-	97	42	139
Total comprehensive income for the year	-	-	-	-	-	97	(27,184)	(27,087)	443	(26,644)
Contributions by and distributions to owners										
- Equity-settled share-based payment transactions	-	-	-	248	-	-	-	248	-	248
Total transactions with owners, recognised directly in equity	-	-	-	248	-	-	-	248	-	248
Balance as at 31 December 2019 and 1 January 2020 (published)	19,139	51,180	52,677	2,973	5,306	191	(122,017)	9,449	(123)	9,326
Loss for the year	-	-	-	-	-	-	(1,835)	(1,835)	132	(1,703)
Other comprehensive income:										
Total comprehensive income for the year	-	-	-	-	-	-	(1,835)	(1,835)	132	(1,703)
Contributions by and distributions to owners										
- Issuance of shares upon placement	3,000	2,094	-	-	-	-	-	5,094	-	5,094
- Share issue expense	-	(209)	-	-	-	-	-	(209)	-	(209)
- Equity-settled share-based payment transactions	-	-	-	(2,642)	-	-	2,642	-	-	-
Total transactions with owners, recognised directly in equity	3,000	1,885	-	(2,642)	-	-	2,642	4,885	-	4,885
Balance as at 31 December 2020 (unaudited)	22,139	53,065	52,677	331	5,306	191	(121,210)	12,499	9	12,508

Statement of Changes in Equity (continued)
For the year ended 31 December 2020

The Company

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance as at 1 January 2019 (published)	19,139	51,180	75,659	2,725	(115,157)	33,546
Loss for the year	-	-	-	-	(30,785)	(30,785)
Total comprehensive income for the year	-	-	-	-	(30,785)	(30,785)
Contributions by and distributions to owners						
- Equity-settled share-based payment transactions	-	-	-	248	-	248
Total transactions with owners, recognised directly in equity	-	-	-	248	-	248
Balance as at 31 December 2019 and 1 January 2020 (published)	19,139	51,180	75,659	2,973	(145,942)	3,009
Loss for the year	-	-	-	-	(2,042)	(2,042)
Total comprehensive income for the year	-	-	-	-	(2,042)	(2,042)
Contributions by and distributions to owners						
- Issuance of shares upon placement	3,000	2,094	-	-	-	5,094
- Share issue expense	-	(209)	-	-	-	(209)
- Equity-settled share-based payment transactions	-	-	-	(2,642)	2,642	-
Total transactions with owners, recognised directly in equity	3,000	1,885	-	(2,642)	2,642	4,885
Balance as at 31 December 2020 (unaudited)	<u>22,139</u>	<u>53,065</u>	<u>75,659</u>	<u>331</u>	<u>(145,342)</u>	<u>5,852</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Movements to the Share Capital

	Number of shares	HK\$'000
Authorised:		
As at 30 June 2020 and 31 December 2020, ordinary shares of HK\$0.01 each	10,000,000,000	100,000
Issued and fully paid:		
As at 30 June 2020, ordinary shares of HK\$0.01 each	1,913,776,973	19,139
Issue of new shares of HK\$0.01 each (Note 1)	300,000,000	3,000
As at 31 December 2020, ordinary shares of HK\$0.01 each	2,213,776,973	22,139

Note 1:

During the second half of FY2020, the Company issued 300,000,000 new ordinary shares in the share capital of the Company at a subscription price of \$0.003 per Subscription Share (“**Placement of Shares**”). Please refer to the Company’s announcement with respect to the Placement of Shares dated 11 September 2020.

The Group had the following outstanding convertible securities as at 31 December 2020 and 31 December 2019:

	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Published)
Outstanding Convertible Securities		
Warrants ⁽¹⁾	26,924,415	26,924,415
Convertible Bonds ⁽¹⁾	-	S\$3,503,459
Share Options ⁽²⁾⁽³⁾⁽⁴⁾	32,000,000	53,000,000

The number of shares that could have been issued on conversion of all of the Company's outstanding warrants, convertible bonds and share options are as follows:

	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Published)
<u>Warrants</u> Total number of shares that may be issued on conversion of the Company's outstanding warrants ⁽¹⁾	26,924,415	26,924,415
<u>Convertible Bonds</u> Total number of shares that may be issued on conversion of the Company's convertible bonds ⁽¹⁾	-	76,162,167
<u>Share Options</u> Total number of shares that may be issued on conversion of the Company's share options ^{(2)(3) (4)}	32,000,000	53,000,000

The total number of issued shares of the Company as at 31 December 2020 and 31 December 2019 was 2,213,776,973 and 1,913,776,973 shares respectively.

Notes:

- (1) For the details in relation to the Warrants and the Convertible Bonds, please refer to the Company's announcement dated 23 February 2015 and 20 March 2017. The Warrants have an expiry date of 23 February 2021 and the Convertible Bonds were fully redeemed on 21 February 2020. No warrants have been exercised in FY2020.
- (2) On 25 May 2015, the Company granted 9,000,000 share options (the "**May 2015 Options**") under the Joyas Share Option Scheme to certain Directors of the Company. The May 2015 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. Accordingly, the May 2015 Options have lapsed on 24 May 2020. Please refer to the announcement in relation to the May 2015 Options dated 25 May 2015.
- (3) On 16 February 2015, the Company entered into a share option agreement with a third party (the "**Grantee**") to grant options (the "**Feb 2015 Options**") to the Grantee to subscribe for 12,000,000 new ordinary shares in the capital of the Company at an exercise price of S\$0.021. The Feb 2015 Options are exercisable before the fifth anniversary of the date of the grant. Accordingly, the Feb 2015 Options have lapsed on 15 February 2020. Please refer to the announcement in relation to the Feb 2015 Options dated 13 April 2015.
- (4) On 19 August 2016, the Company granted 32,000,000 share options (the "**August 2016 Options**") under the Joyas Share Option Scheme to the Non-Executive Directors of the Company. The August 2016 Options are exercisable after the first anniversary of the date of grant and before the fifth anniversary of the date of the grant. The August 2016 Option will lapse on 18 August 2021. Please refer to the announcement in relation to the August 2016 Options dated 19 August 2016.

The Company did not have treasury shares or subsidiary holdings as at the end of the respective financial years.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

The Company and the Group	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Published)
Total number of issued shares	<u>2,213,776,973</u>	<u>1,913,776,973</u>

There were no treasury shares as at 31 December 2020 and 31 December 2019.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable, as the Company did not hold any treasury shares as at the end of the current financial year reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures in this announcement have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The auditors have issued a disclaimer of opinion on the Group's financial statements for the financial year ended 31 December 2019 ("FY2019") the basis for which has been disclosed on pages 14 and 15 of the Company's Annual Report for FY2019 ("AR2019").

Update on efforts to resolve each outstanding audit issues:

i) Deposit paid to supplier and trade payable owing to the supplier and amounts due to related parties

The auditors' qualifications in respect of the matter were as follows:

In FY2019, the auditors were unable to determine whether deposits paid of HK\$24,377,000 was fairly presented. Consequently, the auditors were unable to determine whether the impairment loss on deposits paid of HK\$24,377,000 was misstated. The auditors were also unable to obtain sufficient appropriate evidence on the gross amount of trade payable owing to the supplier of HK\$10,531,000 and write back of trade payable owing to the supplier and amounts due to related parties of HK\$5,673,000. In addition, the auditors were unable to determine how much of the impairment loss of deposits paid of HK\$24,377,000, write back of trade payable owing to the supplier of HK\$10,531,000 and write back of amounts due to related parties of HK\$5,673,000 relates to profit or loss in prior years.

Please refer to paragraph 10 of this announcement for further details and actions taken to recover the deposit. For amounts due to the supplier and related parties, the Group has not received any subsequent claims and has obtained a letter from the supplier and related parties that they will not claim against the Group.

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

The financial statements of the associates for FY2019 were unaudited. In view of the matters described above, the auditors were not able to obtain sufficient reasonable assurance that the recorded gross investment in associates of HK\$3,355,000, impairment loss on investment in associate of HK\$3,355,000 and recoverability of the amount due from associates as at 31 December 2019 are not misstated.

Management has advised the associate to arrange an audit of its financial statements for FY2020. Audited financial statement of the associate for FY2020 will be provided upon completion of the audit in Indonesia.

iii) Impairment of amount due from subsidiaries

The audit issue is of the impairment provision of HK\$25,958,000 (FY2018: HK\$Nil) made during FY2019 in the accounts of the Company in respect of the amount due from subsidiaries of HK\$50,433,000 as at 31 December 2019 (FY2018: HK\$50,089,000).

The auditor's report of the Group for FY2018 included a basis for disclaimer on the impairment of the amount due from subsidiaries as the auditors were unable to determine if impairment on the receivable is required as they were unable to assess the feasibility of management's plans for future recovery of this amount due to insufficient appropriate evidence. Accordingly, they are unable to determine how much of the impairment loss on amount due from subsidiaries of HK\$25,958,000 in FY2019, if any relates to the profit or loss in prior years. Consequently, they were unable to determine whether any adjustments might be necessary to the profit or loss for FY2019 and the opening accumulated losses as at 1 January 2019 of the Company.

The FY2020 financial statements will be modified because of the possible effects on the comparability of current year's figures and corresponding figures.

The Board confirms that the impact of all outstanding audit issues, if applicable, on the financial statements of the Group for FY2020 have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those adopted in the most recent audited financial statements for FY2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised International Financial Reporting Standards ("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 any material effect of the financial results or position of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

The Group

	Year ended 31 December	
	2020	2019
	(Unaudited)	(Published)
Loss for the year attributable to owners of the Company (HK\$'000)	<u>(1,835)</u>	<u>(27,184)</u>
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	<u>1,988,367</u>	<u>1,913,777</u>
Basic and diluted loss per ordinary share ⁽²⁾ (HK cents)	<u>(0.09)</u>	<u>(1.42)</u>

Notes:

(1) The weighted average number of ordinary shares is based on the number of shares issued during the respective financial years.

(2) For the financial years ended 31 December 2020 and 2019, basic loss per ordinary share are the same as diluted loss per ordinary share because the exercise prices of share options and warrants are higher than the average market prices of the Company's shares for both financial years of 2020 and 2019 and the exercise of

convertible bonds would result in a decrease in loss per share in the financial year ended 31 December 2020 and 2019 as they are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Published)	As at 31 December 2020 (Unaudited)	As at 31 December 2019 (Published)
	Net asset value per ordinary share based on issued share capital (HK cents)	0.56	0.49	0.26

Net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares as at 31 December 2020 and 31 December 2019 of 2,213,776,973 and 1,913,776,973 ordinary shares respectively. There were no treasury shares as at the respective financial years.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of profit or loss and other comprehensive income

Revenue

The Group's revenue decreased by approximately HK\$310,000 or 14.4% from HK\$2.1 million in FY2019 to approximately HK\$1.8 million in FY2020.

Revenue	FY2020		FY2019		Year-on-year % change
	HK\$'000	%	HK\$'000	%	
Financing Activities					
-interest income	1,548	84.2	2,148	100.0	(27.9)
-loan referral services income	290	15.8	-	-	100.0
	<u>1,838</u>	<u>100.0</u>	<u>2,148</u>	<u>100.0</u>	<u>(14.4)</u>

The decrease in revenue was solely attributable to a decrease in interest income from financing activities due to a decrease in the average amount of loan disbursements in

the Peoples' Republic of China (including Hong Kong) (the “**PRC (including HK)**”) in FY2020 compared to FY2019. The decrease was partially offset by an increase in loan referral services income in PRC (including HK) in FY2020 which is a new revenue stream under financing activities for FY2020.

The Group only operates in one principal market and has only one principal business activity, namely financing business, in FY2020.

Other income

Other income decreased by 95.4% from approximately HK\$16.3 million in FY2019 to approximately HK\$752,000 in FY2020. The decrease was mainly attributed to: (a) write off of balances due to related parties in FY2019, namely i) Bushmills Resources Corp of approximately HK\$10.5 million; ii) Wang De Zhou (“**Mr Wang**”) of approximately HK\$5.4 million; and iii) Regal Winner Industrial Limited (“**Regal**”) of approximately HK\$300,000. These payables were recorded in the book of HK Silver, a 70% owned subsidiary which is in a capital deficiency position as at 31 December 2020. The management is of the view that the claim for payment from HK Silver by Mr Wang and Regal is remote and the Group is not legally obliged to support HK Silver for payment of these liabilities; and (b) a decrease in bank interest income of approximately HK\$63,000 due to the decrease in amount of bank deposits in FY2020. The decrease was partially offset by an increase in exchange gain of approximately HK\$585,000 due mainly to the exchange gain of redemption of convertible bonds in February 2020.

Administrative expenses

Administrative expenses decreased by 15.8% from approximately HK\$4.7 million in FY2019 to approximately HK\$4.0 million in FY2020. The decrease was mainly attributed to: (a) decrease in salaries and allowance of approximately HK\$330,000 as one staff has resigned since February 2020 due mainly to weak financial performance of HK Silver; (b) decrease in share option expense by approximately HK\$248,000; and (c) decrease in legal and professional fee by approximately HK\$47,000 due to less internal review undertaken in FY2020.

Impairment losses on trade and other receivables

Impairment losses on trade and other receivables decreased by approximately HK\$35.4 million to HK\$6,000 in FY2020. The decrease was mainly due to: (a) impairment of amount due from an associate of approximately HK\$10.7 million in FY2019, none was recorded in FY2020; (b) impairment of trade deposit paid of approximately HK\$24.4 million in FY2019 as the management is of the view that the recoverability of such balances is uncertain; and (c) decrease in impairment losses of loans and advances of approximately HK\$353,000.

Other operating expenses

Other operating expenses decreased by approximately HK\$3.4 million as there was no impairment loss in FY2020. The Group recognised an impairment loss amounting to approximately HK\$3.4 million as the Group made full provision of investment in an associate company in FY2019.

Finance costs

Finance costs decreased by approximately HK\$1.4 million or 79.2% from approximately HK\$1.8 million in FY2019 to approximately HK\$377,000 in FY2020. The decrease was due mainly to redemption of the convertible bonds in February 2020. This was partially offset by an increase in interest paid on borrowings as a result of higher other borrowings in FY2020.

Share of profit of an associate

The associate, PT Global Linker Indonesia (“PTGLI”) incurred losses of approximately HK\$35,000 in FY2020 but there was no share of loss of associate recognised in FY2020 as the investment in PTGLI had been fully impaired in FY2019 and the Group will no longer further invest or contribute to PTGLI. The share of profit of an associate of approximately HK\$281,000 in FY2019 comprised mainly exchange gain from monetary balances due to the appreciation of United States Dollars against Indonesia Rupiah.

Loss before taxation

As a result of the above, the Group had recorded a loss before taxation of approximately HK\$1.8 million in FY2020 (FY2019: approximately HK\$26.6 million).

Taxation

Taxation credit of approximately HK\$49,000 was provided for Hong Kong subsidiaries in FY2020 (FY2019 provision of taxation: approximately HK\$198,000). The provision in FY2020 included provision of current year taxation of approximately HK\$17,000 and overprovision of previous year taxation of approximately HK\$66,000 in FY2018. (FY2019: comprised of current year provision of HK\$95,000 and under provision of HK\$103,000 in FY2018).

Statement of Financial Position

Non-current assets

Non-current assets decreased by approximately HK\$1,000 from approximately HK\$1,000 as at 31 December 2019 to HK\$Nil as at 31 December 2020. The decrease was mainly due to the full provision of depreciation of property, plant and equipment in FY2020.

Current assets

Current assets decreased by approximately HK\$12.7 million from approximately HK\$34.2 million as at 31 December 2019 to approximately HK\$21.5 million as at 31 December 2020. The decrease was mainly due to decrease in cash and cash equivalents (cash and bank balance and pledged bank deposit) due to funds used to redeem the convertible bonds in February 2020.

Current liabilities

Current liabilities decreased by approximately HK\$20.8 million from approximately HK\$24.8 million as at 31 December 2019 to approximately HK\$4.0 million as at 31 December 2020. The decrease was mainly attributed to redemption of convertible bonds in February 2020 of approximately HK\$21.5 million. Such decrease was offset by an increase in bank borrowings of approximately HK\$979,000 to finance the working capital of the Group.

Non-current liabilities

Non-current liabilities increased by approximately HK\$5.0 million from approximately HK\$35,000 as at 31 December 2019 to HK\$5.0 million as at 31 December 2020 due to increase in other borrowings of approximately HK\$5.0 million to finance the working capital of the Group. Such increase was offset by a decrease in reclassification of warrants to current liabilities as the warrants matured on 23 February 2021.

Liquidity and cash flow

During FY2020, the Group's net cash used in operating activities was approximately HK\$1.9 million. This was mainly attributed to loss before working capital changes of approximately HK\$1.4 million, increase in trade and other receivables of approximately HK\$298,000 and decrease in trade and other payables of approximately HK\$157,000.

During FY2020, the Group's net cash generated from investing activities was approximately HK\$9,000. This was attributed to interest received from bank of approximately HK\$9,000.

During FY2020, the Group's net cash used in financing activities was approximately HK\$7.3 million. This was mainly attributed to: (a) the interest paid on convertible bonds of approximately HK\$1.4 million; (b) redemption of convertible bonds of approximately HK\$20.3 million; (c) placement of ordinary shares of approximately HK\$5.1 million; (d) proceed from bank borrowings of approximately HK\$4.5 million to finance the working capital of the Group; (e) repayment of bank borrowings of approximately HK\$3.5 million; (f) proceed from other borrowings of approximately HK\$5.0 million to finance the working capital of the Group; and (g) decrease in pledged bank deposits of approximately HK\$3.8 million.

As a result of the above, the Group's net decrease in cash and cash equivalents was approximately HK\$9.2 million (FY2019: increase in cash and cash equivalents of approximately HK\$4.6 million).

As at 31 December 2020, the Group had cash and bank balances of approximately HK\$1.9 million (31 December 2019: approximately HK\$11.1 million), and unutilised banking facilities of approximately HK\$781,000 (31 December 2019: approximately HK\$5.5 million).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

In the Company's announcement dated 22 April 2020, the Company had disclosed that the Group expects interest income of approximately HK\$2 million for FY2020. This would include interest income from existing and new loans, subject to new funds to be raised of approximately HK\$11.0 million for FY2020 to finance new loans. Such income have been generated in the past based on similar levels of funding and interest rates.

The interest income for FY2020 is lower than the HK\$2 million as previously forecasted due to delays in the timing of additional funds. The delay was mainly due to restrictions on travelling and meeting potential investors and the uncertain investment environment due to the Coronavirus Disease 2019 ("COVID-19"). The management has raised approximately S\$900,000 or HK\$5.1 million (based on an exchange rate of HK\$5.70 to S\$1.00 as at 8 October 2020) of equity and approximately HK\$5.0 million of debt to expand the working capital base of the Group.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Nickel ore

Up to the date of this announcement, there has been no progress in the Group's nickel ore trading business in Philippines or Indonesia and no payment had been recovered in respect of the deposit of approximately HK\$24.4 million paid by Hong Kong Silver in 2015 to a supplier in the Philippines (the "Supplier") for the purchase of nickel ore ("Deposit"). As disclosed under the Company's various announcements up to 14 August 2020, the Group's lawyers had issued demand letters, notification letters and warning letters to relevant parties as part of recovery proceedings to enforce the guarantees and share pledge relating to the credit facility for the funding of the deposit. The Board has been informed that while legal action is in progress, Mr. Wang has proposed to the Group to defer further legal action and management is negotiating with him on the terms of the possible deferment of legal action. Due to the travel restrictions as result of the COVID-19, the Group's management is unable to meet with Mr. Wang to discuss the terms further and to visit the mining sites in Indonesia to have a better understanding of the operations of the nickel ore mining concessions owned or managed by Mr. Wang which are part of the terms of settlement.

The Group has disclosed in previous announcements that it was proceeding with the necessary legal cause of action to recover all outstanding sums in connection with the Deposit from all relevant parties including Mr. Wang and the minority shareholders of HK Silver, as well as the charge of shares in a mining company, namely P.T. Shenniu Indonesia ("Shenniu") which owns a nickel ore mining concession in Indonesia.

For legal cause of action in Indonesia relating to the legal enforcement of the charges of shares in Shenniu, the Group is still waiting for the courts in Indonesia to revert.

For legal cause of action in Singapore relating to the enforcement of the personal guarantees provided by Mr. Wang and other minority shareholders of HK Silver ("Guarantors"), arbitration has yet to commence as the Group needs to assess the

possible recovery amounts from the Guarantors before providing the funds required for the arbitration which is considered material given the current financial condition of the Group. A professional firm will be engaged to conduct a financial check of the Guarantors so that the Group can evaluate the possible recovery from them and management is also arranging the funds required for the arbitration so that arbitration can commence when ready. The Group will closely consider the need and the time to commence the arbitration in Singapore after taking into account, inter alia, the assessment of the possible recovery from the Guarantors, the progress in the legal action in Indonesia and the development of the negotiation with Mr. Wang.

Financing business

During 1H20, 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 6-12 months.

During the year, the Group raised additional funds from the Placement of Shares of approximately S\$865,000 or approximately HK\$5.1 million (Please refer to the Company's announcement dated 11 September 2020) and other borrowings of approximately HK\$5 million to finance the working capital of the financing business. The Group will continue to explore raising new additional funds (by equity or debt or both) to further expand the working capital base of the Group. At the same time, the Group has also introduced a new revenue stream by providing loan referral services.

Corporate Update

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

As the Group is currently only generating revenue from the financing business and has a limited working capital base, the Company may be deemed as a cash company pursuant to Catalist Rule 1017 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. The Group has undertaken certain measures to address the above as disclosed in the previous paragraphs.

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

In late December 2019, the COVID-19 outbreak in the PRC (including HK) and other countries has led to public health and safety concerns and the implementation of certain policies by the governmental authorities to safeguard the health and safety for the general public and to limit the potential impact of the outbreak. At the same time, it has also resulted in significant slow down in economic activities worldwide.

As at to date, to the best knowledge and information of the management, we are not aware of any of our customers experiencing material adverse financial performance due to the outbreak. Nevertheless, the overall regional economy in the PRC (including HK) will remain challenging for the next 6 months. This in turn will affect the Group's future development in the next reporting period and the next 12 months as potential or current customers may be financially affected by the COVID-19.

As of 31 December 2020, the Group has net assets of approximately HK\$ 12.5 million and net current assets of HK\$ 17.5 million, including cash and cash equivalent of

approximately HK\$ 1.9 million. Cash flow forecast was prepared up to HY2022 and it showed a net positive cash position as at 31 December 2021 and 30 June 2022. Based on the assumptions that there will be no collection problems in the Financing Business in the next 12 months 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 announcement.

11. Dividend

(a) Current Financial Period Reported On

Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share...cents.

Not applicable.

(b) (ii) Previous corresponding period ... cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend pay-out was declared or recommended for FY2020 as the Company was not profitable in FY2020.

13. Use of Placement of Shares proceeds.

As at the date of this announcement, the Group's use of net proceeds of approximately S\$865,000 from the Placement of Shares is set out as below:

Use of net proceeds	Amount of net proceeds allocated (S\$)	Amount utilised to date (S\$)	Amount unutilised to date (S\$)
Expansion of Loan Portfolio of the Group's Financing Business	778,500	526,320	252,180
General working capital	<u>86,500</u>	<u>86,500⁽¹⁾</u>	<u>-</u>
Total	<u>865,000</u>	<u>612,820</u>	<u>252,180</u>

⁽¹⁾A sum of approximately S\$86,500 was utilised for operational expenses such as staff salaries, administrative overheads, outstanding directors' fees, professional fees and expenses.

The above utilisation of proceed from the Placement of Shares is consistent with the intended use as disclosed in the Company's announcement dated 11 September 2020.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements with comparative information for the immediately preceding year.

Information regarding the Group's reportable segments set out below:

Year ended 31 December

	Financing Activities		Nickel Ore		Total	
	2020	2019	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment revenue:						
From external customers	1,838	2,148	-	-	1,838	2,148
Reportable segment profit/(loss)	1,528	1,519	(176)	(23,899)	1,352	(22,380)
Depreciation of property, plant and equipment	-	-	1	4	1	4
Impairment losses on investment in associated company	-	-	-	3,355	-	3,355
Impairment losses on trade and other receivables	6	359	-	35,049	6	35,408
Written off of accounts payable	-	-	-	(10,531)	-	(10,531)
Written off of other payable	-	-	-	(4,973)	-	(4,973)
Reportable segment assets	17,610	17,416	157	57	17,767	17,473
Reportable segment liabilities	17,234	26,342	1,348	1,073	18,582	27,415

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
Reportable segment revenues	<u>1,838</u>	<u>2,148</u>
Group revenues	<u><u>1,838</u></u>	<u><u>2,148</u></u>
Reportable segment profit / (loss)	1,352	(22,380)
Share of associate's result	-	281
Fair value loss on warrants	-	(30)
Fair value gain on convertible bonds	-	14
Financing income	9	72
Unallocated income	743	16,214
Corporate legal and professional fees	(2,062)	(2,188)
Unallocated expenses	(1,417)	(16,752)
Finance costs	(377)	(1,816)
Group loss before income tax	<u>(1,752)</u>	<u>(26,585)</u>
Reportable segment assets	17,767	17,473
Pledged bank deposits	1,760	5,529
Cash and bank balances	1,936	11,123
Other corporate assets	36	39
Group assets	<u>21,499</u>	<u>34,164</u>
Reportable segment liabilities	18,582	27,415
Convertible bonds	-	21,460
Warrants	35	35
Other corporate liabilities	7,553	1,718
Elimination	<u>(17,179)</u>	<u>(25,790)</u>
Group liabilities	<u>8,991</u>	<u>24,838</u>

The Group's revenue from external customers and its non-current assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Published) HK\$'000
Principal markets:				
The PRC (including Hong Kong)	<u>1,838</u>	<u>2,148</u>	<u>-</u>	<u>1</u>

Geographical location of customers is based on the 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, being the Company's country of domicile, and no non-current assets were located in Bermuda (FY2019: Nil). The country of domicile is the country where the Company was incorporated for the purpose of the disclosure as required by IFRS 8 "Operating Segments".

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As explained in paragraph 8.

16. A breakdown of sales.

Year ended 31 December

	2020 (Unaudited) HK\$'000	2019 (Unaudited/ published) HK\$'000	Change %
The Group			
Sales reported for the first half	700	1,098	(36.2)
Net loss after tax before non-controlling interest reported for the first half	(996)	(25,971)	(96.2)
Sales reported in the second half	1,138	1,050	8.4
Net loss after tax before non-controlling interest reported in the second half	(707)	(812)	(12.9)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend has been declared or recommended for FY2020 and FY 2019.

18. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate for interested person transaction has been obtained.

There were no interested person transactions with value of S\$100,000 or more entered into by the Company for the financial period under review.

19. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that all the required undertakings under Rule 720(1) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or Chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

21. Disclosure of acquisition and sale of shares under Rule 706A.

Not applicable, as the Company did not carry out any acquisition or sale of shares for the current financial period which would require disclosure under Rule 706A.

BY ORDER OF THE BOARD

Lau Chor Beng, Peter
Managing Director
27 February 2021

*This announcement 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 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.