INTERNATIONAL BUSINESS SETTLEMENT HOLDINGS LIMITED
國際商業結算控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00147)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of directors (the "Board" or the "Directors") of International Business Settlement Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2021 (the "current year"), together with the comparative figures for the year ended 31 March 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	**2021** **HK$'000**	2020 HK$'000
Revenue	*3*	**85,521**	393,536
Cost of sales and services		**(64,320)**	(329,131)
Gross profit		**21,201**	64,405
Other income, gains and losses	*5*	**13,330**	7,335
Selling expenses		**(9,347)**	(5,700)
Administrative and other expenses		**(89,521)**	(80,283)
Impairment loss on property, plant and equipment		**(8,177)**	–
Impairment loss on loan receivables, net		**(57,397)**	(58,227)
Impairment loss on factoring receivables		**–**	(36,969)
Write-off on trade and other receivables		**(5,632)**	–
Finance costs	*6*	**(2,579)**	(39,981)
Loss before taxation		**(138,122)**	(149,420)
Income tax expenses	*7*	**(1,928)**	(32,394)
Loss for the year from continuing operations		**(140,050)**	(181,814)
Discontinued operation			
Loss for the year from a discontinued operation, after tax		**–**	(3,024)
Loss for the year	*8*	**(140,050)**	(184,838)

	Notes	**2021** *HK$'000*	2020 *HK$'000*
Other comprehensive income/(expense) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**2,225**	(7,944)
Total comprehensive income/(expense) for the year		**(137,825)**	(192,782)
Loss for the year attributable to:			
Owners of the Company			
– Continuing operations		**(132,284)**	(173,374)
– Discontinued operation		**–**	(2,117)
		(132,284)	(175,491)
Non-controlling interests			
– Continuing operations		**(7,766)**	(8,440)
– Discontinued operation		**–**	(907)
		(7,766)	(9,347)
		(140,050)	(184,838)
Total comprehensive income/(expense) attributable to:			
– Owners of the Company		**(122,161)**	(182,901)
– Non-controlling interests		**(15,664)**	(9,881)
		(137,825)	(192,782)
Loss per share – basic and diluted *(HK cents)*	*9*		
– Continuing and discontinued operations		**(0.65)**	(0.86)
– Continuing operations		**(0.65)**	(0.85)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2021

	Notes	2021 HK$'000	2020 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**393,114**	293,198
Intangible assets	*10*	**1,355**	–
Prepayment	*11*	**278,057**	213,085
Interests in associates		**–**	–
Loan receivables	*12*	**–**	41,700
Deferred tax assets		**38,592**	31,350
		711,118	579,333
CURRENT ASSETS			
Loan receivables	*12*	**17,632**	31,470
Properties held for sale	*13*	**1,976,719**	1,595,265
Inventories		**146**	–
Trade and other receivables	*14*	**24,819**	56,669
Factoring receivables	*15*	**–**	–
Restricted bank deposits		**351**	345
Bank balances and cash		**632,707**	710,845
		2,652,374	2,394,594
CURRENT LIABILITIES			
Trade and other payables	*16*	**714,161**	448,699
Borrowings	*17*	**636,369**	546,412
Amount due to non-controlling interests		**82,697**	76,277
Amount due to ultimate holding company		**1,666**	1,675
Tax liabilities		**29,830**	29,137
Contract liabilities	*18*	**891,651**	807,890
Lease liabilities		**6,272**	4,404
		2,362,646	1,914,494
NET CURRENT ASSETS		**289,728**	480,100
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,000,846**	1,059,433

	Notes	**2021** **HK$'000**	2020 *HK$'000*
NON-CURRENT LIABILITIES			
Borrowings	*17*	**155,156**	74,064
Lease liabilities		**4,189**	6,043
		159,345	80,107
NET ASSETS		**841,501**	979,326
CAPITAL AND RESERVES			
Share capital		**20,319**	20,319
Reserves		**754,015**	876,176
Equity attributable to owners of the Company		**774,334**	896,495
Non-controlling interests		**67,167**	82,831
TOTAL EQUITY		**841,501**	979,326

Notes:

1. GENERAL

International Business Settlement Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate and ultimate holding company is Long Grand Limited, a company incorporated in the British Virgin Islands (the "BVI"), which is owned by Mr. Yam Yu and Mr. Yuen Leong (a director of the Company) of 70% and 30%, respectively. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Unit 3103, 31/F, Sino Plaza, 255 – 257 Gloucester Road, Causeway Bay, Hong Kong. The Company is an investment holding company.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the development of properties, hotel business, provision of international business settlement services, provision of financing services and manufacturing and sales of disposable contact lens business. Except for provision of international business settlement services, all activities are mainly carried out in the People's Republic of China (the "PRC").

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective from 1 April 2020

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2020, as described in those annual financial statements, except for the adoption of the following new standards and interpretations as of 1 April 2020 and the policies stated in below:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform

Other than the amendments to HKFRS 3, none of these new or amended HKFRSs has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period except for the amendment to HKFRS 16, COVID-19-Related Rent Concessions. Impact on the applications of these amended HKFRSs are summarised below.

Amendments to HKFRS 3, Definition of a Business

The amendments clarify the definition of a business and introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election to apply the concentration test is made for each transaction. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the set of activities and assets is determined not to be a business. If the concentration test is failed, the acquired set of activities and assets is further assessed based on the elements of a business.

The Group elected to apply the amendments prospectively to acquisitions for which the acquisition date is on or after 1 April 2020.

Amendment to HKFRS 16, COVID-19-Related Rent Concessions

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the COVID-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 pandemic and only if all of the following criteria are satisfied:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. In accordance with the transitional provisions, the Group has applied the amendment retrospectively, and has not restated prior period figure. As the rent concessions have arisen during the current financial period, there is no retrospective adjustment to opening balance of retained earnings at 1 April 2020 on initial application of the amendment.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current[4]
Amendments to HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[4]
Amendments to HKAS 16	Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[2]

[1] Effective for annual periods beginning on or after 1 January 2021.

[2] Effective for annual periods beginning on or after 1 January 2022.

[3] Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

[4] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

[5] Effective for annual periods beginning on or after 1 April 2021.

Except for the new amendments mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS will have no material impact on the consolidated financial statement in the foreseeable future.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments may have an impact on the financial statements in future periods should such transaction arise.

3. REVENUE

Following disposal of its property management business, the principal activities of the Group are (1) property development; (2) hotel business; (3) international business settlement; (4) financing business; and (5) contact lens business. Further details regarding the Group's principal activities are disclosed in note 4.

	2021	2020
	HK$'000	*HK$'000*
Continuing operations:		
Revenue from contracts with customers *(note)*		
Sales of properties	**75,733**	386,487
International business settlement services	**7,842**	3,054
Sales of contact lens	**1,829**	–
	85,404	389,541
Revenue from other sources		
Financing service income	**117**	3,995
	85,521	393,536
Discontinued operation:		
Revenue from contracts with customers *(note)*		
Property management services	**–**	4,076
	85,521	397,612

Note: Disaggregation of revenue from contracts with customers

	2021	2020
	HK$'000	*HK$'000*
Continuing operations:		
Timing of revenue recognition		
Goods transferred at a point in time	**77,562**	386,487
Services transferred over time	**7,842**	3,054
	85,404	389,541
Discontinued operation:		
Timing of revenue recognition		
Services transferred over time	**–**	4,076
	85,404	393,617

4. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by different business lines. In a manner consistent with the way in which information is reported internally to the Group's executive Directors, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment, the Group has identified the following reportable segments.

The Group has the following continuing operating segments during the year ended 31 March 2021. These segments are managed separately. No operating segments have been aggregated to the following reportable segments:

Property development	–	Developing and selling of commercial and residential properties, car park spaces, including undertaking of primary land development activities, in the PRC.
Hotel business	–	Hotel development and provision of hotel management services in the PRC.
International business settlement	–	Providing settlement and clearing services for commercial and individual customers with the Electronic Money Institution license.
Financing business	–	Provision of finance through money lending services, finance leases, leasing, factoring and other related services.
Contact lens business	–	Manufacturing and sales of disposable contact lens in the PRC.

The Group was involved in the following segment which was discontinued during the year ended 31 March 2020:

Property management business	–	Provision of property management service in the PRC.

(a) Segment revenue and results

For the year ended 31 March 2021

	Property development HK$'000	Hotel business HK$'000	International business settlement HK$'000	Financing business HK$'000	Contact lens business HK$'000	Total HK$'000
Revenue						
External sales and segment revenue	**75,733**	**–**	**7,842**	**117**	**1,829**	**85,521**
Segment loss	**(8,925)**	**–**	**(39,471)**	**(60,509)**	**(13,752)**	**(122,657)**
Unallocated corporate expenses						**(18,989)**
Bank interest income						**3,524**
Loss before taxation						**(138,122)**

For the year ended 31 March 2020

	Continuing operations						Discontinued operation	
	Property development HK$'000	Hotel business HK$'000	International business settlement HK$'000	Financing business HK$'000	Contact lens business HK$'000	Sub-total HK$'000	Property management business HK$'000	Total HK$'000
Revenue								
External sales and segment revenue	386,487	–	3,054	3,995	–	393,536	4,076	397,612
Segment profit/(loss)	9,453	(10,532)	(27,544)	(98,182)	(3,801)	(130,606)	(3,024)	(133,630)
Unallocated corporate expenses						(26,368)	–	(26,368)
Bank interest income						7,554	–	7,554
Loss before taxation						(149,420)	(3,024)	(152,444)

(b) Segment assets and liabilities

	2021	2020
	HK$'000	*HK$'000*
ASSETS		
Segment assets		
Property development	**2,045,944**	1,654,040
Hotel business	**188,472**	201,761
International business settlement	**19,643**	23,024
Financing business	**17,689**	73,758
Contact lens business	**452,949**	306,576
Total segment assets	**2,724,697**	2,259,159
Unallocated assets		
Bank balances and cash	**632,707**	710,845
Other assets	**6,088**	3,923
Total unallocated assets	**638,795**	714,768
Consolidated total assets	**3,363,492**	2,973,927
LIABILITIES		
Segment liabilities		
Property development	**(2,098,072)**	(1,684,917)
Hotel business	**(139,118)**	(129,643)
International business settlement	**(45,822)**	(73,258)
Financing business	**(24)**	(1,472)
Contact lens business	**(230,884)**	(97,166)
Total segment liabilities	**(2,513,920)**	(1,986,456)
Unallocated liabilities		
Other liabilities	**(8,071)**	(8,145)
Total unallocated liabilities	**(8,071)**	(8,145)
Consolidated total liabilities	**(2,521,991)**	(1,994,601)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than bank balances and cash and other assets not attributable to respective segments; and

- all liabilities are allocated to operating segments other than other payables not attributable to respective segments.

(c) Other segment information

(i) Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31 March 2021

	Property development HK$'000	Hotel business HK$'000	International business settlement HK$'000	Financing business HK$'000	Contact lens business HK$'000	**Reportable segments' total HK$'000**	Unallocated HK$'000	**Total HK$'000**
Additions to property, plant and equipment	568	5,131	1,148	–	81,300	**88,147**	3,943	**92,090**
Depreciation of property, plant and equipment	(583)	–	(2,081)	–	(3,400)	**(6,064)**	(2,477)	**(8,541)**
Amortisation of intangible assets	–	–	–	–	(74)	**(74)**	–	**(74)**
Reversal of impairment loss/(impairment loss) on trade and other receivables, net	196	–	–	–	(78)	**118**	575	**693**
Impairment loss on loan receivables	–	–	–	(57,397)	–	**(57,397)**	–	**(57,397)**
Impairment loss on property, plant and equipment	–	–	(8,177)	–	–	**(8,177)**	–	**(8,177)**
Write-off on trade and other receivables	–	–	(5,632)	–	–	**(5,632)**	–	**(5,632)**
Government grant	163	–	–	–	7,690	**7,853**	508	**8,361**
Finance costs	(1,155)	–	(857)	–	(425)	**(2,437)**	(142)	**(2,579)**
Income tax (expenses)/credit	–	–	(2,847)	919	–	**(1,928)**	–	**(1,928)**

For the year ended 31 March 2020

	Continuing operations							**Discontinued operation**	
	Property development HK$'000	Hotel business HK$'000	International business settlement HK$'000	Financing business HK$'000	Contact lens business HK$'000	**Reportable segments' total HK$'000**	Unallocated HK$'000	Property management business HK$'000	**Total HK$'000**
Additions to property, plant and equipment	18	270	8,742	–	94,077	**103,107**	–	–	**103,107**
Depreciation of property, plant and equipment	(524)	–	(962)	(44)	(14)	**(1,544)**	(4,050)	–	**(5,594)**
Impairment loss on trade and other receivables, net	(234)	–	(1,506)	–	(8)	**(1,748)**	(89)	–	**(1,837)**
Impairment loss on factoring and loan receivables, net	–	–	–	(95,196)	–	**(95,196)**	–	–	**(95,196)**
Government grant	–	–	–	130	–	**130**	–	–	**130**
Finance costs	(28,499)	(10,531)	(97)	–	(448)	**(39,575)**	(406)	–	**(39,981)**
Income tax expenses	(30,797)	–	–	(1,597)	–	**(32,394)**	–	–	**(32,394)**

(ii) Information about geographical areas

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, prepayment and deferred tax assets ("Specified non-current assets").

	Revenue from external customers (by customer location)		**Specified non-current assets (by physical location)**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**3,318**	1,853
PRC (domicile)	**77,679**	394,558	**391,117**	290,475
Others	**7,842**	3,054	**34**	870
	85,521	397,612	**394,469**	293,198

(iii) Information about major customers

Revenue from one customer of the Group's property development segment amounted to approximately HK$61,952,000, which represented 10% or more of the Group's revenue (2020: nil of individual customer contributed 10% or more of the Groups' revenue).

5. OTHER INCOME, GAINS AND LOSSES

	2021	2020
	HK$'000	*HK$'000*
Bank interest income	**3,524**	7,554
Government grant *(note(a))*	**8,361**	130
Exchange loss, net	**(904)**	(5,055)
Reversal of impairment loss/(impairment loss) on trade and other receivables, net *(note 14)*	**693**	(1,837)
Gain on disposal of subsidiaries	**–**	4,345
Parking service income	**280**	1,369
Rental income	**231**	–
COVID-19 related rent concessions	**287**	–
Others	**858**	829
	13,330	7,335

Note:

(a) The amount represents government grants to the Group in respect of foreign investment subsidy, domestic construction subsidy, and employment support scheme subsidy.

6. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interest on		
– bank borrowings	**12,854**	1,690
– other borrowings	**66,765**	93,567
– lease liabilities	**999**	503
	80,618	95,760
Less: amounts capitalised in		
– Properties held for sale	**(68,120)**	(55,779)
– Construction in progress under property, plant and equipment	**(9,919)**	–
	2,579	39,981

Borrowing costs capitalised during the years ended 31 March 2021 and 2020 arose from borrowings specifically for the purpose of obtaining qualifying assets.

7. INCOME TAX EXPENSES

	2021	2020
	HK$'000	*HK$'000*
Current tax in PRC		
Enterprise Income Tax ("EIT")	**(1,153)**	–
Land Appreciation Tax ("LAT")	**7,795**	24,725
	6,642	24,725
Deferred tax	**(4,714)**	7,669
	1,928	32,394

No provision for Hong Kong Profits Tax has been made as the income of the Group neither arises in nor is derived from Hong Kong during the years ended 31 March 2021 and 2020.

The PRC EIT is calculated on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Group's PRC subsidiaries during the year ended 31 March 2021 is 25% (2020: 25%).

No deferred tax asset has been recognised in respect of certain unused tax losses due to the unpredictability of future profit streams. The deductible temporary differences can be carried forward indefinitely except for certain tax losses from PRC subsidiaries will be expired in the coming few years. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The Group is required to prepay LAT and EIT in accordance with the relevant PRC tax rules in respect of pre-sale of property development projects. As at 31 March 2021, the amount of prepaid LAT and EIT in respect of contract liabilities amounted to approximately HK$2,050,000 (2020: HK$1,768,000), which has been presented as deduction against the tax liabilities of the respective subsidiary in the consolidated statement of financial position.

8. LOSS FOR THE YEAR

(a) Loss for the year has been arrived at after charging/(crediting):

	2021	2020
	HK$'000	*HK$'000*
Directors' emoluments	**2,778**	3,535
Other staff salaries, wages and allowances	**37,329**	32,777
Other staff retirement scheme contributions	**1,071**	2,048
	41,178	38,360
Less: staff costs capitalised in properties held for sale	**(1,507)**	(3,668)
Total staff costs	**39,671**	34,692
Cost of inventories recognised as expenses	**59,563**	326,188
Auditor's remuneration	**2,280**	2,280
Impairment loss on property, plant and equipment	**8,177**	–
Impairment loss on loan receivables, net *(note 12)*	**57,397**	58,227
Impairment loss on factoring receivables *(note 15)*	**–**	36,969
Write-off on trade and other receivables	**5,632**	–
Depreciation of property, plant and equipment	**8,541**	5,594
Amortisation of intangible assets	**74**	–
Short term or low value lease expenses	**1,521**	2,127
(Gain)/loss on disposal of property, plant and equipment	**(745)**	10

(b) Discontinued operation

During last fiscal year, the Board resolved to dispose of 柳州正和城商業管理有限公司 (Liuzhou Zhenghe Cheng Business Management Ltd*) and its subsidiaries (together the "Property Management Group") by disposal of the investment holding company of the Property Management Group (together the "Disposal Group"). The Property Management Group is principally engaged in provision of property management service in PRC.

The disposal were completed on 1 December 2019 and the Disposal Group was classified as a discontinued operation.

* *The English name is for identification purpose only*

The revenue, results and cash flows of the Disposal Group were as follows:

	For the eight months ended from the date of incorporation to the date of disposal
	HK$'000
Revenue	4,076
Cost of services	(4,176)
Administrative expenses	(2,924)
Loss for the year from discontinued operation	(3,024)
Loss for the year from discontinued operation attributable to:	
Owner of the Company	(2,117)
Non-controlling interests	(907)
	(3,024)

	HK$'000
Operating cash inflows	623
Investing cash outflows	(11)
Financing cash inflows	821
Total cash inflows	1,433

9. LOSS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Profit and loss		
Loss for the year attributable to owners of the Company for the purposes of basic loss per share		
– Continuing operations	**(132,284)**	(173,374)
– Discontinued operation	**–**	(2,117)
	(132,284)	(175,491)

	2021	2020
Number of shares		
Weighted average number of shares for the purposes of basic loss per share	**20,319,072,320**	20,319,072,320

No diluted earnings per share were presented as there were no potential ordinary shares in issue for both years.

10. INTANGIBLE ASSETS

	Computer software HK$'000 (Note (a))	Settlement platform HK$'000 (Note (b))	Total HK$'000
Cost			
At 1 April 2019, 31 March 2020 and 1 April 2020	–	59,186	59,186
Additions	1,364	–	1,364
Exchange adjustments	69	–	69
At 31 March 2021	1,433	59,186	60,619
Amortisation and impairment			
At 1 April 2019, 31 March 2020 and 1 April 2020	–	59,186	59,186
Charge for the year	74	–	74
Exchange adjustments	4	–	4
At 31 March 2021	78	59,186	59,264
Net book value			
At 31 March 2021	1,355	–	1,355
At 31 March 2020	–	–	–

Note (a):

Computer software was acquired during the year to assist factory's manufacturing production and management. It represents the intellectual property rights which has finite useful life and are amortised on a straight-line basis over its estimated useful life of 10 years.

Note (b):

The Group entered into an agreement with an independent software company to assist the Group in developing a settlement platform for connecting with the systems of the central banks and commercial banks of the countries along the "Belt and Road Initiative". During prior years, the sums paid and payable by the Group pursuant to the agreement was USD7,600,000 (equivalent to HK$59,186,000).

During previously financial year ended 31 March 2019, the Group recognised a full impairment loss in relation to settlement platform due to lack of substantive results arising from memorandums of cooperation and framework agreements, entered into in prior years, signed with a number of potential cooperative banks and financial institutions. Up to the date of this consolidated financial statements, there are no revenue generated from this settlement platform.

11. PREPAYMENT

	2021	2020
	HK$'000	*HK$'000*
Prepayment for acquisition of:		
– Equipment *(note)*	**263,810**	213,085
– Software	**14,247**	–
	278,057	213,085

Note:

Since from last fiscal year till 31 March 2021, the Group, as purchaser, entered into a series of equipment purchase agreement with independent equipment providers, pursuant to which the Group agreed to acquire contact lens production line in the PRC at total considerations of USD37,134,000 and RMB42,601,000 (together equivalent to approximately HK$357,200,000). The Group has paid USD26,594,000 and RMB33,471,000 (together equivalent to approximately HK$263,810,000) during the year ended 31 March 2021 and the remaining of approximately HK$93,390,000 will be payable upon the completion of installation of equipment.

12. LOAN RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Loan receivables	**139,843**	130,876
Interest receivables	**7,278**	6,782
	147,121	137,658
Less: Loss allowance *(note(b))*		
Stage 1	**(35)**	(131)
Stage 2	**–**	–
Stage 3	**(129,454)**	(64,357)
Carrying amount of loan receivables	**17,632**	73,170
Current portion included under current assets	**(17,632)**	(31,470)
Amounts due after one year included under non-current assets	**–**	41,700

As at 31 March 2021 and 2020, all loan receivables were secured by collaterals.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at contract rate ranging from approximately 6% to 15% (2020: 6% to 15%) per annum.

The Group's management considers that the fair values of loan receivables are not materially different from their carrying amounts.

(a) Ageing analysis

Ageing analysis of loan receivables based on the loan drawdown date before loss allowance, at the end of reporting period is as follows:

	2021	2020
	HK$'000	*HK$'000*
Over 1 year	**147,121**	137,658

(b) Movement in impairment losses

Loss allowance for loan receivables during the year was recognised as follows:

	Stage 1 12-month ECL	**Stage 2 Lifetime ECL not credit-impaired**	**Stage 3 Lifetime ECL credit-impaired**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2019	211	6,825	–	7,036
Transfer to lifetime ECL credit-impaired	–	(6,825)	6,825	–
Impairment loss charged to profit or loss	(70)	–	58,297	58,227
Exchange adjustments	(10)	–	(765)	(775)
At 31 March 2020 and 1 April 2020	131	–	64,357	64,488
Impairment loss charged to profit or loss	(101)	–	57,498	57,397
Exchange adjustments	5	–	7,599	7,604
At 31 March 2021	35	–	129,454	129,489

For the year ended 31 March 2021, an increase of loss allowance of approximately HK$57,397,000 (2020: HK$58,227,000) was charged to profit or loss as an impairment.

Loan receivables bear no credit term. The Group's formal credit policy in place is to monitor the Group's exposure to credit risk through regular reviews of receivables and follow-up actions taken on overdue accounts. Credit evaluations are performed on all customers requiring credit over a certain amount.

13. PROPERTIES HELD FOR SALE

	2021	2020
	HK$'000	*HK$'000*
Completed properties held for sale	**1,340,353**	1,035,763
Properties under development for sale	**636,366**	559,502
	1,976,719	1,595,265
Carrying amount of properties under development for sale expected to be completed:		
– within one year	**636,366**	559,502

As at 31 March 2021, certain properties held for sale with carrying amount of approximately HK$146,246,000 (2020: HK$626,787,000) were pledged to secure certain borrowings granted to the Group.

During the years ended 31 March 2021 and 2020, there is no impairment loss recognised as the net realisable value is higher than carrying amount for both years.

14. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**1,387**	4,310
Less: Loss allowance	**(82)**	(206)
	1,305	4,104
Other receivables and prepayments:		
Other deposits	**7,365**	1,079
Prepayments for construction works	**–**	22,065
Other tax prepayment	**5,993**	12,210
Other receivables	**6,856**	12,977
Other prepayments	**3,300**	4,234
	24,819	56,669

Trade receivables for property sales, debts are due on the dates of delivery of properties but settlements are made by agreements on time allowed for collections. The Group's formal credit policy in place is to monitor the Group's exposure to credit risk through regular reviews of receivables and follow-up actions taken on overdue accounts. Credit evaluations are performed on all customers requiring credit over a certain amount.

The ageing analysis of trade receivables after loss allowance of the Group, presented based on the date of delivery of properties or goods to the customers, at the end of the reporting period is as follows:

	2021	2020
	HK$'000	*HK$'000*
91 to 180 days	**1,305**	1,690
181 days to one year	**–**	2,414
	1,305	4,104

Movement in loss allowance of trade and other receivables of the Group during the year are as follows:

	2021	2020
	HK$'000	*HK$'000*
At 1 April	**2,045**	232
Impairment loss on trade and other receivables	**78**	1,870
Reversal of impairment loss previously recognised	**(771)**	(33)
Exchange adjustments	**(6)**	(24)
At 31 March	**1,346**	2,045

The balances of other deposits and other receivables are not past due. The Group's management considers that the credit risk associated with these receivables is minimal but a general provision for impairment loss is provided for as in the aforesaid.

15. FACTORING RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Factoring receivables	**69,484**	124,479
Interest receivables	**2,495**	4,370
	71,979	128,849
Less: Loss allowance *(note (b))*		
Stage 1	**–**	–
Stage 2	**–**	–
Stage 3	**(71,979)**	(128,849)
Current portion included under current assets	**–**	–

As at 31 March 2021 and 2020, all factoring receivables were secured by accounts receivable of the debtors with interest rate of 6.5% (2020: 6.5%). The Group has recourse right on the debts in the event of default. However, the collaterals are not permitted to sell or re-pledge by the Group.

(a) Ageing analysis

Ageing analysis of factoring receivables based on the loan drawdown date and before loss allowance at the end of reporting period is as follows:

	2021	2020
	HK$'000	*HK$'000*
Over one year	**71,979**	128,849

(b) Movement in impairment losses

Loss allowance for factoring receivables during the year was recognised as follows:

	Stage 1 12-month ECL *HK$'000*	Stage 2 Lifetime ECL not credit-impaired *HK$'000*	Stage 3 Lifetime ECL credit-impaired *HK$'000*	Total *HK$'000*
At 1 April 2019	28	–	96,446	96,474
(Reversal of impairment)/ impairment loss charged to profit or loss	(27)	–	36,996	36,969
Exchange adjustments	(1)	–	(4,593)	(4,594)
At 31 March 2020 and 1 April 2020	–	–	128,849	128,849
Derecognised	–	–	(63,110)	(63,110)
Exchange adjustments	–	–	6,240	6,240
At 31 March 2021	–	–	71,979	71,979

Factoring receivables bear no credit term. The Group's formal credit policy in place is to monitor the Group's exposure to credit risk through regular reviews of receivables and follow-up actions taken on overdue accounts. Credit evaluations are performed on all customers requiring credit over a certain amount.

16. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables *(note (a))*	**1,870**	417
Accrued construction cost to contractors	**376,495**	197,408
Interest payable	**91,698**	73,178
Amounts due to third parties	**10**	745
Other payables *(note (b))*	**122,492**	68,957
Other tax payables	**121,596**	107,994
	714,161	448,699

Notes:

(a) The following is an ageing analysis of the Group's trade payables, presented based on the date of materials received, at the end of the reporting period:

	2021	2020
	HK$'000	*HK$'000*
0 to 90 days	**363**	417
91 to 180 days	**1,507**	–
	1,870	417

(b) During the year, IBM (China) Co., Ltd. ("IBM China"), a company who provide computer software engineering services to the Group to develop the platform for Next Generation Settlement Network (the "NGSN") in International Business Settlement segment, filed an arbitral claim against a wholly owned subsidiary of the Group for payment of outstanding service fees of USD2,983,000 (approximately HK$22,619,000) plus interest due to late payments and related legal fee. The disputes was caused by disagreement of acceptance of works between IBM (China) and the Group over the phase completion on NGSN platform.

Having reviewed outstanding claims and taking into account legal advice received, the directors of the Company are of the view that the litigations have no significant impact on the Group's financial position and its operating result for the year ended 31 March 2021 as all the above significant payable amounts have already been recorded in the consolidated financial statements as at 31 March 2021. Up to the date of this announcement, the litigation is still in progress.

17. BORROWINGS

	2021	2020
	HK$'000	*HK$'000*
Bank borrowings, secured *(note (a))*	**198,180**	136,471
Other borrowings, secured *(note (a))*	**139,118**	476,302
Other borrowings, unsecured *(note (b))*	**454,227**	7,703
	791,525	620,476
Carrying amount of borrowings repayable:		
Within one year	**636,369**	546,412
More than one year, but not exceeding two years	**61,098**	1,166
More than two year, but not exceeding five years	**94,058**	72,898
	791,525	620,476
Less: amounts shown under current liabilities	**(636,369)**	(546,412)
Amounts shown under non-current liabilities	**155,156**	74,064

All borrowings were denominated in RMB during both years.

The ranges of effective interest rates on the Group's fixed-rate borrowings are as follows:

	2021	2020
Effective interest rates	**3% – 18%**	5% – 18%

Notes:

(a) The followings show the carrying amounts of assets pledged to secure the bank and other borrowings provided to the Group:

	Carrying amounts of assets pledged for		
	Bank borrowings	Other borrowings *(note (i))*	Total
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2021			
Property, plant and equipment	**179,465**	**68,800**	**248,265**
Properties held for sale	**146,246**	**–**	**146,246**
	325,711	**68,800**	**394,511**

	Carrying amounts of assets pledged for		
	Bank borrowings	Other borrowings *(note (i),(ii))*	Total
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2020			
Property, plant and equipment	92,833	41,707	134,540
Properties held for sale	–	626,787	626,787
	92,833	668,494	761,327

(i) As at 31 March 2021, hotel rooms of HK$68,800,000 (2020: HK$41,707,000) are pledged as security for one of the Group's other borrowings of HK$139,118,000 (2020: HK$129,642,000) at a fixed rate of 6.5% per annum.

(ii) As at 31 March 2020, property held for sale of HK$626,787,000 are pledged as security for one of the Group's other borrowings of HK$346,660,000 at a fixed rate of 18% per annum.

(b) The Group's unsecured other borrowings represent:

(i) Unsecured borrowings of HK$8,266,000 (2020: HK$7,703,000) provided by independent third parties with interest at a fixed rate of 18% per annum;

(ii) Unsecured borrowings of HK$23,944,000 (2020: nil) provided by related party of non-controlling owner of the Company's subsidiary with interest at a fixed rate of 3% per annum; and

(iii) Unsecured borrowings of HK$422,017,000 (2020:nil) provided by 廣西正和實業集團有限公司 (Guangxi Zhenghe Industrial Co., Ltd*), the former related party of Liuzhou Zhenghe with interest at a fixed rate of 12% per annum.

* *The English name is for identification purpose only*

18. CONTRACT LIABILITIES

Considerations in respect of properties sold are received in accordance with the terms of the related sales and purchase agreements, certain portion are received on or before the date of delivery of the properties to customers which is recorded as contract liabilities.

	2021	2020
	HK$'000	*HK$'000*
Contract liabilities arising from property development business	**891,651**	807,890

	HK$'000
At 1 April 2020	807,890
Revenue recognised for the balances included in the contract liabilities at the beginning of the year	(75,733)
Increase for the cash received for the balances where revenue is not yet recognised during the year	99,260
Exchange adjustments	60,234
At 31 March 2021	891,651

As at 31 March 2021 and 2020, the amount of sales deposits received expected to be recognised as revenue after one year is nil.

19. COMMITMENTS

	2021	2020
	HK$'000	*HK$'000*
Commitments contracted for:		
– construction for properties held for sale	**–**	157,283
– acquisition of property, plant and equipment	**93,390**	213,788
	93,390	371,071

20. CONTINGENT LIABILITIES

	2021	2020
	HK$'000	*HK$'000*
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**489,776**	1,074,002

Note:

The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchaser to banks, the Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends after the buyer obtained the individual property ownership certificate.

The Group's management, with its assessment of the current and outlook of the market, perceives that the possibility of default in mortgage loans by home buyers is remote and, in the event of default, the liabilities caused to the Group will be minimal as the loss will be adequately mitigated by the proceeds recovered from the sales of the repossessed properties. Accordingly, no provision is made in the accounts for the guarantees.

21. EVENTS AFTER THE REPORTING PERIOD

On 14 May 2021, the Board resolved to dispose of 90% equity of Eagle Mountain Holdings Limited ("Eagle Mountain"). Eagle Mountain and its 30% held associates, Fastmind Investments Limited, and, Acme Day Limited, are principally engaged in investment holding of a mining company, Tunlin Limited Liability Company. A wholly-owned subsidiary of the Company (the "Seller"), entered into a sale and purchase agreement with Vintage Gold Management Limited (the "Purchaser"), pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase the 90% equity of Eagle Mountain at a total consideration of USD3,000,000 (approximately HK$23,400,000). The details of this transaction are set out in the Company's announcement dated 14 May 2021. The disposal was completed on 20 May 2021.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 March 2021 (2020: nil).

OVERALL RESULTS

Key performance indicator (Financial Ratio)

		Year ended 31 March	
	Notes	**2021**	2020
Revenue *(HK$'000)*		**85,521**	393,536
Gross profit margin *(%)*	*(i)*	**24.8%**	16.4%
Loss for the year *(HK$'000)*		**140,050**	184,838
Loss per share *(HK cent)*		**0.65**	0.86
Net asset value per share *(HK cents)*	*(ii)*	**4.14**	4.82

Notes:

(i) Gross profit margin is calculated as gross profit divided by revenue and multiplying the resulting value by 100%.

(ii) Net asset value per share is calculated based on the number of 20,319,072,320 ordinary shares issued as at 31 March 2021 (2020: 20,319,072,320 ordinary shares).

For the current year, the Group recorded a revenue of approximately HK$85,521,000, representing a significant drop over 70% when compared with revenue of the preceding financial year. The revenue for the current year is mainly generated from the property development segment in 正和城 ("Zhenghe City") of 柳州正和樺桂置業集團有限公司 (Liuzhou Zhenghe Huagui Real Estate Group Company Limited*) ("Liuzhou Zhenghe"). In 2020, due to the worldwide outbreak of the COVID-19, the construction works in Zhenghe City were temporary suspend during first half of 2020 and therefore delayed the completion of building afterwards. As a result, the revenue of the Group for the current year decreased significantly as no building were completed and delivered to customers.

An overall gross profit of approximately HK$21,201,000 (2020: HK$64,405,000) and gross profit margin of 24.8% (2020: 16.4%) were recorded for the current year. The increase in gross profit margin for the current year was mainly due to increase in proportion of sales of commercial units over the total sales when compared to preceding financial year, for which commercial units have a relatively higher marking in selling.

The Group continued to incur losses of approximately HK$140,050,000 for the current year (2020: HK$184,838,000). Such loss was mainly attributed to no newly completed buildings being delivered to the market during the year to generate adequate profit to cover the operating costs and impairment loss of the Group. The basic and diluted loss per share was approximately HK$0.65 cent for the current year.

REVIEW OF OPERATIONS AND PROSPECT

International Business Settlement

During the year, with the electronic money institution license ("EMI License") obtained in Lithuania, the Group connected a number of commercial and individual customers in both European market and China and provided fund settlement services for commercial and individual customers on a small scale. As of March 2021, nearly 180 European customers opened digital banking accounts through the Group's digital banking set up via network in Lithuania, which provided credit, remittance and settlement services to them, with transaction amount in aggregate reaching EUR1,040 million. The average payment size has also increased due to company's strategy to focus on profitable corporate clients. As of 31 March 2021, the funds placed by customers in the Group's electronic money institution set up in Lithuania amounted to almost EUR13 million. This shows the continuous support and confidence from our customers.

IBS Lithuania has always been striving for the improvement of operational efficiency via human capital and the achievement of automation through advanced IT systems. This will not only enable the Company to provide services to more customers and process more transactions, but will also expand the product offerings to attract large-scale corporate customers with tailor-made product offerings. There has been negotiating with multiple banks to establish a mutually beneficial relationship with them and further expand the coverage of its settlement network, while broadening the services it can offer.

Since the development of electronic money institution is not yet fully matured and currently only basic services are available thereunder, its contribution to the Group is thus relatively low. Despite the global pandemic, the past year have been positive for IBS Lithuania. For the year ended 31 March 2021, the revenue of this segment was approximately HK$7,842,000 (2020: HK$3,054,000), and the total loss for the year was HK$39,471,000 (2020: HK$27,544,000). The major expenses in this segment for the year were staff costs and rental expenses.

In respect of the Group's self-developed Next Generation Settlement Network (the "NGSN"), a speedy financial clearing channels for countries along the "Belt and Road" in Asia, Europe, Africa and other regions, while providing convenient financial services for multilateral trade, full impairment was made by the Group for the NGSN platform during the financial year ended 31 March 2019 under the impact arising from the world trade environment, changes in financial regulatory trend and changes in political environment. The Company acknowledges that the development of NGSN faces continues to be challenging and we will continue to work through the challenges.

The Group has reorganized the management team with a view to further develop the NGSN, and employed experts and technical staff to support the development, seeking alternative model to develop the platform. The global business and economic activities have been severely adversely affected by the novel coronavirus epidemic, directly hindering the development of NGSN. During the year, the momentum of the progress was slow down in view of the travel restrictions, social distancing and quarantine measures implemented across the world. Although facing such challenges, the Company continues to maintain communication with all our existing partners, so that when business activities return to normal, the Company will be ready to reach more in-depth and comprehensive cooperation agreements with potential cooperative banks and financial institutions, and continues to be committed to attracting more banks and enterprises to join NGSN, so as to bring its advantages into full play, accelerate monetary circulation and improve economic circulation efficiency, with a view to accelerate market liquidity, boost market confidence and enable sustainable development. The Company successively initiated communication and cooperation with countries in Asia, Europe, Africa and other regions to seek further development, thus laying a foundation upon which NGSN can be deployed globally.

Liuzhou Zhenghe (property development and hotel business segment)

Zhenghe City is a mix-used complex project located at No. 102, Xinliu Avenue, Liudong New District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC, which offers a wide range of properties, including villas, townhouses, commercial buildings, office buildings, hotels and high-rise apartments developed by Liuzhou Zhenghe.

Zhenghe City comprises two phases with Phase I providing a stack of residential and commercial properties with gross floor area of approximately 485,000 square meters. Phase II will provide another stack of residential and commercial properties with a total gross floor area of approximately 518,000 square meters. Both Phase I and Phase II have commenced construction and are under development. The Group owned 100% interest in properties held for development and properties held for sale in both Phase I and Phase II.

(a) Detail area of the properties under development and completed properties are as follows:

	Site area *(sq.m)*	Approximate gross floor area *(sq.m)*	Saleable area remaining unsold *(note 2)* *(sq.m)*	Completed area of properties held for self-operating/ own use *(sq.m)*
Phase I:				
Zone A	76,000	97,000	20,000	8,000
Zone B	94,000	130,000	29,000	–
Zone C	61,000	258,000	122,000	–
	231,000	485,000	171,000	8,000
Phase II:				
Zone D	71,000	191,000	44,000	–
Zone E	30,000	145,000	90,000	31,000
Zone F	41,000	182,000	111,000	–
	142,000	518,000	245,000	31,000
Total:	373,000	1,003,000	416,000	39,000

Note 1: The number of square meters ("sq.m") are rounded to nearest thousand for illustrative purpose only.

Note 2: Representing the gross floor area under development and saleable gross floor area of completed properties that were unsold as at 31 March 2021.

(b) The progress of each phase in Zhenghe City are shown as follows:

	Property type	Status
Phase I:		
Zone A	Villas and high-rise apartment buildings with retail outlets, farmers market and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Farmers market attached with a total saleable area of approximately 19,000 square meters are held for sale. Approximately 8,000 square meters car parking spaces in this zone were held for self-operating to generate stable recurring income. Hence classify as the Group's property, plant and equipment.
Zone B	Villas and high-rise apartment buildings with retail outlets and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Car parking spaces with a total saleable area of approximately 17,000 square meters are held for sale.
Zone C	Residential and commercial complexes and studio/office buildings with retail outlets and car parking spaces	There are 7 blocks of residential and commercial complexes and 3 blocks of studio/office buildings in this zone. The construction works of 7 blocks of residential and commercial complexes and 2 of 3 blocks of studio/office buildings in this zone were completed and most of the units were sold in the past financial years. The construction works of the remaining 1 block of studio/office building is in progress. The pre-sale permits were granted and acceptance certificates of completion are expected to be granted in second half of 2021.

	Property type	Status
Phase II:		
Zone D1	Villas	The construction works of the villas were completed. 16 villas with a total saleable area of approximately 8,000 square meters were sold to the customers and revenue was recognised during the year ended 31 March 2020 (the "last financial year").
Zone D1	High-rise apartment buildings with retail outlets and car parking spaces	There are 5 blocks of high-rise apartment buildings in this zone. The construction works of these 5 blocks of high-rise apartment buildings were completed and most of the units were sold in the past financial years. Car parking spaces with a total saleable area of approximately 43,000 square meters are held for sale.
Zone D2	Villas	The construction works of 36 villas are completed and were sold in the past financial years.
Zone E	Hotel and high-rise apartment buildings with retail outlets and car parking spaces	The construction works of high-rise apartment buildings were completed and most of the units were sold in the past financial years. Retail outlets attached to this apartment building with a total saleable area of approximately 36,000 square meters are held for sale. The construction works of the hotel building were completed during the year and the pre-sale permit was granted. The acceptance certificate of completion is expected to be obtained in second half of 2021. Previously, the Group changed its intention to operate the hotel under franchising arrangement instead of held for sale. Constructing area of approximately 31,000 square meters of the hotel building are included in property, plant and equipment.

	Property type	Status
Zone F	Residential and commercial complexes with retail outlets and car parking spaces	There are 6 blocks of residential and commercial complexes in this zone. The construction works of 3 blocks of residential and commercial complexes were completed and most of the units were sold in the past financial years. The construction works of the remaining 3 blocks of residential and commercial complexes are in progress and pre-sale permits were granted. The acceptance certificates of completion are expected to be obtained in second half of 2021. Retail outlets attached to 3 blocks of building with area of approximately 5,000 square meters was sold to customers and revenue was recognised in the last financial year.

(i) For property development segment in Liuzhou Zhenghe, an area of approximately 7,000 square meters (2020: 34,000 square meters) was sold and generated a segment revenue of approximately HK$75,733,000 for the current year (2020: HK$386,487,000). A segment loss of approximately HK$8,925,000 was recorded for the current year (2020: segment profit of HK$9,453,000). The significant drop in sales figures and segment loss recorded in the current year was mainly due to no buildings were completed and delivered to the customers due to temporary suspend of construction works by outbreak of COVID-19 in 2020 and delay delivery afterwards.

An external expert was engaged to help to assess the fair value of the properties development project as at 31 March 2021. For those properties which had completed the construction work and were held for sale, a market comparison method by making reference to comparable sales transactions as available in the relevant market was used. For those properties still under construction, the value was derived by using a market comparison method with the assumption that the construction works of the properties would have been completed at the date of valuation and have taken into account the construction costs expected and costs that will be expended to complete the development. No impairment loss is required for the year ended 31 March 2021 as the net realisable value is higher than carrying amount.

Liuzhou Zhenghe will continue to develop the Phase II of Zhenghe City and the Group is actively looking for other property development opportunities in Guangxi or other provinces in the PRC.

(ii) The hotel business is located in Zone E1 of Zhenghe City with gross floor area of approximately 31,000 square meters. In 2018, the Group entered into a franchising agreement with a well-known international hotel franchisee to operate the hotel under the franchising requested standards. The construction and renovation works of the hotel building are still in progress and no revenue will be generated until commencement of operation of the hotel. Based on the latest estimation, the commencement of operation of the hotel is expected to be in 2022.

Financing Business

A wholly foreign owned enterprise (the "WFOE") in the China (Shanghai) Pilot Free Trade Zone was established by the Group to carry out financing business in China with a total registered capital of USD35 million (approximately RMB225 million). The scope of business of the WFOE includes finance leasing, leasing, purchasing of leased assets in domestic and foreign markets, disposal of residual value and maintenance of leased assets, provision of consultation and guarantees for lease transactions and engaging in commercial factoring business.

Starting from 2018, the financial services business was affected significantly in view of the challenging business environment in China. In the factoring business, our clients experienced a severe adversity in this tough business environment in China and have failed to pay interest payment since 2018, the debts were matured and past due in July 2019 with no progress for recover of any amount in arrears from these receivables. In the last financial year, after assessment of the recoverability of the debt, including the borrowers not responding to our demand notice of repayment, no further updated financial information were provided by the borrowers, and also the Company notice that one of the borrowers was deregistered in 2019 and another borrower is in the process of deregistration through searching corporate status. In light of above indicators, the factoring receivables have been fully impaired by the Company in the last financial year. As at the year ended 31 March 2021, three out of six borrowers were deregistered and after seeking for legal advice and assessing the quality of collaterals, the Group balanced between the resources required to further pursue for recovery and the possibility of actual recovery, it is decided that nothing can be recovered by the Company. As such, amounted to HK$63,110,000 receivables from these three deregistered borrowers were derecognised during the year.

In respect of the loan receivables (of which a plantation in Shanghai was pledged as security of repayment of the loan amount) from finance leasing of the Group which agreements were entered into in 2017. The borrower started to miss payments since December 2018 due to lack of cashflow caused by the adverse business environment in China which leaded to significant drop in purchase orders for the borrower's greeneries products from customers (which include property developers, property management companies). As economic situation in China slowed down in 2018, and, particularly, the property sector, some of the customers of the plantation began to either delayed in payment or significantly reduced their purchases. With the outbreak of COVID-19 since January 2020, economy in China (and worldwide) has slowed down further. The Company believes that the recoverability of the pledged assets in connection with the finance leasing business would be adversely impacted. As such impairment loss of HK$58,227,000 on loan receivables was made in last financial year ended 2020.

During the year, there had been no progress of repayment from receivable and the adverse impact brought by economic downturn still exist. In order to safeguard the interest of the Company, the Company visit the plantation site twice a year and perform stock take of the collaterals to make sure the collaterals are in good condition.

A PRC independent qualified valuer, Zhongnan Assets Appraisal and Real Estate Appraisal (Guangzhou) Co., Ltd* (“中南資產評估與房地產估價（廣州）有限公司”), was engaged by the Group to assess the fair value of the plantation collaterals as at 31 March 2021.

The valuation methodology adopted was market comparable method with reference to comparable market price of similar items in the relevant market. Key assumptions adopted include: (1) the products are to be sold in open market; (2) there will be a continuous demand of the products; and (3) the products are free of restrictions to sell. The fair value of the plantation collaterals as at 31 March 2021 was approximately RMB109,259,000 (2020: RMB134,096,000).

As the Company does not have the expertise in running and operating the plantation, the Company does not plan to take possession of the plantation. During the year, the Company has been discussing with the borrower the settlement schedule of the receivables and has been issuing notices of repayment to the borrower each month after due date of the receivables. The Company has also engaged PRC legal advisers to issue demand letters of repayment to the borrowers. However, the Company has not received any settlement from the borrower. The Company has obtained the selling record of the plantation of the borrower and noted that the total sales for the year ended 2020 was a few hundred thousand renminbi only. The Company will continue to monitor the situation and, if necessary, take possible legal action to recover the loan.

An independent qualified valuer, also engaged by the Group to help to assess the recoverability of loan receivable. After assessment, in addition to impairment loss of HK$58,227,000 was made in last financial year, further impairment loss of HK$57,397,000 on loan receivables was made in the year after considering the credit risk of the borrower.

The Company adopted the model of expected credit loss ("ECL") under HKFRS 9 Financial Instrument ("HKFRS 9") in determining the amount of the impairments of loan receivables ("Impairments"). HKFRS 9 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition summarized below:

a. Stage 1: As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognized in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without adjustment for expected credit losses).

b. Stage 2: If the credit risk increases significantly and the resulting credit quality is not considered to be low credit risk, full lifetime expected credit losses are recognized. Lifetime expected credit losses are only recognized if the credit risk increases significantly from when the entity originates or purchases the financial instrument. The calculation of interest revenue on financial assets remains the same as for stage 1.

c. Stage 3: If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortized cost (i.e. the gross carrying amount adjusted for the loss allowance). Financial assets in this stage will generally be individually assessed. Lifetime expected credit losses are still recognized on these financial assets.

As the borrowers failed to pay any of the receivables due a year ago and without any future repayment schedule, the ECL was measured on a lifetime basis (Stage 3).

The Company has engaged Valtech Valuation Advisory Limited to issue valuation report on the Impairments. The model of ECL under HKFRS 9 was used by the valuer as the valuation methodology. The formula of calculating the ECL is as follows:

ECL = EAD x PD x LGD x Discount Factor

"EAD" being exposure at default;
"PD" being probability of default;
"LGD" being loss given default; and
"Discount Factor" being factor to discount the expected credit loss to present value.

Key assumption applied for the valuation includes categorising the loan receivables as Stage 3. As the borrowers failed to pay any of the receivables as at the valuation date and without any future repayment schedule, PD is set to be 100%. Based on the financial information of the borrower provided and follow up action carried out by the Company, credit assessment has been performed and specific recovery has been applied. As such, LGD of approximately 91% has been assigned. The Discount Factor is approximately 0.97.

The Board is of the view that the further impairment loss of HK$57,397,000 on loan receivables for current year is fair and reasonable.

This segment recorded approximately HK$117,000 interest income (2020: HK$3,995,000) as revenue and the segment loss was approximately HK$60,509,000 for the year (2020: HK$98,182,000). The substantial segment loss in previously financial year was mainly due to the impairment loss of HK$36,969,000 being made for the factoring receivables after credit evaluations.

The carrying amount of loan receivables arising from financing segment were at HK$17,632,000 after deducting accumulated allowance of impairment loss of HK$129,489,000 for the year. The carrying amount of factoring receivables were at nil after deducting derecognition of HK$63,110,000 and accumulated allowance of impairment of HK$71,979,000 for the year.

The Group did not make any new loan during the year. The Group adhered to a prudent risk management policy, with this segment continuously carrying out rigorous and regular review of credit risk over all the existing and new finance leasing clients. The Group will continue to adopt a careful and prudent credit risk management strategy and closely monitored recoverability to ensure prompt follow-up action is taken to receive any overdue debt.

Contact Lens Business

Fujian Unicon Optical Co., Ltd ("Fujian Unicon"), jointly established by the Group and Taiwan Unicon Optical Co., Ltd. ("TW Unicon", a company incorporated in Taiwan with limited liability and listed on the Emerging Stock Board of Taipei Exchange(台灣興櫃市場)(Stock code: 4150)) acquired a land parcel with a site area of 80 mu in Mawei District, Fuzhou for the construction of the plant in January 2020. The construction works of the plant was commenced and the main structure construction of the civil engineering completed at the end of March 2021. The construction of GMP clean room and electrical engineering were under progress. The completion-based check procedure is expected to completed at mid-2021 and start obtained approval from public security and civil air defense, departments of planning, municipal government and environmental protection, etc. In regard to the procurement of production equipment, deposit for equipment of approximately HK$263,810,000 has been paid as at the end of the year. The first batch of 2 production lines with 22 sets of equipment has arrived. At present, the equipment is being installed and customised, and it is expected to be put into operation in July 2021. The remaining 5 production lines are scheduled to be in place by the end of 2021, and strive to form full production capacity by June 2022.

During the year, according to the Catalogue for Class III Medical Devices Exempt from Clinical Trials, issued by the China Food and Drug Administration (國家食品藥品監督管理總局), Fujian Unicon is exempt from clinical trials for its soft contact lens by ways of comparison. Fujian Unicon has selected six products in line with the market of Mainland China from the 28 products of TW Unicon which have obtained licenses in the PRC for development and production. The registration of the six products is now in progress and the registration certificates of products are expected to be obtained at the end of 2021. In addition, as for the new products, Fujian Unicon has obtained the authorization for six major product categories with the latest technologies in the market from TW Unicon, and conducted document verification on the development progress of these six major product categories and the establishment of documentation and experimental data required for future product verification, so as to prepare in advance for the document and data required by the PRC drug administration and examining authority. The registration certificates of products are expected to be obtained in 2023 and the application for invention patents of relevant products is under progress at the same time.

Fujian Unicon has successfully obtained the domestic medical device sales permit in 2020 and to ensure smooth application, relevant warehouse and quality control personnel have been arranged and relevant software suitable for medical equipment has been developed. The re-export business of contact lenses has commenced during the year, and recorded a relatively low sales revenue of HK$1,829,000 as it was still in its initial stage (2020: nil). The sales business may help us to enter the domestic market, establish sales channels and better understand the PRC market, thus laying a solid foundation for the successive release of production capacity in future. This segment recorded a loss of HK$13,752,000 during current year (2020: HK$3,801,000). The major expenses in this segment were staff costs, sample research and development expenses and registration fees incurred for obtaining the products registration certificates.

Other Operations

Gold mine

The 27% effective equity interest in the gold mine in the Republic of Kyrgyz was fully impaired in previous years. The Company's shareholding in the gold mine had been pledged to secure a bank loan borrowed by the mining company to finance its operation. On 14 May 2021, the equity interest of the gold mine was sold for a consideration of USD3,000,000 (equivalent to approximately HK$23,400,000). Details of which are set out in below section headed "EVENTS AFTER THE REPORTING PERIOD".

Satellite Business

In July 2019, the Group entered into a subscription agreement with independent parties pursuant to which the Group has conditionally agreed to subscribe approximately 5.56% of the enlarged issued share capital of Bronzelink Holding Limited, which is principally engaged in providing high capacity Ka-band satellite-enabled internet network services, exclusively dedicated to the emerging markets in Sub-Saharan Africa, for a subscription price of USD50,000,000 (equivalent to approximately HK$392,805,000).

In view of the condition precedents cannot be fulfilled or waived by 31 December 2020 and the subscription was lapsed thereafter. For details, please refer to the Company's announcement dated 30 December 2020.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisitions and disposal of subsidiaries and associated companies during the current year.

EVENTS AFTER THE REPORTING PERIOD

Disposal of 90% equity interest in a subsidiary to connected party

On 14 May 2021, Pride Delight Limited (the "Vendor"), an indirect wholly-owned subsidiary of the Company, and Vintage Gold Management Limited (the "Purchaser"), a connected person of the Company at the subsidiary level as it holds 10% equity interest in the Eagle Mountain Holdings Limited (the "Target Company"), entered into disposal agreement. Pursuant to agreement the Vendor agreed to sell and the Purchaser agreed to purchase the sale shares, representing 90% of the issued share capital of the Target Company, for a consideration of USD3,000,000 (equivalent to approximately HK$23,400,000).

The Target Company is a non-wholly owned subsidiary of the Company and is held as to 90% by the Group and 10% by the Purchaser. The Target Company indirectly holds 30% interests in a mining company in Kyrgyz Republic.

A gain of approximately HK$23,400,000 (before expenses and taxation) arise from the disposal and the equity transfer was completed on 20 May 2021. Further details of the disposal are set out in the Company's announcement dated 14 May 2021.

FINANCIAL REVIEW

Finance position, liquidity and gearing

As at 31 March 2021, the total assets and liabilities of the Group were at approximately HK$3,363,492,000 (31 March 2020: HK$2,973,927,000) and approximately HK$2,521,991,000 (31 March 2020: HK$1,994,601,000) respectively. The Group recorded a total equity of approximately HK$841,501,000 as at 31 March 2021 (31 March 2020: HK$979,326,000).

The Group recorded net current assets of approximately HK$289,728,000 as at 31 March 2021 (31 March 2020: HK$480,100,000). The bank balances and cash as at 31 March 2021 was approximately HK$632,707,000 (31 March 2020: HK$710,845,000), of which most were denominated in US dollars, Hong Kong dollars and Renminbi.

The Group's current ratio (defined as current assets divided by current liabilities) was 1.12 (31 March 2020: 1.25).

As at 31 March 2021, the Group had total borrowing amounted to approximately HK$875,898,000 (31 March 2020: HK$699,173,000) which were denominated in Renminbi. The breakdowns are as follows:

(i) Secured bank and other borrowings amounted to approximately HK$337,298,000 (31 March 2020: HK$612,773,000) with effective interest rates in the ranges of 5% to 7.6%;

(ii) Unsecured other borrowings amounted to approximately HK$454,227,000 (31 March 2020: HK$7,703,000) with fixed interest rate ranges from 3% to 18%;

(iii) Interest free loan due to third parties, non-controlling interests and ultimate holding company amounted to approximately HK$10,000 (31 March 2020: HK$745,000), approximately HK$58,737,000 (31 March 2020: HK$53,949,000) and approximately HK$1,666,000 (31 March 2020: HK$1,675,000) respectively; and

(iv) Interest bearing loan from non-controlling interests amounted to approximately HK$23,960,000 (31 March 2020: HK$22,328,000) with floating interest rate.

As at 31 March 2021, committed borrowing facilities available to the Group but not drawn amounted to approximately HK$168,288,000 (31 March 2020: HK$205,036,000).

The gearing ratio, as a ratio of total borrowings to total equity, as at 31 March 2021 was 1.04 (31 March 2020: 0.71).

Financial resources

During the year, the Group's operations continued to be mainly financed by internal resources, borrowings as well as proceeds raised from equity financing exercise in December 2016. The management believes that the Group will generate its liquidity from business operations and will consider making use of further equity financing when necessary.

Share capital

As at 31 March 2021, the Company had 20,319,072,320 shares of ordinary shares in issue and the total equity of the Group was approximately HK$841,501,000.

Charges on assets

As at 31 March 2021, certain property, plant and equipment with carrying amount of approximately HK$248,265,000 (31 March 2020: HK$134,540,000) and certain properties held for sale with carrying amount of approximately HK$146,246,000 (31 March 2020: HK$626,787,000) respectively, were pledged to secure certain bank and other borrowings granted to the Group.

Contingent liabilities

The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is any default of the mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchaser to banks, the Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of granting the relevant mortgage loans and ends after the buyer obtains the individual property ownership certificate. As at 31 March 2021, the guarantee given to banks for the above-mentioned mortgage facilities amounted to approximately HK$489,776,000 (31 March 2020: HK$1,074,002,000).

Foreign exchange exposure

As part of the Group's assets and liabilities are denominated in Renminbi, US dollars, Euro and Hong Kong dollars, in order to minimise the foreign exchange risk, the Group aims to utilise the fund for transactions that are denominated in the same currency.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2021, the Group had approximately 170 employees. The employees' salaries are reviewed and adjusted annually based on their performance and experience. The Group's employee benefits include performance bonus, medical insurance, mandatory provident fund scheme, local municipal government retirement scheme and education subsidy to encourage continuous professional development of staff.

MODEL CODE FOR DIRECTOR'S DEALING IN SECURITIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, the Company received confirmation from all of the Directors that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions throughout the current year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's securities during the year ended 31 March 2021.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") throughout the year ended 31 March 2021 except for certain deviations as specified and explained below with considered reasons for such deviations.

(a) In accordance with the code provision A.2.1, the role of Chairman and Chief Executive Officer ("CEO") should not be performed by the same individual. However, the Company did not officially appoint a Chairman or a CEO during the year. The responsibilities of the Chairman and daily management of the Group's business is handled by the executive Directors collectively and supported by a team of senior management, which is in turn supported by staff with relevant expertise and experience.

The Board considers that this arrangement allows for contributions from all executive Directors with different expertise and is beneficial to the continuity of the Company's policies and strategies and the interest of the shareholders of the Company as a whole. Depending on the future development of the business of the Company, the Board will review the existing structure and consider the issue of nominating appropriate candidate to fill up the role of Chairman and CEO.

(b) Code provision A.2.7 stipulates that the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other directors. Since the Company has not appointed a new Chairman and no meeting was held between the Chairman and the non-executive Directors (including independent non-executive Directors) without the executive Directors present during the year ended 31 March 2021.

(c) Code provision E.1.2 stipulates that the Chairman should attend the annual general meeting. The Company does not at present have any officer with the title Chairman. However, one of the Directors presents at the annual general meeting held on 31 August 2020 was elected as chairman thereof to ensure an effective communication with the shareholders thereat.

(d) Code provision F.1.3 stipulates that the company secretary should report to the Chairman and/or the CEO. As the Company did not officially appoint a Chairman or a CEO, the company secretary reported to the executive Directors during the year.

Save as those mentioned above, in the opinion of the Directors, the Company complied with the code provisions of the CG Code during the current year.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee of the Company comprised of three independent non-executive Directors, namely, Mr. Yap Yung (the chairman), Ms. Chen Lanran and Mr. Wong Kin Ping. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2021 and discussed with the management the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters of the Group.

SCOPE OF WORK OF MESSRS. BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND DISPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.ibsettlement.com. The 2020/2021 annual report containing all information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to the shareholders of the Company and business associates for their continued support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions throughout the year.

By Order of the Board
International Business Settlement Holdings Limited
Yuen Leong
Executive Director

Hong Kong, 25 June 2021

* *The English name is for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Yuen Leong and Mr. Chan Siu Tat as executive directors; and Mr. Yap Yung, Ms. Chen Lanran and Mr. Wong Kin Ping as independent non-executive directors.