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 2022

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 2022 (the "current year"), together with the comparative figures for the year ended 31 March 2021, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**304,416**	85,521
Cost of sales and services		**(286,669)**	(64,320)
Gross profit		**17,747**	21,201
Other income, gains and losses	*5*	**29,066**	13,330
Selling expenses		**(3,855)**	(9,347)
Administrative and other expenses		**(99,806)**	(89,521)
Impairment loss on property, plant and equipment		**–**	(8,177)
Impairment loss on loan receivables, net		**(17,294)**	(57,397)
Impairment loss on intangible assets		**(44,773)**	–
Write-down of properties held for sale		**(24,355)**	–
Gain on deconsolidation of subsidiaries	*21(b)*	**16,811**	–
Write-off on trade and other receivables		**–**	(5,632)
Finance costs	*6*	**(5,431)**	(2,579)
Loss before taxation		**(131,890)**	(138,122)
Income tax expenses	*7*	**(13,281)**	(1,928)
Loss for the year	*8*	**(145,171)**	(140,050)

	Notes	**2022**	2021
		HK$'000	*HK$'000*
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**23,739**	2,225
Total comprehensive income for the year		**(121,432)**	(137,825)
Loss for the year attributable to:			
– Owners of the Company		**(119,137)**	(132,284)
– Non-controlling interests		**(26,034)**	(7,766)
		(145,171)	(140,050)
Total comprehensive income attributable to:			
– Owners of the Company		**(100,873)**	(122,161)
– Non-controlling interests		**(20,559)**	(15,664)
		(121,432)	(137,825)
Loss per share – basic and diluted *(HK cents)*	*9*	**(0.59)**	(0.65)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2022

	Notes	**2022** **HK$'000**	2021 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**492,035**	393,114
Intangible assets	*10*	**1,339**	1,355
Prepayment	*11*	**242,520**	278,057
Interests in associates		**–**	–
Deferred tax assets		**41,510**	38,592
		777,404	711,118
CURRENT ASSETS			
Loan receivables	*12*	**–**	17,632
Properties held for sale	*13*	**1,802,459**	1,976,719
Inventories		**12,107**	146
Trade and other receivables	*14*	**45,013**	24,819
Factoring receivables	*15*	**–**	–
Restricted bank deposits		**361**	351
Bank balances and cash		**522,507**	632,707
		2,382,447	2,652,374
CURRENT LIABILITIES			
Trade and other payables	*16*	**610,303**	714,161
Borrowings	*17*	**654,872**	636,369
Amount due to non-controlling interests		**85,092**	82,697
Amount due to ultimate holding company		**1,645**	1,666
Tax liabilities		**30,684**	29,830
Contract liabilities	*18*	**865,629**	891,651
Lease liabilities		**3,702**	6,272
		2,251,927	2,362,646
NET CURRENT ASSETS		**130,520**	289,728
TOTAL ASSETS LESS CURRENT LIABILITIES		**907,924**	1,000,846

	Notes	**2022** HK$'000	2021 HK$'000
NON-CURRENT LIABILITIES			
Borrowings	*17*	**187,855**	155,156
Lease liabilities		**–**	4,189
		187,855	159,345
NET ASSETS		**720,069**	841,501
CAPITAL AND RESERVES			
Share capital		**20,319**	20,319
Reserves		**653,142**	754,015
Equity attributable to owners of the Company		**673,461**	774,334
Non-controlling interests		**46,608**	67,167
TOTAL EQUITY		**720,069**	841,501

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, manufacturing and sales of disposable contact lens business, provision of leasing service and trading of computer equipment and provision of financing services. Except for provision of international business settlement services and provision of leasing service and trading of computer equipment, 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 1 April 2021

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform-Phase 2

None of these amendments to 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.

(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[3]
HK Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 17 and amendments to HKFRS 17	Insurance Contracts[3]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41[1]

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

[2] 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.

[3] Effective for annual periods beginning on or after 1 January 2023.

[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.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (2020) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the HKICPA retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error.

- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The HKICPA added two examples (Examples 4-5) to the Guidance on implementing HKAS 8, which accompanies the Standard. The HKICPA has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying HKFRS 16 at the commencement date of a lease.

Following the amendments to HKAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12.

The HKICPA also adds an illustrative example to HKAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies

The amendments change the requirements in HKAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in HKAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The HKICPA has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in HKFRS Practice Statement 2.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the financial statements.

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 Group's consolidated financial statements in future periods should such transaction arise.

HKFRS 17 and amendments to HKFRS 17, Insurance Contracts

The new standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4 "Insurance Contracts". The standard outlines a 'General Model', which is modified for insurance contracts with direct participation features described as the 'Variable Fee Approach'. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The directors of the Company do not anticipate that the application of this standard in the future will have an impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2018-2020

The annual improvements amends a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permit a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to HKFRSs.

- HKFRS 9, Financial Instruments, which clarify the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

- HKFRS 16, Leases, which amend Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- HKAS 41, Agriculture, which remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

3. REVENUE

The principal activities of the Group are (1) property development; (2) hotel business; (3) international business settlement; (4) contact lens business; (5) leasing and trading of computer equipment business and (6) financing business. Further details regarding the Group's principal activities are disclosed in note 4.

	2022	2021
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sales of properties	**292,042**	75,733
International business settlement services	**9,878**	7,842
Sales of contact lens	**2,159**	1,829
Leasing and trading of computer equipment	**219**	–
	304,298	85,404
Revenue from other sources		
Financing service income	**118**	117
	304,416	85,521

	2022	2021
	HK$'000	*HK$'000*
Timing of revenue recognition		
Goods transferred at a point in time	**294,201**	77,562
Services transferred over time	**10,097**	7,842
	304,298	85,404

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.

Property development	–	Developing and selling of commercial and residential properties, car parking 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.
Contact lens business	–	Manufacturing and sales of disposable contact lens in the PRC.
Leasing and trading of computer equipment business	–	Provide encrypted distributed storage space in Hong Kong through leasing of servers and trading of computer equipment.
Financing business	–	Provision of finance through money lending services, finance leases, leasing, factoring and other related services.

Following the newly started up leasing and trading of computer equipment segment in current reporting period, the CODM considered that the property development segment, hotel business segment, international business settlement segment, contact lens business, leasing and trading of computer equipment segment and financing business segment are the main businesses lines and reportable operating segments of the Group.

(a) Segment revenue and results

For the year ended 31 March 2022

	Property development HK$'000	Hotel business HK$'000	International business settlement HK$'000	Contact lens business HK$'000	Leasing and trading of computer equipment business HK$'000	Financing business HK$'000	Total HK$'000
Revenue							
External sales and segment revenue	**292,042**	**–**	**9,878**	**2,159**	**219**	**118**	**304,416**
Segment (loss)/profit	**(34,340)**	**–**	**(41,265)**	**(40,598)**	**129**	**(19,607)**	**(135,681)**
Unallocated corporate income, net							**2,935**
Bank interest income							**856**
Loss before taxation							**(131,890)**

For the year ended 31 March 2021

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

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies.

Segment results represent the results from each segment without allocation of central administration costs including directors' emoluments, unallocated other income, and unallocated other gain and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

	2022	2021
	HK$'000	*HK$'000*
ASSETS		
Segment assets		
Property development	**1,857,115**	2,045,944
Hotel business	**206,445**	188,472
International business settlement	**5,087**	19,643
Contact lens business	**548,938**	452,949
Leasing and trading of computer equipment business	**16,784**	–
Financing business	**36**	17,689
Total segment assets	**2,634,405**	2,724,697
Unallocated assets		
Bank balances and cash	**522,507**	632,707
Other assets	**2,939**	6,088
Total unallocated assets	**525,446**	638,795
Consolidated total assets	**3,159,851**	3,363,492
LIABILITIES		
Segment liabilities		
Property development	**(1,970,272)**	(2,098,072)
Hotel business	**(143,101)**	(139,118)
International business settlement	**(18,883)**	(45,822)
Contact lens business	**(300,592)**	(230,884)
Leasing and trading of computer equipment business	**(34)**	–
Financing business	**(32)**	(24)
Total segment liabilities	**(2,432,914)**	(2,513,920)
Unallocated liabilities		
Other liabilities	**(6,868)**	(8,071)
Total unallocated liabilities	**(6,868)**	(8,071)
Consolidated total liabilities	**(2,439,782)**	(2,521,991)

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 2022

	Property development *HK$'000*	Hotel business *HK$'000*	International business settlement *HK$'000*	Contact lens business *HK$'000*	Leasing and trading of computer equipment business *HK$'000*	Financing business *HK$'000*	**Reportable segments' total** ***HK$'000***	Unallocated *HK$'000*	**Total** ***HK$'000***
Additions to property, plant and equipment	–	12,414	94	93,321	11,486	–	**117,315**	12	**117,327**
Depreciation of property, plant and equipment	(352)	–	(250)	(8,735)	(51)	–	**(9,388)**	(2,842)	**(12,230)**
Impairment loss on intangible assets	–	–	(44,773)	–	–	–	**(44,773)**	–	**(44,773)**
Amortisation of intangible assets	–	–	–	(149)	–	–	**(149)**	–	**(149)**
Write-down of properties held for sale	(24,355)	–	–	–	–	–	**(24,355)**	–	**(24,355)**
Impairment loss trade and other receivables, net	–	–	–	(50)	–	–	**(50)**	(883)	**(933)**
Impairment loss on loan receivables, net	–	–	–	–	–	(17,294)	**(17,294)**	–	**(17,294)**
Gain on deconsolidation of subsidiaries	–	–	16,811	–	–	–	**16,811**	–	**16,811**
Government grant	–	–	–	4,156	–	–	**4,156**	–	**4,156**
Finance costs	(1,511)	–	(598)	(3,129)	–	–	**(5,238)**	(193)	**(5,431)**
Income tax expenses	(13,182)	–	(99)	–	–	–	**(13,281**	–	**(13,281)**

For the year ended 31 March 2021

	Property development *HK$'000*	Hotel business *HK$'000*	International business settlement *HK$'000*	Contact lens business *HK$'000*	Financing 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, net	–	–	–	–	(57,397)	**(57,397)**	–	**(57,397)**
Impairment loss on property, plant & 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)**

(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)**	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**219**	–	**11,922**	3,318
PRC (domicile)	**294,319**	77,679	**481,452**	391,117
Others	**9,878**	7,842	**–**	34
	304,416	85,521	**493,374**	394,469

(iii) Information about major customers

Revenue from one customer (2021: one customer) of the Group's property development segment accounted to approximately HK$49,776,000 (2021: HK$61,952,000), which represent 10% or more of the Group's revenue.

5. OTHER INCOME, GAINS AND LOSSES

	2022	2021
	HK$'000	*HK$'000*
Bank interest income	**856**	3,524
Government grant *(note(a))*	**4,156**	8,361
Exchange gain/(loss), net	**735**	(904)
(Impairment loss)/reversal of impairment loss on trade and other receivables, net	**(933)**	693
Gain on disposal of a subsidiary *(Note 21(a))*	**22,705**	–
Parking service income	**–**	280
Rental income	**1,307**	231
COVID-19 related rent concessions	**–**	287
Others	**240**	858
	29,066	13,330

Note:

(a) The government grants to the Group represents the foreign investment subsidy received during the year.

6. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
Interest on		
– bank borrowings	**11,956**	12,854
– other borrowings	**63,489**	66,765
– lease liabilities	**791**	999
	76,236	80,618
Less: amounts capitalised in		
– Properties held for sale	**(54,101)**	(68,120)
– Construction in progress under property, plant and equipment	**(16,704)**	(9,919)
	5,431	2,579

Borrowing costs capitalised during the years ended 31 March 2022 and 2021 arose from borrowings specifically for the purpose of obtaining qualifying assets.

7. INCOME TAX EXPENSES

	2022	2021
	HK$'000	*HK$'000*
Current tax in PRC		
Enterprise Income Tax ("EIT")	**–**	(1,153)
Land Appreciation Tax ("LAT")	**14,972**	7,795
	14,972	6,642
Current tax in Lithuania		
Enterprise Income Tax	**99**	–
Deferred tax	**(1,790)**	(4,714)
	13,281	1,928

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 2022 and 2021.

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 2022 is 25% (2021: 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 2022, no prepaid LAT and EIT in respect of contract liabilities (2021: HK$2,050,000), 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

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

	2022	2021
	HK$'000	*HK$'000*
Directors' emoluments	**3,028**	2,778
Other staff salaries, wages and allowances	**41,350**	37,329
Other staff retirement scheme contributions	**1,766**	1,071
	46,144	41,178
Less: staff costs capitalised in properties held for sale	**(577)**	(1,507)
Total staff costs	**45,567**	39,671
Cost of inventories recognised as expenses	**272,878**	59,563
Auditor's remuneration	**2,394**	2,280
Impairment loss on property, plant and equipment	**–**	8,177
Impairment loss on loan receivables, net	**17,294**	57,397
Impairment loss on intangible assets	**44,773**	–
Write-down of properties held for sale	**24,355**	–
Write-off on trade and other receivables	**–**	5,632
Depreciation of property, plant and equipment	**12,230**	8,541
Amortisation of intangible assets	**149**	74
Short term or low value lease expenses	**687**	1,521
Gain on deconsolidation of subsidiaries	**(16,811)**	–
Gain on disposal of property, plant and equipment	**–**	(745)

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:

	2022	2021
	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	**(119,137)**	(132,284)

	2022	2021
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 2020	–	59,186	59,186
Additions	1,364	–	1,364
Exchange adjustments	69	–	69
At 31 March 2021 and 1 April 2021	1,433	59,186	60,619
Additions	95	44,773	44,868
Deconsolidation of subsidiaries	–	(59,186)	(59,186)
Exchange adjustments	42	586	628
At 31 March 2022	1,570	45,359	46,929
Amortisation and impairment			
At 1 April 2020	–	59,186	59,186
Charge for the year	74	–	74
Exchange adjustments	4	–	4
At 31 March 2021 and 1 April 2021	78	59,186	59,264
Charge for the year	149	–	149
Deconsolidation of subsidiaries	–	(59,186)	(59,186)
Impairment loss	–	44,773	44,773
Exchange adjustments	4	586	590
At 31 March 2022	231	45,359	45,590
Net book value			
At 31 March 2022	1,339	–	1,339
At 31 March 2021	1,355	–	1,355

Note (a):

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

Note (b):

(i) Prior 2019, 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 previous 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 signed with a number of potential cooperative banks and financial institutions. As mentioned in note 21(b), on 21 February 2022, the Group deconsolidated the results, assets, liabilities of the International Business Settlement Limited (the "IBS HK") and its subsidiaries. Therefore, the aforesaid fully impaired settlement platform was thereafter deconsolidated from the Group.

(ii) In August 2020, the Group entered into an agreement with an independent software company to assist the Group in developing network for cross-border settlement, trade and financial services between Russia or Eurasia and China. The Group paid deposit totaling HK$24,373,000 to the software developers. Further, in March 2021, the Group also engaged another third independent party to develop a cross-border settlement system in connection to the Central Bank Digital Currency ("CBDC") and invested at cost of HK$20,400,000.

(iii) As at 31 March 2022, due to military conflicts between Russia and Ukraine and economic and political challenges of China that create uncertainties on International Business Settlement Segment ("IBS segment"), the management of the Group concluded that there was an impairment indicator and conducted an impairment assessment on recoverable amounts of a cash-generating unit ("CGU") of the IBS segment.

The recoverable amount of the CGU was determined by the management of the Group based on value in use calculation. That calculation was determined based on the financial budgets approved by the management of the Group covering a 5-year period and a pre-tax discount rate of 15.35%. The recoverable amount is based on certain key assumptions, including estimation of future revenue growth.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of the CGU of IBS segment is nil and lower than the carrying amount. The impairment amount has been allocated to the intangible assets (cross-border settlement platform and the settlement system in connection to CBDC) such that the carrying amount of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, a full impairment loss of HK$44,773,000 (2021: nil) has been recognised.

Up to the date of this consolidated financial statements, there is no revenue generated from this CGU.

11. PREPAYMENT

	2022	2021
	HK$'000	*HK$'000*
Prepayment for acquisition of:		
– Machinery and equipment *(note)*	**242,520**	263,810
– Software	**–**	14,247
	242,520	278,057

Note:

The Group, as purchaser, entered into a series of machinery and equipment purchase agreements with independent providers. Pursuant to which the Group agreed to acquire contact lens production line in the PRC at total considerations of USD37,421,000 and RMB42,601,000 (together equivalent to approximately HK$367,859,000 (2021: HK$357,200,000)). Amount of USD32,209,000 and RMB33,471,000 (together equivalent to approximately HK$315,780,000) has been paid by the Group as at the end of the year and of machineries equivalent to approximately HK$73,260,000 was ready for use and settled by prepaid amount. The remaining approximately HK$52,079,000 will be payable upon the completion of installation of machinery and equipment.

12. LOAN RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Loan receivables	**143,230**	139,843
Interest receivables	**7,487**	7,278
	150,717	147,121
Less: Loss allowance *(note(b))*		
Stage 1	**–**	(35)
Stage 2	**–**	–
Stage 3	**(150,717)**	(129,454)
Carrying amount of loan receivables	**–**	17,632
Current portion included under current assets	**–**	(17,632)
Amounts due after one year included under non-current assets	**–**	–

As at 31 March 2022 and 2021, 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 rate approximately 6% to 15% (2021: 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 and before loss allowance, at the end of reporting period is as follows:

	2022	2021
	HK$'000	*HK$'000*
Over 1 year	**150,717**	147,121

(b) Movement in impairment losses

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

	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL	**Lifetime ECL not credit-impaired**	**Lifetime ECL credit-impaired**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2020	131	–	64,357	64,488
Transfer to lifetime ECL credit-impaired				
Impairment loss charged to profit or loss	(101)	–	57,498	57,397
Exchange adjustments	5	–	7,599	7,604
At 31 March 2021 and 1 April 2021	35	–	129,454	129,489
Impairment loss charged to profit or loss	(36)	–	17,330	17,294
Exchange adjustments	1	–	3,933	3,934
At 31 March 2022	–	–	150,717	150,717

For year ended 31 March 2022, an increase of loss allowance of approximately HK$17,294,000 (2021: HK$57,397,000) 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

	2022	2021
	HK$'000	*HK$'000*
Completed properties held for sale	**1,108,926**	1,340,353
Properties under development for sale	**693,533**	636,366
	1,802,459	1,976,719
Carrying amount of properties under development for sale expected to be completed:		
– within one year	**693,533**	636,366

As at 31 March 2022, no properties held for sale (2021: certain properties held for sale with carrying amount of approximately HK$146,246,000) were pledged to secure certain borrowings granted to the Group.

During the year ended 31 March 2022, write-down of completed properties held for sale due to defects found in certain units of HK$24,355,000 was recognised (2021: nil). Aforesaid defective completed properties are sold during the year.

14. TRADE AND OTHER RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Trade receivables	**2,422**	1,387
Less: Loss allowance	**(135)**	(82)
	2,287	1,305
Other receivables and prepayments:		
Other deposits	**8,034**	7,365
Other tax prepayment	**9,945**	5,993
Other receivables	**7,520**	6,856
Other prepayments	**17,227**	3,300
	45,013	24,819

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:

	2022 *HK$'000*	2021 *HK$'000*
91-180 days	**2,287**	1,305

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

	2022 *HK$'000*	2021 *HK$'000*
At 1 April	**1,346**	2,045
Impairment loss on trade and other receivables	**1,016**	78
Reversal of impairment loss previously recognised	**(83)**	(771)
Exchange adjustments	**3**	(6)
At 31 March	**2,282**	1,346

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

	2022 *HK$'000*	2021 *HK$'000*
Factoring receivables	**70,079**	69,484
Interest receivables	**2,516**	2,495
	72,595	71,979
Less: Loss allowance *(note (b))*		
Stage 1	**–**	–
Stage 2	**–**	–
Stage 3	**(72,595)**	(71,979)
Current portion included under current assets	**–**	–

As at 31 March 2022 and 2021, all factoring receivables were secured by accounts receivable of the debtors with interest rate of 6.5% (2021: 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:

	2022	2021
	HK$'000	*HK$'000*
Over one year	**72,595**	71,979

(b) Movement in impairment losses

Loss allowance for factoring 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 2020	–	–	128,849	128,849
Derecognised	–	–	(63,110)	(63,110)
Exchange adjustments	–	–	6,240	6,240
At 31 March 2021 and 1 April 2021	–	–	71,979	71,979
Exchange adjustments	–	–	616	616
At 31 March 2022	–	–	72,595	72,595

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

	2022	2021
	HK$'000	*HK$'000*
Trade payables *(note)*	**289**	1,870
Accrued construction cost to contractors	**262,973**	376,495
Interest payable	**143,897**	91,698
Amount due to third parties	**–**	10
Other payables	**74,704**	122,492
Other tax payables	**128,440**	121,596
	610,303	714,161

Note:

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:

	2022	2021
	HK$'000	*HK$'000*
0 – 90 days	**–**	363
91–180 days	**289**	1,507
	289	1,870

17. BORROWINGS

	2022	2021
	HK$'000	*HK$'000*
Bank borrowings, secured *(note (a))*	**233,080**	198,180
Other borrowings, secured *(note (a))*	**143,101**	139,118
Other borrowings, unsecured *(note (b))*	**466,546**	454,227
	842,727	791,525
Carrying amount of borrowings repayable:		
Within one year	**654,872**	636,369
More than one year, but not exceeding two years	**110,907**	61,098
More than two years, but not exceeding five years	**76,948**	94,058
	842,727	791,525
Less: amounts shown under current liabilities	**(654,872)**	(636,369)
Amounts shown under non-current liabilities	**187,855**	155,156

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:

	2022	2021
Effective interest rates	**3% – 18%**	3% – 18%

Notes:

(a) The followings show the carrying amounts of assets pledged to secure the bank 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 2022			
Property, plant and equipment	**200,358**	**75,350**	**275,708**

	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 *(note 13)*	146,246	–	146,246
	325,711	68,800	394,511

(i) As at 31 March 2022, hotel rooms of HK$75,350,000 (2021: HK$68,800,000) are pledged as security for one of the Group's other borrowings of HK$143,101,000 (2021: HK$139,118,000) at a fixed rate of 6.5% per annum.

(b) As at 31 March 2022, the Group's unsecured other borrowings represent:

(i) Unsecured borrowings of HK$8,503,000 (2021: HK$8,266,000) provided by independent third parties with interest at a fixed rate of 18% per annum;

(ii) Unsecured borrowings of HK$23,944,000 (2021: HK$23,944,000) 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$434,099,000 (2021: HK$422,017,000) 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.

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.

	2022	2021
	HK$'000	*HK$'000*
Contract liabilities arising from property development business	**865,629**	891,651

	HK$'000
At 1 April 2021	891,651
Revenue recognised for the balances included in the contract liabilities at the beginning of the year	(158,586)
Increase for the cash received for the balances where revenue is not yet recognised during the year	107,702
Exchange adjustments	24,862
At 31 March 2022	865,629

As at 31 March 2022 and 2021, the amount of sales deposits received expected to be recognised as revenue after one year is nil.

19. COMMITMENTS

	2022	2021
	HK$'000	*HK$'000*
Commitments contracted for:		
– acquisition of property, plant and equipment	**52,079**	93,390

20. CONTINGENT LIABILITIES

	2022	2021
	HK$'000	*HK$'000*
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**517,488**	489,776

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(a). DISPOSAL OF A SUBSIDIARY

During the year ended 31 March 2022, the Group entered into agreement with one of the non-controlling interest, Vintage Gold Management Limited, to dispose of its interest in a 90% indirectly owned subsidiary, Eagle Mountain Holdings Limited, which was an investment holding company controlling interests in associates *(Note)*, at cash consideration of USD3,000,000. The disposal was completed in May 2021 and the Group recognised a gain on disposal of a subsidiary of approximately HK$22,705,000.

Net assets of Eagle Mountain Holdings Limited at the date of disposal are as follows:

	HK$'000
Cost of interest in associates	56,648
Impairment	(56,648)
Net assets disposed of	–
Cash consideration received	23,400
Less: Net assets disposed of	–
Less: Amount due from subsidiary waived	(695)
Gain on disposal of a subsidiary	22,705

An analysis of net cash inflow of bank balances and cash in respect of disposal of a subsidiary is as follows:

	HK$'000
Cash consideration received	23,400
Net cash inflow of bank balances and cash	23,400

Note:

	31 March 2022 *HK$'000*
Cost of interest in associates	56,648
Share of post-acquisition loss and other comprehensive income	(56,648)
Disposed during the year	–

21(b). DECONSOLIDATION OF SUBSIDIARIES

On 23 November 2021, IBS HK, a subsidiary of the Group, was put into winding up petition by a creditor in The High Court of the Hong Kong Special Administrative Region (the "Court").

On 21 February 2022, IBS HK was informed that the Court has made an order (the "Order") to accept the petition for the winding up of IBS HK. The provisional liquidators were appointed in relation to the winding up of IBS HK.

Accordingly, the Group had deconsolidated IBS HK and its subsidiaries (collectively referred to as "Deconsolidated Subsidiaries") as the Directors considered that the Group's control over Deconsolidated Subsidiaries had been lost. The net liabilities of Deconsolidated Subsidiaries at the date of deconsolidation were as follows:

Analysis of assets and liabilities over which control was lost:

	HK$'000
Property, plant and equipment	98
Intangible assets	–
Trade and other receivables	88
Bank balances and cash	15,999
Lease liabilities	(562)
Trade and other payables	(32,434)
Amount due from a fellow subsidiary	145,464
Amount due to intermediate holding company	(254,568)
Net liabilities deconsolidated	(125,915)

Net liabilities deconsolidated	(125,915)
Add: Amount due to intermediate holding company waived	254,568
Less: Amount due from a fellow subsidiary waived	(145,464)
Gain on deconsolidation of subsidiaries	(16,811)

An analysis of net cash outflow of bank balances and cash in respect of deconsolidation of subsidiaries is as follows:

	HK$'000
Bank balances and cash deconsolidated	(15,999)
Net cash outflow of bank balances and cash	(15,999)

FINAL DIVIDEND

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

OVERALL RESULTS

Key performance indicator (Financial Ratio)

		Year ended 31 March	
	Notes	**2022**	2021
Revenue *(HK$'000)*		**304,416**	85,521
Gross profit margin *(%)*	*(i)*	**5.8%**	24.8%
Loss for the year *(HK$'000)*		**145,171**	140,050
Loss per share *(HK cent)*		**0.59**	0.65
Net asset value per share *(HK cents)*	*(ii)*	**3.54**	4.14

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 2022 (2021: 20,319,072,320 ordinary shares).

For the current year, the Group recorded a revenue of approximately HK$304,416,000, representing a growth 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"). The Group's business was heavily impacted by the global COVID-19 pandemic (the "Pandemic") in the preceding financial year. In the current year, with the gradual easing of the Pandemic, the construction works and sales office resumed to normal operation. The increase of revenue for the year was mainly resulted from the sales of car parking spaces and completed commercial units held for sale in Liuzhou Zhenghe.

An overall gross profit of approximately HK$17,747,000 (2021: HK$21,201,000) and gross profit margin of 5.8% (2021: 24.8%) were recorded for the current year. Decrease in gross profit margin recorded in current year was mainly due to certain defective commercial units in Zone E were selected for sale at price below market price and thus drove down the overall gross profit margin.

The Group continued to incur losses of approximately HK$145,171,000 for the current year (2021: HK$140,050,000). The substantial loss is mainly attributable to (a) impairment loss of HK$17,294,000 on loan receivables; (b) impairment losses of HK$44,773,000 on intangible assets in respect of IBS settlement platform system; and (c) write-down of properties held for sale of HK$24,355,000 made for the year. Moreover, as the contact lens business and leasing and trading of computer equipment business are still under development, which cannot generate adequate profit to cover the operating costs and aforesaid impairment loss of the Group. The basic and diluted loss per share was approximately HK$0.59 cents for the current year (2021: HK$0.65 cents).

REVIEW OF OPERATIONS AND PROSPECT

International Business Settlement

Deconsolidated operation – EMI License business

International Business Settlement Limited (the "IBS HK"), a wholly-owned subsidiary of the Group, engaged a software developer to develop Next Generation Settlement Network (the "NGSN"), a platform which is designed to build an alternative speedy financial clearing and settlement channel for countries along the "Belt and Road" in Asia, Europe, Africa and other regions, while providing convenient financial services for multilateral trade. Initially, NGSN targeted to establish an efficient and convenient business settlement and clearing platform in the European Economic Area (EEA) by capitalizing on the local clearing system of the Single Euro Payment Area (SEPA) ("European Platform"). However, under the impact arising from the world trade environment, changes in financial regulatory trend and changes in China and global political environment, full impairment was made by the Group for the investment in the European Platform in 2019.

In 2021, there was a dispute on disagreement of acceptance of works over the phase completion on the European Platform with the software developer and the software developer claimed USD2,983,000 (approximately HK$23,226,000) service fee plus interest due to late payments and related legal fee from IBS HK. IBS HK received an arbitral claim and a winding up petition against IBS HK from software developer. Eventually on 21 February 2022, the High Court ordered that IBS HK be wound up (the "Compulsory Liquidation of the Subsidiary") pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong). The winding up was under process and provisional liquidator was appointed in relation to the winding up of IBS HK.

Given the above circumstances, upon the appointment of liquidator, all the powers of the directors of IBS HK shall cease and the administration of IBS HK affairs passes to the liquidator. Hence, the Group has lost control over the operations of IBS HK and its subsidiaries, including a subsidiary which holds electronic money institution license ("EMI License") to provide a small scale of fund settlement services in Lithuania. The directors of the Group have determined to exclude the financial position, results and cash flows of IBS HK and its subsidiaries (collectively referred to as "Deconsolidated Subsidiaries") from the Group's consolidated financial statements as at 21 February 2022 and for the period from 21 February 2022 to 31 March 2022. The deconsolidation of Deconsolidated Subsidiaries had resulted in a gain on deconsolidation of approximately HK$16,811,000 recognised in consolidated profit or loss for the year ended 31 March 2022. Prior to deconsolidation, the EMI License business contributed revenue of HK$9,878,000 to the Group.

To the best knowledge of the Company, the Deconsolidated Subsidiaries has no material impact to the current core business operation and financial position of the Group as the contribution of the business from the EMI license is limited and all the significant payables have already been recorded in the financial position of the Group prior to deconsolidation.

Continuing operations – Belt and Road settlement business

Despite the heavy blow experienced on the European Platform, the Group has faith on the idea and concept of NGSN and continuing seeking alternative model to develop the platform. In mid-2019, the Group reorganized the management team and employed experts and technical staff to give a second trial. In 2020, the Group engaged a new software developer to assist the Group in developing platform for cross-border settlement, trade and financial services between Russia and China.

Up to 31 March 2022, the total investment made by the Group on this new platform amounted to HK$24,373,000. However, the development of this new platform was severely affected by the global outbreak of the COVID-19 pandemic since early 2020. In addition, with recently outbreak of military conflict between Russia and Ukraine imposed broad sanctions and other restrictive actions against governmental and other entities in Russia, which in turn have and may continue to have an adverse impact on the development of platform. Impairment of HK$24,373,000 is required to be made for the platform during the year after considering the uncertainties associated with the ongoing conflict and future realizable value.

Apart from developing the aforementioned settlement platform, in view of the opportunity of the development of Central Bank Digital Currency ("CBDC") proposed by the PRC government, the Group also engaged a consultant to help to develop a cross-border settlement system in connection to the CBDC in 2021. Up to 31 March 2022, the total investment made by the Group for the system in relation to the CBDC amounted to HK$20,400,000. However, the economic and political challenges mean that after several years of localized testing there is still no clear and concrete timetable for the launch of CBDC, the future realizable value of the system is uncertain. As a result, full impairment on the investment amounted to HK$20,400,000 was made.

Despite the challenges and difficulties facing, the Group acknowledges that the development of alternative settlement channels continues to be challenging and we will continue to work through the challenges.

For current year, revenue generated from this segment was HK$9,878,000 which was contributed from the deconsolidation business of EMI license prior to deconsolidation and total loss incurred was HK$41,265,000 (2021: HK$33,904,000). The substantial loss was mainly due to aforesaid impairment made for intangible assets.

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 513,000 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	15,000	–
Zone B	94,000	130,000	10,000	–
Zone C	61,000	258,000	115,000	–
	231,000	485,000	140,000	–
Phase II:				
Zone D	71,000	191,000	44,000	–
Zone E	30,000	140,000	80,000	31,000
Zone F	41,000	182,000	111,000	–
	142,000	513,000	235,000	31,000
Total:	373,000	998,000	375,000	31,000

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 2022.

(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 11,000 square meters are held for sale. Previously, approximately 8,000 square meters car parking spaces in this zone were held form self-operating to generate stable recurring income and thus classify as the Group's property, plant and equipment. During the year, approximately 4,000 square meters of car parking spaces were sold to the customers and expected that the remaining approximately 4,000 square meters car parking spaces will be sold. Thus car parking spaces in Zone A were transfer to property held for sale.
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 and retail outlets with a total saleable area of approximately 19,000 square meters were sold to the customers and revenue was recognized during the year.
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 2023. Car parking spaces with a total saleable area of approximately 69,000 square meters are held for sale.

	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 in the past 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 and few remaining retail shops with a total saleable area of approximately 44,000 square meters in this zone 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 and car parking spaces attached to this apartment building with a saleable area of approximately 26,000 and 54,000 square meters respectively are held for sale. The construction works of the hotel building were completed and the pre-sale permit was granted. The acceptance certificates of completion are expected to be obtained in 2023. The Group plan 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 together with the attached retail outlets 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 2022.

(i) For property development segment in Liuzhou Zhenghe, an area of approximately 44,000 square meters (2021: 7,000 square meters) was sold and generated a segment revenue of approximately HK$292,042,000 for the current year (2021: HK$75,733,000). A segment loss of approximately HK$34,340,000 was recorded for the current year (2021: segment loss of HK$8,925,000). During the current year, with the gradual easing of the COVID-19 Pandemic, the construction works and sales office resumed to normal operation. The increase of revenue for the year was mainly resulted from the sales of car parking spaces and completed commercial units held for sale. The increase in segment loss was mainly due to HK$24,355,000 write-down value of completed properties held for sale in Zone E due to defects found in certain units.

An external expert was engaged to help to assess the fair value of the properties development project as at 31 March 2022. 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 2022 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 works of the hotel building were completed but acceptance certificate of completion not yet obtained 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 2023.

Contact lenses Business

The construction and civil engineering works of the production plant of Fujian Unicon Optical Co., Ltd ("Fujian Unicon") were completed in last financial year and the construction of GMP clean room and electrical engineering has been completed in the current year. 3 production lines have been set up and put into production in December 2021 and another 2 production lines are being installed and expect to complete in mid-2022. According to the development plan, 7 production lines in total will be installed and expected to be completed in late 2022. By then, the full production capacity will reach approximately 21 million pieces per month.

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. As at 31 March 2022, Fujian Unicon has obtained 5 types of Medical Device Registration for soft contact lens, and another 2 types of Medical Device Registration are under application, which are expected to be obtained in second half of 2022. With the gradual acquisition of the medical device registration, the product categories will be gradually expanded, and further enhance the product category of cooperation with customers and promote the release of production capacity. At the same time, Fujian Unicon is preparing relevant documents and product technical data for new products, and plans to submit 3 types of new device registration certificates to the China Food and Drug Administration in the second half of 2022. The acquisition of these certificates will become a major technological breakthrough and a leading product of Fujian Unicom in mainland China.

The "ISO13485 Medical Device Quality Management System" certification is progressing smoothly and is expected to be qualified in mid-2022. The certification provides Fujian Unicon with compliance verification and more effective risk management, helping to confirm compliance with national or international regulatory requirements, thus lay a solid foundation for entering the international market.

Since 2021, with authorization for major product categories with the latest technologies in the market from Taiwan Unicon Optical Co., Ltd (non-controlling shareholder of Fujian Unicon), Fujian Unicom has applied for 5 product registration certificates, and has obtained 4 certificates, the remaining certificate is expected to be obtained in the second quarter of 2022. At present, the company's R&D department is preparing technical data for another 5 new product registration, and plans to submit applications in succession from 2022 to 2023.

With the Medical Device Production Permit obtained during current year, Fujian Unicon commenced production of contact lenses since December 2021 and obtained original equipment manufacturing (OEM) orders from PRC customers. During the year, this segment recorded a minimal sales revenue of HK$2,159,000 (2021: HK$1,829,000) and recorded a loss of HK$40,598,000 for the current year (2021: HK$13,752,000). The substantial loss for the current year was mainly due to salaries, depreciation, and research and development expenses incurred. It's expected that the sales will grow up when the remaining production line commenced production successively. The new plant would not make any profit contribution to the Group before the plant reaches the optimal production status. By all means, the Group will try to expedite the process of reaching the designed capacity of the new plant so as to generate profit contribution as soon as possible.

Leasing and trading of computer equipment

In January 2022, the Group set up a subsidiary (the "Subsidiary") with an independent third party, Merak Technology Limited ("Merak"), to engage mainly in the business of leasing of data storage equipment to customers who provide virtual data storage space for end-users and trading of computer equipment. In view of the fast pace development of the virtual world and the ever increasing amount of data being generated online every minute of the day, the Board believes that the need for secured, encrypted and reliable cloud distributed storage space is not only an important element of the infrastructure of the healthy development of the virtual world and will also increase sharply in the near future. The Group considers that the Subsidiary is an attractive investment that will fit into the Group's business strategy and bring positive returns to the Group in the long run.

Pursuant to the agreement, the Group holds 51% and Merak holds 49% of the Subsidiary and the Group agreed to contribute a non-interest bearing shareholder's loan in the principal amount of not more than HK$300 million to the Subsidiary to develop and operate its business. The Group is primarily responsible for the capital and administration matters of the Subsidiary while Merak is mainly responsible for sourcing of equipment suppliers, and target customers and provision of technical and engineering support for the maintenance of the equipment.

The Subsidiary planned to set up approximately 1,000 sets of server equipment and auxiliary parts with specific specifications and configuration to connect to IPFS system with capacity of 390TB each for the purpose of providing cloud data storage services. The servers will be set up in Hong Kong and plans to be conducted in two phases. As at 31 March 2022, the Subsidiary completed the first phrase by setting up 40 sets of servers and all 40 sets of servers were leased out to customer. The leasing fees payable by customers to the Group consist of fixed rent and variable rent components.

The second phase of setting up of approximately 960 sets of servers has been started and expected to be completed in six to nine months. The progress of the second phase will base on the actual demand from its customers and performance of its business. It is expected that the leasing of the data storage equipment will generate stable revenue stream for the Group and helps to maximize the return of the Shareholders.

As the set-up of the first phase of 40 sets of equipment was completed and leased out to customer in March 2022, the revenue generated for the Group is relatively low for the current year. For the year ended 31 March 2022, the revenue of this segment was approximately HK$219,000 and the segment profit for the year was HK$129,000. The major expenses of this segment are rental expenses incurred for data site.

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 recovery of any amount in arrears from these receivables. During the preceding financial year, 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 in the preceding financial 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. In combination with the outbreak of COVID-19 since January 2020 and lockdown measures, 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, accumulated impairment loss of HK$129,489,000 on loan receivables was made in the past financial years.

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 2022.

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 2022 was approximately RMB99,871,000 (2021: RMB109,259,000).

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. 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 2022 was a few hundred thousand renminbi only. The Company will continue to monitor the situation and, if necessary, take possible actions to recover the loan.

An independent qualified valuer, also engaged by the Group to help to assess the recoverability of loan receivable. After assessment of the long overdue status of the loan receivables since first default in 2018 and inactive response from the borrower which show barely intention to pay, the Group prudently made a full impairment provision on loan receivables and recognized an impairment loss of HK$17,294,000 for the year ended 31 March 2022 in considering the credit risk of the borrowers and recoverable amount of collaterals.

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.

As the borrowers failed to pay any of the receivables due years 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 calculation formula of ECL is EAD x PD x LGD x Discount Factor (which including exposure at default ("EAD"), Probability of Default ("PD") and loss given default ("LGD")). 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 borrowers 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 100% has been assigned. The Discount Factor is 1, where no discount is applied.

The Board is of the view that a full provision of impairment loss had been made for loan receivables and recognized an impairment loss of HK$17,294,000 in current year is fair and reasonable.

During the year, this segment recorded approximately HK$118,000 interest income (2021: HK$117,000) as revenue and the segment loss was approximately HK$19,607,000 for the year (2021: HK$60,509,000).

As at 31 March 2022, the carrying amount of loan receivables were at nil after deducting accumulated allowance of impairment loss of HK$150,717,000. The carrying amount of factoring receivables were at nil after deducting derecognition of HK$63,110,000 and accumulated allowance of impairment of HK$72,595,000.

The Group did not make any new loan during the year. With facing increasing market uncertainties and affected by the downward pressure of the macro economy in the long run, the Group downsized its financial leasing and factoring business, adopted prudent and sound operation strategy and carefully conducted its business.

Other operation-gold mine

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). As a result, our 27% effective equity interest in the gold mine in the Kyrgyz Republic was disposal to the Purchaser.

A gain of approximately HK$22,705,000 arise from the disposal. 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.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in note 21(a) and note 21(b) to the consolidated financial statements and above paragraph headed "Other operation–gold mine", there was no material acquisitions and disposal of subsidiaries and associated companies by the Group during the current year.

EVENTS AFTER REPORTING PERIOD

There were no major subsequent events since the year end date and up to the date of this announcement.

FINANCIAL REVIEW

Finance position, liquidity and gearing

As at 31 March 2022, the total assets and liabilities of the Group were at approximately HK$3,159,851,000 (31 March 2021: HK$3,363,492,000) and approximately HK$2,439,782,000 (31 March 2021: HK$2,521,991,000) respectively. The Group recorded a total equity of approximately HK$720,069,000 as at 31 March 2022 (31 March 2021: HK$841,501,000).

The Group recorded net current assets of approximately HK$130,520,000 as at 31 March 2022 (31 March 2021: HK$289,728,000). The bank balances and cash as at 31 March 2022 was approximately HK$522,507,000 (31 March 2021: HK$632,707,000), 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 1.06 (31 March 2021: 1.12).

As at 31 March 2022, the Group had total borrowing amounted to approximately HK$929,464,000 (31 March 2021: HK$875,888,000) which were denominated in Renminbi. The breakdowns are as follows:

(i) Secured bank and other borrowings amounted to approximately HK$376,181,000 (31 March 2021: HK$337,298,000) with effective interest rates in the ranges of 4.6% to 6.5%;

(ii) Unsecured other borrowings amounted to approximately HK$466,546,000 (31 March 2021: HK$454,227,000) with fixed interest rate ranges from 3% to 18%;

(iii) Interest free loan due to non-controlling interests and ultimate holding company amounted to approximately HK$60,446,000 (31 March 2021: HK$58,737,000) and approximately HK$1,645,000 (31 March 2021: HK$1,666,000) respectively; and

(iv) Interest bearing loan from non-controlling interests amounted to approximately HK$24,646,000 (31 March 2021: HK$23,960,000) with floating interest rate.

As at 31 March 2022, committed borrowing facilities available to the Group but not drawn amounted to approximately HK$111,964,000 (31 March 2021: HK$168,288,000).

The gearing ratio, as a ratio of total borrowings to total equity, as at 31 March 2022 was 1.29 (31 March 2021: 1.04).

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 2022, the Company had 20,319,072,320 shares of ordinary shares in issue and the total equity of the Group was approximately HK$720,069,000.

Charges on assets

As at 31 March 2022, certain property, plant and equipment with carrying amount of approximately HK$275,708,000 (31 March 2021: certain property, plant and equipment with carrying amount of approximately HK$248,265,000 and certain properties held for sale with carrying amount of HK$146,246,000 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 2022, the guarantee given to banks for the above-mentioned mortgage facilities amounted to approximately HK$517,488,000 (31 March 2021: HK$489,776,000).

Foreign exchange exposure

As part of the Group's assets and liabilities are denominated in Renminbi, US dollars 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 2022, the total headcount of the Group, not including the employees of the Deconsolidated Subsidiaries was 190 (2021: 170). 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 2022.

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 2022 except for certain deviations as specified and explained below with considered reasons for such deviations.

(a) In accordance with the code provision C.2.1 (formerly 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 C.2.7 (formerly 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 2022.

(c) Code provision F.2.2 (formerly 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 30 August 2021 was elected as chairman thereof to ensure an effective communication with the shareholders thereat.

(d) Code provision C.6.3 (formerly 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 2022 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 2022 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 2021/2022 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, 24 June 2022

* *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; Mr. Liu Yu as non-executive director; Mr. Yap Yung, Ms. Chen Lanran and Mr. Wong Kin Ping as independent non-executive directors.