

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the announcement.

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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The board of directors (the “Board” or the “Directors”) of International Business Settlement Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2024 (the “period” or “reporting period”), together with the comparative figures, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 September	
		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
			(re-presented)
Continuing operations:			
Revenue	3	106,862	100,154
Cost of sales and services		(93,089)	(79,829)
Gross profit		13,773	20,325
Other income and losses	5	5,179	5,631
Administrative and other expenses		(11,264)	(9,514)
Share of profit of an associate		(2,659)	–
Impairment loss on properties held for sale	12	(31,103)	(9,880)
Finance costs	6	(28,353)	(28,253)
Loss before taxation from continuing operations		(54,427)	(21,691)
Income tax expenses	7	(11,002)	(12,745)
Loss for the period from continuing operations		(65,429)	(34,436)
Discontinued operations:			
Loss for the period from discontinued operations		–	(53,992)
Loss for the period	8	(65,429)	(88,428)

		Six months ended	
		30 September	
		2024	2023
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited) (re-presented)
Loss for the period attributable to the owners of the Company:			
	– from continuing operations	(47,750)	(25,575)
	– from discontinued operations	–	(39,304)
		<u>(47,750)</u>	<u>(64,879)</u>
Loss for the period attributable to non-controlling interests:			
	– from continuing operations	(17,679)	(8,861)
	– from discontinued operations	–	(14,688)
		<u>(17,679)</u>	<u>(23,549)</u>
Loss for the period		<u>(65,429)</u>	<u>(88,428)</u>
Other comprehensive (expense) income for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translation of financial statements of foreign operations	(3,655)	710
Total comprehensive expense for the period		<u>(69,084)</u>	<u>(87,718)</u>
Total comprehensive expense attributable to the owners of the Company:			
	– from continuing operations	(50,527)	(21,322)
	– from discontinued operations	–	(42,956)
		<u>(50,527)</u>	<u>(64,278)</u>
Total comprehensive expense attributable to non-controlling interests:			
	– from continuing operations	(18,557)	(6,676)
	– from discontinued operations	–	(16,764)
		<u>(18,557)</u>	<u>(23,440)</u>
		<u>(69,084)</u>	<u>(87,718)</u>
Loss per share – basic and diluted (HK cents)			
	– from continuing operations	10 (0.24)	(0.13)
	– from discontinued operations	10 –	(0.19)
		<u>(0.24)</u>	<u>(0.32)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2024	31 March 2024
	<i>Notes</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		309,199	353,615
Interest in an associate		108,777	108,333
Deferred tax assets		59,376	68,981
Amount due from an associate		32,164	31,089
		<hr/> 509,516	<hr/> 562,018
CURRENT ASSETS			
Loan receivables	<i>11</i>	–	–
Properties held for sale	<i>12</i>	922,059	926,706
Trade and other receivables	<i>13</i>	188,650	142,483
Factoring receivables	<i>14</i>	–	–
Restricted bank deposits		452	440
Bank balances and cash		326,080	334,518
		<hr/> 1,437,241	<hr/> 1,404,147
CURRENT LIABILITIES			
Other payables	<i>15</i>	730,679	678,402
Borrowings	<i>16</i>	527,627	512,586
Amounts due to non-controlling interests		53,070	51,905
Amount due to ultimate holding company		1,613	1,624
Amount due to an associate		–	3,580
Tax liabilities		32,826	31,891
Contract liabilities	<i>17</i>	86,726	84,254
Lease liabilities		4,147	3,526
		<hr/> 1,436,688	<hr/> 1,367,768

		30 September	31 March
		2024	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
NET CURRENT ASSETS		<u>553</u>	<u>36,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>510,069</u>	<u>598,397</u>
NON-CURRENT LIABILITIES			
Borrowings	16	22,205	21,572
Lease liabilities		<u>1,392</u>	<u>269</u>
		<u>23,597</u>	<u>21,841</u>
NET ASSETS		<u>486,472</u>	<u>576,556</u>
CAPITAL AND RESERVES			
Share capital		20,319	20,319
Reserves		<u>460,007</u>	<u>510,534</u>
Equity attributable to owners of the Company		480,326	530,853
Non-controlling interests		<u>6,146</u>	<u>45,703</u>
TOTAL EQUITY		<u>486,472</u>	<u>576,556</u>

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These condensed consolidated financial statements have been prepared with the same accounting policies adopted in the 2023/2024 annual consolidated financial statements, except for those that relate to amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) effective for the first time for periods beginning on or after 1 April 2024. Details of any changes in accounting policies are set out in note 2.

The preparation of these condensed consolidated financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed consolidated financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023/2024 annual consolidated financial statements. These condensed consolidated financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with the HKFRSs and should be read in conjunction with the 2023/2024 annual consolidated financial statements.

Basis of measurement and going concern assumption

The Group incurred a loss from continuing operations of approximately HK\$65,429,000 for the period ended 30 September 2024 and as at 30 September 2024, the Group had borrowings of approximately HK\$549,832,000, of which approximately HK\$527,627,000 are current borrowings due within twelve months from 30 September 2024 while its cash and cash equivalents amounted to approximately HK\$326,080,000 only.

Notwithstanding the above, the condensed consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the current and anticipated future liquidity needs of the Group. The Directors are of the opinion that, taking into account of the good relationship between the relevant banks, other lenders and the Company, enhancing the Group’s ability on negotiating extension agreements, or seeking new long-term debts to replace existing short-term debts, when needed as well as internally generated funds of the Group, the Group has sufficient working capital for its present requirements for the next twelve months from 30 September 2024. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these condensed consolidated financial statements.

2. CHANGES IN HKFRSs

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's annual period beginning 1 April 2024:

Amendments to HKFRS 16	Lease Liability in Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and position for the current and prior period and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

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

During the year ended 31 March 2024, the Group abandoned the international business settlement segment and disposed of the contact lens business segment which were presented as discontinued operations.

An analysis of the Group's revenue for the both periods from continuing operations is as follows:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited) (re-presented)
Revenue from contracts with customers		
Sales of properties	—	42,544
Revenue from computer equipment business		
– Leasing and relevant services of computer equipment	75,780	57,610
– Trading of computer equipment	31,082	—
	106,862	57,610
	106,862	100,154

(a) Segment revenue and results

Six months ended 30 September 2024 (unaudited)

Continuing operations

	Property development <i>HK\$'000</i>	Hotel business <i>HK\$'000</i>	Computer equipment business <i>HK\$'000</i>	Financing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE					
External sales and segment revenue	<u>–</u>	<u>–</u>	<u>106,862</u>	<u>–</u>	<u>106,862</u>
Segment (loss) profit	(59,250)	–	13,524	–	(45,726)
Unallocated corporate expenses, net					(15,325)
Bank interest income					<u>6,624</u>
Loss before taxation					<u>(54,427)</u>

Six months ended 30 September 2023 (unaudited)

Continuing operations

	Property development <i>HK\$'000</i>	Hotel business <i>HK\$'000</i>	Computer equipment business <i>HK\$'000</i>	Financing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
REVENUE					
External sales and segment revenue	<u>42,544</u>	<u>–</u>	<u>57,610</u>	<u>–</u>	<u>100,154</u>
Segment (loss) profit	(29,337)	–	10,922	154	(18,261)
Unallocated corporate expenses, net					(8,911)
Bank interest income					<u>5,481</u>
Loss before taxation					<u>(21,691)</u>

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 losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
<i>Segment assets</i>		
Continuing operations		
Property development	988,171	990,274
Hotel business	185,999	180,696
Computer equipment business	288,709	297,975
Financing business	8	8
	<hr/>	<hr/>
Total segment assets	1,462,887	1,468,953
	<hr/>	<hr/>
Assets relating to discontinued operations	–	4,198
	<hr/>	<hr/>
Unallocated assets		
Bank balances and cash	319,258	334,518
Other assets	164,612	158,496
	<hr/>	<hr/>
Total unallocated assets	483,870	493,014
	<hr/>	<hr/>
Consolidated total assets	1,946,757	1,966,165
	<hr/> <hr/>	<hr/> <hr/>
<i>Segment liabilities</i>		
Continuing operations		
Property development	(1,265,571)	(1,201,882)
Hotel business	(128,928)	(125,253)
Computer equipment business	(2,936)	(945)
Financing business	(22)	(22)
	<hr/>	<hr/>
Total segment liabilities	(1,397,457)	(1,328,102)
	<hr/>	<hr/>
Liabilities relating to discontinued operations	–	(29,011)
	<hr/>	<hr/>
Unallocated liabilities		
Other liabilities	(62,828)	(32,496)
	<hr/>	<hr/>
Consolidated total liabilities	(1,460,285)	(1,389,609)
	<hr/> <hr/>	<hr/> <hr/>

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, assets relating to discontinued operations and those not attributable to respective segments; and
- all liabilities are allocated to operating segments other than liabilities relating to discontinued operations and those not attributable to respective segments.

(c) **Other segment information**

The following table provides an analysis of the Group's revenue from continuing operations from external customers and non-current assets other than interest in an associate, deferred tax assets and amount due from an associate ("Specified non-current assets").

	Revenue from external customers (by customer location)		Specified non-current assets (by physical location)	
	Six months ended		31 March	
	30 September	30 September	30 September	31 March
	2024	2023	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
		(re-presented)		
Hong Kong	106,862	57,610	122,812	172,469
PRC (domicile)	–	42,544	186,387	181,146
	<u>106,862</u>	<u>100,154</u>	<u>309,199</u>	<u>353,615</u>

5. **OTHER INCOME AND LOSSES**

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
		(re-presented)
Continuing operations		
Bank interest income	6,624	5,481
Loan interest income from an associate	442	–
Exchange loss, net	(65)	(8)
Impairment loss on trade receivables, net	(1,366)	–
Impairment loss on other receivables, net	(805)	–
Others	349	158
	<u>5,179</u>	<u>5,631</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Interest on		
– borrowings	28,043	28,027
– lease liabilities	310	226
	<u>28,353</u>	<u>28,253</u>
	<u>28,353</u>	<u>28,253</u>

7. INCOME TAX EXPENSES

	Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited) (re-presented)
Continuing operations		
Current tax in PRC		
Enterprise Income Tax (“EIT”)	–	824
Land Appreciation Tax (“LAT”)	–	4,736
	–	5,560
Deferred tax		
Charge for the period	11,002	7,185
	<u>11,002</u>	<u>12,745</u>
	<u>11,002</u>	<u>12,745</u>

No provision for Hong Kong Profits Tax has been made for both interim periods as the Group does not derive assessable profits from Hong Kong.

The PRC EIT is calculated based on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Group’s PRC subsidiaries during both interim periods is 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 which 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 30 September 2024, there were no prepaid LAT and EIT in respect of contract liabilities (unaudited) (31 March 2024: Nil (audited)).

8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(re-presented)
Continuing operations		
Directors' emoluments	1,480	1,480
Other staff salaries, wages and allowances	5,451	4,129
Other staff retirement benefit scheme contributions	157	179
	<u>7,088</u>	<u>5,788</u>
Total staff costs	<u>7,088</u>	<u>5,788</u>
Cost of inventories recognised as expenses	29,602	33,220
Depreciation of property, plant and equipment	54,140	39,861
	<u>54,140</u>	<u>39,861</u>

9. DIVIDEND

No dividend was paid, declared or proposed during the reporting period. The Board has resolved not to declare any interim dividend for the reporting period (2023: Nil).

10. LOSS PER SHARE

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

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
		(re-presented)
Loss		
Loss for the period attributable to owners of the Company for the purposes of basic loss per share		
– Continuing operations	(47,750)	(25,575)
– Discontinued operations	–	(39,304)
	<u>(47,750)</u>	<u>(64,879)</u>
	<u>(47,750)</u>	<u>(64,879)</u>

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of shares	<u>20,319,072,320</u>	<u>20,319,072,320</u>

	Six months ended 30 September	
	2024	2023
	(unaudited)	(unaudited)
		(re-presented)
Basic loss per share (HK cents)		
– Continuing operations	(0.24)	(0.13)
– Discontinued operations	–	(0.19)
	<u>(0.24)</u>	<u>(0.32)</u>

Diluted loss per share is the same as the basic loss per share as there were no dilutive potential ordinary shares in issue for both periods.

11. LOAN RECEIVABLES

	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Loan receivables	129,045	125,366
Interest receivables	<u>6,745</u>	<u>6,553</u>
	135,790	131,919
Less: Loss allowance (<i>Note(b)</i>)		
Stage 3	<u>(135,790)</u>	<u>(131,919)</u>
Carrying amount of loan receivables	<u>–</u>	<u>–</u>

As at 30 September 2024 and 31 March 2024, 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% (31 March 2024: 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:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Over 5 years	<u><u>135,790</u></u>	<u><u>131,919</u></u>

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

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Over 3 years	<u><u>135,790</u></u>	<u><u>131,919</u></u>

(b) Movement in impairment losses

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

	Stage 3 Lifetime ECL credit- impaired HK\$'000
At 31 March 2024 (audited)	131,919
Exchange adjustments	<u>3,871</u>
At 30 September 2024 (unaudited)	<u><u>135,790</u></u>

For the period ended 30 September 2024, no increase of loss allowance was charged to profit or loss as impairment.

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.

12. PROPERTIES HELD FOR SALE

	30 September 2024 <i>HK\$'000</i> (unaudited)	31 March 2024 <i>HK\$'000</i> (audited)
Completed properties held for sale	<u>922,059</u>	<u>926,706</u>

The management of the Group had engaged an independent qualified professional valuer to carry out valuation on the properties held for sale by market comparison approach. An impairment loss on completed properties held for sale of HK\$31,103,000 has been recognised for the period ended 30 September 2024 (unaudited) (for the period ended 30 September 2023: HK\$9,880,000 (unaudited)).

13. TRADE AND OTHER RECEIVABLES

	30 September 2024 <i>HK\$'000</i> (unaudited)	31 March 2024 <i>HK\$'000</i> (audited)
Trade receivables	149,820	73,955
Less: Loss allowance	<u>(1,686)</u>	<u>(320)</u>
	148,134	73,635
Other receivables and prepayments:		
Other deposits	9,278	5,864
Other tax prepayment	1,494	626
Other receivables	12,884	15,241
Consideration receivables	14,918	14,918
Other prepayments	<u>1,942</u>	<u>32,199</u>
	<u>188,650</u>	<u>142,483</u>

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.

(a) Ageing analysis

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

	30 September	31 March
	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
0-90 days	37,473	73,519
91-180 days	37,541	–
181-365 days	73,022	–
1-2 years	98	116
	<u>148,134</u>	<u>73,635</u>

(b) Movement in impairment loss

Movement in loss allowance of trade receivables of the Group during the period/year are as follows:

	30 September	31 March
	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
At the beginning of the period/year	320	308
Impairment loss charged to profit or loss	1,366	320
Disposal of a subsidiary	–	(295)
Exchange adjustments	–	(13)
	<u>1,686</u>	<u>320</u>

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.

14. FACTORING RECEIVABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Factoring receivables	64,395	62,559
Interest receivables	<u>2,312</u>	<u>2,247</u>
	66,707	64,806
Less: Loss allowance (<i>Note(b)</i>) Stage 3	<u>(66,707)</u>	<u>(64,806)</u>
Carrying amount of factoring receivables	<u><u>–</u></u>	<u><u>–</u></u>

As at 30 September 2024, all factoring receivables were secured by accounts receivables of the debtors with interest rate of 6.5% (31 March 2024: 6.5%) per annum. The Group has recourse right on the debts in the event of default. However, the collaterals are not permitted to be sold or re-pledged 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:

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Over 5 years	<u><u>66,707</u></u>	<u><u>64,806</u></u>

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

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Over 3 years	<u><u>66,707</u></u>	<u><u>64,806</u></u>

(b) **Movement in impairment losses**

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

	Stage 3 Lifetime ECL credit-impaired HK\$'000
At 31 March 2024 (audited)	64,806
Exchange adjustments	1,901
	<hr/>
At 30 September 2024 (unaudited)	66,707
	<hr/> <hr/>

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.

15. OTHER PAYABLES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Accrued construction costs to contractors	160,416	155,843
Interest payables	272,147	236,537
Other payables	81,462	75,545
Other tax payables	216,654	210,477
	<hr/>	<hr/>
	730,679	678,402
	<hr/> <hr/>	<hr/> <hr/>

16. BORROWINGS

	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Borrowings, secured (<i>Note (a)</i>)	128,928	125,253
Borrowings, unsecured (<i>Note (b)</i>)	420,904	408,905
	549,832	534,158
Carrying amount of borrowings repayable:		
Within one year	527,627	512,586
More than one year, but not exceeding two years	22,205	21,572
	549,832	534,158
Less: amount shown under current liabilities	(527,627)	(512,586)
Amounts shown under non-current liabilities	22,205	21,572

All borrowings were denominated in RMB during both periods.

All borrowings carried interest at fixed rates and the ranges of effective interest rates are as follows:

	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Effective interest rates	3% – 18%	3% – 18%

Notes:

- (a) The followings show the carrying amounts of certain assets pledged to secure the borrowings provided to the Group:

	Carrying amounts of assets pledged for borrowings HK\$'000
At 30 September 2024 (unaudited)	
Property, plant and equipment	<u>67,888</u>
At 31 March 2024 (audited)	
Property, plant and equipment	<u><u>65,952</u></u>

As at 30 September 2024, hotel rooms under construction in progress (included in property, plant and equipment) of HK\$67,888,000 (unaudited) (31 March 2024: HK\$65,952,000 (audited)) are pledged as security for one of the Group's borrowings of HK\$128,928,000 (unaudited) (31 March 2024: HK\$125,253,000 (audited)) at a fixed rate of 6.5% per annum.

- (b) As at 30 September 2024, the Group's unsecured borrowings represent:
- (i) Unsecured borrowings of HK\$7,594,000 (unaudited) (31 March 2024: HK\$7,378,000 (audited)) provided by independent third parties with interest at a fixed rate of 18% per annum;
 - (ii) Unsecured borrowings of HK\$22,205,000 (unaudited) (31 March 2024: HK\$21,572,000 (audited)) provided by Radiant Path Global Limited, a 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\$391,105,000 (unaudited) (31 March 2024: HK\$379,955,000 (audited)) 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.

17. 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.

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Contract liabilities arising from property development business	<u>86,726</u>	<u>84,254</u>
		HK\$'000
At 31 March 2024 (audited)		84,254
Exchange adjustments		<u>2,472</u>
At 30 September 2024 (unaudited)		<u>86,726</u>

18. CONTINGENT LIABILITIES

	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	<u>465,615</u>	<u>452,342</u>

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.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall results

Key performance indicator (Financial Ratio)

Continuing operations:

		Six months ended	
		30 September	
	Notes	2024	2023 (re-presented)
Revenue (HK\$'000)		106,862	100,154
Gross Profit margin (%)	(i)	12.89%	20.30%
Loss for the period (HK\$'000)		65,429	34,436
Loss per share (HK cents)		0.24	0.13
		30 September	31 March
		2024	2024
Net asset value per share (HK cents)	(ii)	2.39	2.84

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 30 September 2024 (31 March 2024: 20,319,072,320 ordinary shares).

The Group's revenue from continuing operations for the reporting period is approximately HK\$106,862,000, compared to HK\$100,154,000 in 2023. In current reporting period, the revenue is primarily derived from the leasing and trading of computer equipment. No revenue was generated from property sales in current period due to the unfavorable business environment in the PRC's real estate industry, resulting in stagnant sales of the remaining unsold units. In the corresponding period last year, revenue comprised HK\$57,610,000 from leasing and trading of computer equipment and HK\$42,544,000 from property sales.

An overall gross profit of approximately HK\$13,773,000 (2023: HK\$20,325,000) and gross profit margin of 12.89% were recorded for the current period (2023: 20.30%). Decrease in gross profit margin was mainly due to higher average selling prices of studio/office building in Zone C in preceding period as compared to stable gross profit margin generated from leasing and trading of computer equipment in current period.

The Group continued to incur losses of approximately HK\$65,429,000 for the reporting period (2023: HK\$34,436,000). The loss was mainly attributable to (i) impairment loss on properties held for sale amounted to HK\$31,103,000 as a result of the poor property market conditions in the PRC; and (ii) finance costs amounted to HK\$28,353,000 in the reporting period which cannot be capitalised as the major building construction works were completed. The basic and diluted loss per share from continuing operations was approximately 0.24 HK cent for the reporting period (2023: 0.13 HK cent for continuing operations).

Review of operations and prospect

Continuing Operations

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 柳州正和樺桂置業集團有限公司 (Liuzhou Zhenghe Huagui Real Estate Group Company Limited*) (“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. The construction work of both Phase I and Phase II are substantially completed. The Group owned 100% interest in properties held for development and properties held for sale in both Phase I and Phase II.

(a) Detailed 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)	Properties held for self- operating/ own use (sq.m)
Phase I:				
Zone A	76,000	97,000	12,000	–
Zone B	94,000	130,000	10,000	–
Zone C	61,000	258,000	109,000	–
	<u>231,000</u>	<u>485,000</u>	<u>131,000</u>	<u>–</u>
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	35,000	–
	<u>142,000</u>	<u>513,000</u>	<u>159,000</u>	<u>31,000</u>
Total:	<u><u>373,000</u></u>	<u><u>998,000</u></u>	<u><u>290,000</u></u>	<u><u>31,000</u></u>

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 30 September 2024.

(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 12,000 square meters are 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. Remaining unsold saleable area are retail outlets and car parking spaces with approximately 10,000 square meters held for sale.
Zone C	Residential and commercial complexes and studio/office buildings with retail outlets and car parking spaces	<p>There are 7 blocks of residential and commercial complexes and 3 blocks of studio/office buildings in this zone.</p> <p>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.</p> <p>The construction works of the remaining 1 block of studio/office building were completed and acceptance certificates of completion were granted in 2023. Remaining unsold saleable area of approximately 26,000 square meters are held for sale. Besides, retail outlets and car parking spaces attached to these buildings with saleable area of approximately 83,000 square meters in this zone are held for sale.</p>

	Property type	Status
Phase II:		
Zone D1	Villas	The construction works of the villas in this zone were completed and sold to the customers and revenue was recognised in the past financial years.
Zone D1	High-rise apartment buildings with retail outlets and car parking spaces	<p>There are 5 blocks of high-rise apartment buildings in this zone.</p> <p>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.</p> <p>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.</p>
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.

Property type

Status

Zone F

Residential and commercial complexes with retail outlets and car parking spaces

The substantial construction works of the hotel building were completed and the pre-sale permit was granted. The acceptance certificate of completion is expected to be obtained in 2025. The Group intends to operate the hotel directly instead of holding for sale. Therefore, constructing area of approximately 31,000 square meters of the hotel building are recorded in property, plant, and equipment.

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 were completed and acceptance certificates of completion were granted and the properties were therefore delivered to customer in previous financial year.

Remaining unsold saleable area are mainly included retail outlets and car parking spaces attached to this complex with a saleable area of approximately 8,000 and 27,000 square meters respectively.

- (i) For property development segment in Liuzhou Zhenghe, no revenue has been generated from property sales due to the challenging business conditions currently affecting the real estate industry in the PRC. Consequently, the sale of remaining unsold units during this reporting period has been stagnant. In the same period last year, approximately 6,000 square meters were sold, generating segment revenue of approximately HK\$42,544,000.

A segment loss of approximately HK\$59,250,000 was recorded for the reporting period (2023: HK\$29,337,000). Segment loss recorded was mainly due to (i) impairment loss on properties held for sale amounted to HK\$31,103,000 as a result of the poor property market conditions in the PRC; and (ii) finance costs of HK\$28,353,000 cannot be capitalized and charged as expense during the period as most of the building construction works in Liuzhou Zhenghe were completed.

An external expert was engaged to help to assess the fair value of the properties development project as at 30 September 2024. 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. An impairment loss amounted to HK\$31,103,000 is recognized for the period ended 30 September 2024 as the net realisable value is lower than carrying amount.

Liuzhou Zhenghe will continue to develop the remaining hotel building in Zone E in 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. The substantial construction works of the hotel building were completed but acceptance certificate of completion has not yet been obtained. 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. However, the franchise agreement was lapsed as the acceptance certificate of completion was not granted within the contract period. No revenue will be generated until commencement of operation of the hotel.

Leasing and trading of computer equipment

The Group believes that the emerging Fintech industry is one of the innovative factors that would improve the delivery of global financial services in the future. The Group continues to explore different potential opportunities in the Fintech sector, including but not limited to Fintech-related upstream and downstream services, infrastructure projects in connection with Fintech.

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 and the computer equipment is not only an important element of the infrastructure for the healthy development of the virtual world but will also increase sharply in the near future. In 2022, the Group started a business in leasing of data storage equipment to customers who provide virtual data storage space for end-users and trading of computer equipment.

As at 30 September 2024, the Group holds 1,410 set of servers in total and all were leased out to customers. The leasing fees of computer equipment payable to the Group consist of a fixed rent plus a variable rent with reference to the average market price of Filecoin quoted on different cryptocurrency exchanges with specific formula.

During the reporting period, all 1,410 set of servers were leased out. However, as the market price of Filecoin continued to drop in the recent years, certain leasee decided not to renew the leasing contract after the tenor. As this business can generate a steady income stream for the Group, the management will negotiate with the customers and adjust the leasing fee to attract new customer.

For the reporting period, the revenue generated from leasing of data storage equipment was approximately HK\$75,780,000 (2023: HK\$57,610,000) and trading of data storage equipment was HK\$31,082,000 (2023: Nil) respectively; and the segment profit for the period was HK\$13,524,000 (2023: HK\$10,922,000). As all servers were leased out, it generated a steady income stream and segment profit to the Group.

With the Hong Kong government's announcement of its strategy to promote Fintech and establish a leading crypto hub, the Group anticipates a shift towards a more friendly regulatory regime for cryptocurrencies in the future. The upcoming legislative framework will provide greater transparency and clarity for future cryptocurrency trading activities. In light of this, the Group intends to expand its involvement in the cryptocurrency sector, including but not limited to trading in crypto and crypto-asset production in the future.

Financing Business

The Group adopted a prudent and careful strategy to operate its financing business and no new loan has been lent during the current period. Although all long overdue loans have been fully impaired in the previous years, we kept arranging staff to visit the pledged plantation site in Shanghai regularly and performed stock take of the collaterals to make sure the collaterals are in good condition. We will continue to monitor the situation and explore any possible actions to recover the loans.

Fujian Unicon

The contact lens business in Fuzhou was disposed of in November 2023 and became a 34% associated company. With the help of the new investor, operations are gradually improving. During the current period, the loss shared by the Group amounted to HK\$2,659,000.

Update on the progress of the proposed new projects

Digital currencies business

In March 2024, the Group announced to establish a joint venture company in Lao People's Democratic Republic ("Laos") with an independent third party to engage mainly in mining and trading of digital currencies.

Pursuant to the joint venture agreement, the joint venture will be owned as to 51% by the Group and 49% by the independent third party and the paid-in capital of the joint venture is set at USD2,000,000. The Group will contribute in cash, and the independent third party will contribute in cash or in kind by providing digital currency mining machines of equivalent value into the joint venture company.

During the current period, the Group is actively working with the joint venture partner to finalize the co-operation terms and when finalised, will issue further announcements as appropriate and in accordance with the requirements of the Listing Rules.

Digital logistics services business

In March 2024, the Group announced its plan to establish a joint venture in Fuzhou which shall be principally engaged in provision of full range of digital logistics services to logistics companies, cargo owners and drivers with the use of digital intelligence application platform. According to the agreement, a wholly owned subsidiary of the Company entered into a joint venture agreement with two independent parties, pursuant to which a joint venture company ("Fuzhou JV") shall be established in Fuzhou City, the PRC, with the proposed registered capital of RMB1 million to be contributed in cash according to their shareholding. The Fuzhou JV shall be owned as to 50% by a wholly owned PRC subsidiary of the Group, with remaining 40% and 10% held by two other PRC citizens.

Due to the restrictions on foreign investments in this business operation under the PRC laws, the Group intends to adopt a VIE (Variable Interest Entity) structure arrangement to confer the Group to get 60% of the economic benefits in total and control of Fuzhou JV so that it becomes a subsidiary of the Group and its financial results shall be consolidated into the consolidated financial statements of the Group.

During the current period, the Fuzhou JV has been established and is currently in the process of applying for the necessary licenses. The Company will make further announcements regarding the VIE structure as appropriate and in accordance with the requirements of the Listing Rules.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisitions and disposal of subsidiaries and associated companies during the reporting period.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

For the six months ended 30 September 2024, the Group did not hold any significant investment and has not executed any agreement in respect of material acquisitions, investments or capital asset and did not have any other future plans relating to material acquisitions, investments or capital asset as at reporting date. Nonetheless, if any potential investment opportunity arises in the coming future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

EVENTS AFTER REPORTING DATE

There are no material subsequent events undertaken by the Group after the reporting period.

FINANCIAL REVIEW

Finance position, liquidity and gearing

As at 30 September 2024, the total assets and liabilities of the Group were approximately HK\$1,946,757,000 (31 March 2024: HK\$1,966,165,000) and approximately HK\$1,460,285,000 (31 March 2024: HK\$1,389,609,000) respectively. The Group recorded a total equity of approximately HK\$486,472,000 as at 30 September 2024 (31 March 2024: HK\$576,556,000).

The Group recorded net current assets of approximately HK\$553,000 as at 30 September 2024 (31 March 2024: HK\$36,379,000). The bank balances and cash as at 30 September 2024 was approximately HK\$326,080,000 (31 March 2024: HK\$334,518,000), 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 1.00 (31 March 2024: 1.03).

As at 30 September 2024, the Group had total borrowing amounting to approximately HK\$604,515,000 (31 March 2024: HK\$591,267,000), all denominated in Renminbi. Of this total, 96% (31 March 2024: 96%) is due within one year, while 4% (31 March 2024: 4%) is due in more than one year but not exceeding two years. The breakdown is as follows:

- (i) Secured borrowings amounting to approximately HK\$128,928,000 (31 March 2024: HK\$125,253,000) with fixed interest rate of 6.5%;
- (ii) Unsecured borrowings amounted to approximately HK\$420,904,000 (31 March 2024: HK\$408,905,000) with fixed interest rate ranges from 3% to 18%; and
- (iii) Interest free loan due to non-controlling interests and ultimate holding company and associate amounting to approximately HK\$53,070,000 (31 March 2024: HK\$51,905,000), HK\$1,613,000 (31 March 2024: HK\$1,624,000) and nil (31 March 2024: HK\$3,580,000) respectively.

The gearing ratio, as a ratio of total borrowings to total equity, as at 30 September 2024 was 1.24 (31 March 2024: 1.03).

Financial resources

During the period, 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.

Capital structure

As at 30 September 2024, the total issued share capital of the Company was HK\$20,319,072 which is divided into 20,319,072,320 shares of ordinary shares of the Company.

Charges on assets

As at 30 September 2024, certain property, plant and equipment with carrying amount of approximately HK\$67,888,000 (31 March 2024: HK\$65,952,000) were pledged to secure certain 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 30 September 2024, the guarantee given to banks for the above-mentioned mortgage facilities amounted to approximately HK\$465,615,000 (31 March 2024: HK\$452,342,000).

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.

INTERIM DIVIDEND

The Board has resolved not to declare any dividend for period ended 30 September 2024 (2023: Nil).

EMPLOYMENT AND REMUNERATION POLICY

As at 30 September 2024, the Group had approximately 73 employees (2023: 74, excluding the employees from discontinued operations of contact lens business segment). 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 C3 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. 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 reporting period.

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Share Option Scheme”) providing incentives or rewards to eligible persons of the Group for their contribution to the Group. Details of the Share Option Scheme have been set out in the Company’s 2023/2024 Annual Report. For the six months ended 30 September 2024, no option was granted under the Share Option Scheme.

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 reporting period.

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 C1 of the Listing Rules throughout period 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, 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 period. 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 F.2.2 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 29 August 2024 was elected as chairman thereof to ensure an effective communication with the shareholders thereat.
- (c) Code provision C.6.3 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 period.

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

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, all of whom possess extensive experience in financial and general management. The primary duties of the audit committee of the Company are to manage the relationship between the Company and its external auditor and monitor the audit scope and the process, to review and supervise the financial reporting process, internal control system and risk management and to provide advice and comments to the Board.

The Group's unaudited interim financial information for the six months ended 30 September 2024 has been reviewed by the audit committee of the Company. Based on this review and discussions with the management, the audit committee of the Company was satisfied that the unaudited interim financial information of the Group was prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the current reporting period with adequate disclosures.

REVIEW OF INTERIM RESULTS

At the request of the audit committee of the Company, the auditors of the Company, CL Partners CPA Limited, had carried out a review of the unaudited interim financial information for the period in accordance with Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, our auditor confirmed that nothing had come to their attention that caused them to believe that the interim financial information was not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.147hk.com respectively. The interim 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 take this opportunity to express our appreciation to the continuous support of our shareholders and hard work and dedication of all our staff over the period.

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

Hong Kong, 28 November 2024

* *The English name is for identification purpose only*

As at the date hereof, the Board comprises Mr. Yuen Leong and Mr. Chan Siu Tat as executive Directors; Mr. Liu Yu as non-executive Director; and Mr. Yap Yung, Ms. Chen Lanran and Mr. Wong Kin Ping as independent non-executive Directors.