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 2019

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 2019 (the "current year"), together with the comparative figures for the year ended 31 March 2018, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**827,848**	543,333
Cost of sales and services		**(707,616)**	(498,265)
Gross profit		**120,232**	45,068
Other income, gains and losses	*5*	**10,625**	37,466
Selling expenses		**(8,590)**	(14,227)
Administrative and other expenses		**(129,186)**	(113,403)
Impairment loss on property, plant and equipment		**(13,771)**	–
Impairment loss on intangible assets		**(59,186)**	–
Impairment loss on loan receivables		**(2,498)**	–
Impairment loss on factoring receivables		**(93,909)**	–
Finance costs	*6*	**(7,336)**	(15,992)
Loss before taxation		**(183,619)**	(61,088)
Income tax expenses	*7*	**(27,993)**	(4,082)
Loss for the year	*8*	**(211,612)**	(65,170)

	Notes	**2019**	2018
		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		**(10,702)**	21,244
Total comprehensive income for the year		**(222,314)**	(43,926)
Loss for the year attributable to:			
– Owners of the Company		**(217,980)**	(67,640)
– Non-controlling interests		**6,368**	2,470
		(211,612)	(65,170)
Total comprehensive income attributable to:			
– Owners of the Company		**(228,189)**	(48,641)
– Non-controlling interests		**5,875**	4,715
		(222,314)	(43,926)
Loss per share			
Basic and diluted *(HK cents)*	*9*	**(1.07)**	(0.33)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	Notes	2019 HK$'000	2018 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**199,872**	23,357
Intangible assets	11	**–**	59,186
Interests in associates		**–**	–
Loan receivables	12	**103,629**	133,704
Deferred tax assets		**40,884**	39,351
		344,385	255,598
CURRENT ASSETS			
Properties held for sale	13	**1,862,565**	2,809,622
Trade and other receivables	14	**115,529**	154,799
Factoring receivables	15	**40,174**	123,150
Loan receivables	12	**36,384**	18,571
Restricted bank deposits		**6,479**	11,947
Bank balances and cash		**911,602**	1,167,633
		2,972,733	4,285,722
CURRENT LIABILITIES			
Trade and other payables	16	**870,257**	934,063
Contract liabilities	17	**646,202**	–
Deposits received for sale of properties	18	**–**	1,311,790
Borrowings	19	**569,943**	813,590
Amount due to non-controlling interests		**59,511**	61,508
Amount due to ultimate holding company		**1,775**	2,304
Tax liabilities		**31,154**	18,604
		2,178,842	3,141,859
NET CURRENT ASSETS		**793,891**	1,143,863
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,138,276**	1,399,461

	Notes	**2019** ***HK$'000***	2018 *HK$'000*
NON-CURRENT LIABILITIES			
Borrowings	*19*	**35,974**	68,785
NET ASSETS		**1,102,302**	1,330,676
CAPITAL AND RESERVES			
Share capital		**20,319**	20,319
Reserves		**1,059,471**	1,293,720
Equity attributable to owners of the Company		**1,079,790**	1,314,039
Non-controlling interests		**22,512**	16,637
TOTAL EQUITY		**1,102,302**	1,330,676

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 main board of 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 Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wanchai, 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, provision of international business settlement services, provision of financing services and hotel development and management services. The properties development, financing services and hotel development and management services 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 2018

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)
HK(IFRIC)-Interpretation 22	Foreign Currency Transactions and Advance Considerations

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

The adoption of these amendments has no impact on these financial statements as the Group is not a venture capital organisation.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of these amendments has no impact on these financial statements as the Group does not have any cash-settled share-based payment transaction and has no share-based payment transaction with net settlement features for withholding tax.

HKFRS 9 – Financial Instruments

(i) Classification and measurement of financial instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment and (3) hedge accounting. The adoption of HKFRS 9 from 1 April 2018 has resulted in changes in accounting policies of the Group and the amounts recognised in the consolidated financial statements.

The following tables summarised the impact, net of tax, of transition to HKFRS 9 on the opening balance of accumulated losses as of 1 April 2018 as follows (increase/(decrease)):

	HK$'000
Accumulated losses:	
As at 31 March 2018	(7,804,347)
Increase in expected credit losses ("ECLs") in trade receivables, factoring receivables, loan receivables and other receivables (note 2(a)(ii) below)	(8,080)
Increase in deferred tax assets relating to impairment provisions	2,020
As at 1 April 2018 (restated)	(7,810,407)

There is no significant impact in relation to the transition of HKFRS 9 on the opening balance of non-controlling interests as of 1 April 2018.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss ("FVTPL"), where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held to maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("amortised cost"); (ii) financial assets at fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL (as defined in above). The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed and (ii) its contractual cash flow characteristics (the "solely payments of principal and interest" criterion, also known as "SPPI criterion"). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it meets both of the following conditions are met and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies would be applied to the Group's financial assets as follows:

Amortised cost	Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 April 2018:

Financial assets	**Original classification under HKAS 39**	**New classification under HKFRS 9**	**Carrying amount as at 1 April 2018 under HKAS 39**	**Carrying amount as at 1 April 2018 under HKFRS 9**
			HK$'000	*HK$'000*
Factoring receivables	Loans and receivables	Amortised cost	123,150	120,687
Loan receivables	Loans and receivables	Amortised cost	152,275	147,744
Trade and other receivables	Loans and receivables	Amortised cost	154,799	153,713
Restricted bank deposits	Loans and receivables	Amortised cost	11,947	11,947
Bank balances and cash	Loans and receivables	Amortised cost	1,167,633	1,167,633

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("ECLs") model". HKFRS 9 requires the Group to recognise ECL for trade and other receivables, financial assets at amortised cost earlier than HKAS 39. Cash and cash equivalents are subject to ECL model but the impairment is immaterial for the current period.

Under HKFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date: and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and other receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial assets, the ECLs are based on the 12-months ECLs. The 12-months ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the ECL model

(I) Impairment of trade receivables, factoring receivables and loan receivables

As mentioned above, the Group applies the HKFRS 9 simplified approach to measure ECLs which recognises lifetime ECLs for all trade receivables, factoring receivables and loan receivables. To measure the ECLs, trade receivables, factoring receivables and loan receivables have been grouped based on shared credit risk characteristics and the days past due.

The increase in loss allowance for trade receivables upon the transition to HKFRS 9 as of 1 April 2018 were approximately HK$18,000. The loss allowance further increased by HK$15,000 during the year ended 31 March 2019. There is insignificant impact on loss allowance for the non-controlling interests as at 1 April 2018.

The increase in loss allowance for factoring receivables and loan receivables upon the transition to HKFRS 9 as of 1 April 2018 were HK$2,463,000 and HK$4,531,000, respectively. The loss allowance increased for HK$93,909,000 for factoring receivables and HK$2,489,000 for loan receivables during the year ended 31 March 2019. There is insignificant impact on loss allowance for the non-controlling interests as at 1 April 2018.

(II) Impairment of other receivables

As mentioned above, the Group applies the HKFRS 9 general approach to measure ECLs which recognises lifetime ECLs for all other receivables.

The increase in loss allowance for other receivables upon the transition to HKFRS 9 as of 1 April 2018 were approximately HK$1,068,000. The loss allowance decreased by HK$867,000 during the year ended 31 March 2019. There is insignificant impact on loss allowance for the non-controlling interests as at 1 April 2018.

(iii) Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

(iv) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the statement of financial position as at 31 March 2018, but are recognised in the statement of financial position on 1 April 2018. This mean that differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in accumulated losses and reserves as at 1 April 2018. Accordingly, the information presented for 2018 does not reflect the requirements of HKFRS 9 but rather those of HKAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application of HKFRS 9 (the "DIA"):

- The determination of the business model within which a financial asset is held; and

- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

If an investment in a debt investment had low credit risk at the DIA, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

HKFRS 15 - Revenue from Contracts with Customers ("HKFRS 15")

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations. HKFRS 15 has established a five-steps model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group recognises revenue from the following major sources:

- Sales of properties

- Interest income from financing business

- Service fee for provision of settlement service

Among the above revenue of the Group, interest income from financing business (within the scope of HKFRS 9 Financial Instruments) are not applied within the scope of HKFRS 15.

The impact of transition to HKFRS 15 was insignificant on the accumulated losses and non-controlling interests as at 1 April 2018.

The amount of adjustment for each financial statement line item of the consolidated statement of financial position at 1 April 2018 affected by the application of HKFRS 15 is illustrated below. Line items that were not affected by the changes have not been included.

	HKAS 18 carrying amount 31 March 2018	**Reclassification**	**HKFRS 15 carrying amount 1 April 2018**
	HK$'000	*HK$'000*	*HK$'000*
Contract liabilities *(note 1)*	–	1,311,790	1,311,790
Deposits received for sale of properties	1,311,790	(1,311,790)	–

The following tables summarised the impact of adopting HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019. There was no material impact on the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 March 2019:

Impact on the consolidated statement of financial position as of 31 March 2019:

	As at 31 March 2019		
	Amounts without the adoption of HKFRS 15	**Effects of the adoption of HKFRS 15**	**Amounts as reported**
	HK$'000	*HK$'000*	*HK$'000*
Consolidated statement of financial position (extract)			
Contract liabilities	–	646,202	646,202
Deposits received for sale of properties	(646,202)	(646,202)	–

Note 1: Contract liabilities in relation to property sales contracts were previously included in deposits received for sale of properties HK$1,311,790,000.

HKFRS 15 did not result in significant impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2019.

Details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's property development and international business settlement segments are set out below:

Product/ service	Nature of the goods or services, satisfaction of performance obligations and payment terms	Nature of change in accounting policy and impact on 1 April 2018
Property development	Customers obtain control of the property units when the legal title of properties are transferred to and have been accepted by them. Revenue is thus recognised upon when the customers accept the property units so transferred. **Right of return** No right of return is noted from the Group's contract with customers. **Financing component** Should the contract contain a significant financing component, the transaction price should reflect the time value of money. The Group is not required to consider the time value of money if the period between payment and the transfer of the property unit is one year or less, as a practical expedient. In assessing whether a contract contains a significant financing component, the Group considers various factors, including the length of time between when the Group expected to transfer the property unit to the customer and when the customer pays for them, and the interest rate in the contract and prevailing interest rates in the relevant market. For contracts where the period between the payment by the customer and transfer of the promised property or service exceeds one year, the transaction price should be adjusted for the effects or a financing component, if significant. The Group has assessed that the financing component effect was insignificant.	HKFRS 15 did not result in significant impact on the Group's accounting policies. However, upon the adoption of HKFRS 15, the Group has to make reclassification from deposit received for sale of properties to contract liabilities. There is no financing component considered necessary by the Group.
International business settlement	The Group providing settlement and clearing services for commercial and individual customers with the Electronic Money Institution license.	HKFRS 15 did not result in significant impact on the Group's accounting policies.

Amendments HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these financial statements as the Group had not previously adopted HKFRS 15 and took up the clarifications in this, its first, year.

HK(IFRIC) - Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of these amendments has no impact on these financial statements as the Group has not paid or received advance consideration in a foreign currency.

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

The following new/revised 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.

HKFRS 16	Leases[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKAS 19	Plan amendment, curtailment or settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations[1]
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements[1]
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes[1]
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs[1]
Amendments to HKAS 1 and HKAS 8	Definition of material[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] *Effective for annual periods beginning on or after 1 January 2019*

[2] *Effective for annual periods beginning on or after 1 January 2020*

[3] *The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments of the amendments continue to be permitted.*

3. REVENUE

The principal activities of the Group are disclosed in note 1. Revenue derived from the Group's principal activities comprises of the followings:

	2019	2018
	HK$'000	*HK$'000*
Revenue from contracts with customers *(note)*		
– Sales of properties	**811,012**	531,663
– International business settlement services	**150**	–
	811,162	531,663
Revenue from other sources		
– Financing service income	**16,686**	11,670
	827,848	543,333

Note: Disaggregation of revenue from contracts with customers:

	2019	2018
	HK$'000	*HK$'000*
Timing of revenue recognition		
– Goods transferred at a point in time	**811,012**	531,663
– Services transferred over time	**150**	–
	811,162	531,663

4. SEGMENT INFORMATION

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.
International business settlement	Providing settlement and clearing services for commercial and individual customers with the Electronic Money Institution license.
Financing Business	Provision of finance through money lending services, finance leases, leasing, factoring and other related services.
Hotel business	Hotel development and provision of hotel management services in the PRC.

Following the newly started up of hotel business segment in current reporting period, the CODM considered that the property development segment, international business settlement segment, financing business segment and hotel business are the main businesses lines and reportable operating segments of the Group. Operations other than these four segments are not significant to the Group and presented as "Others" for reporting purpose.

(a) Segment revenue and results

For the year ended 31 March 2019

	Property development *HK$'000*	**International business settlement** *HK$'000*	**Financing business** *HK$'000*	**Hotel business** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
REVENUE						
External sales and segment revenue	**811,012**	**150**	**16,686**	**–**	**–**	**827,848**
Segment profit/(loss)	**52,273**	**(133,107)**	**(94,808)**	**(4,689)**	**(794)**	**(181,125)**
Unallocated corporate expenses						**(14,256)**
Bank interest income						**11,762**
Loss before taxation						**(183,619)**

For the year ended 31 March 2018

	Property development *HK$'000*	International business settlement *HK$'000*	Financing business *HK$'000*	Others *HK$'000*	Total *HK$'000*
REVENUE					
External sales and segment revenue	531,663	–	11,670	–	543,333
Segment profit/(loss)	4,253	(56,986)	6,255	(721)	(47,199)
Unallocated corporate expenses					(22,233)
Bank interest income					8,344
Loss before taxation					(61,088)

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 and bank interest income. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

(b) Segment assets and liabilities

	2019	2018
	HK$'000	*HK$'000*
ASSETS		
Segment assets		
Property development	**1,997,302**	2,988,144
International business settlement	**10,105**	105,948
Financing business	**182,458**	275,886
Hotel business	**211,492**	–
Others	**1,666**	965
Total segment assets	**2,403,023**	3,370,943
Unallocated assets		
Bank balances and cash	**911,602**	1,167,633
Other assets	**2,493**	2,744
Total unallocated assets	**914,095**	1,170,377
Consolidated total assets	**3,317,118**	4,541,320
LIABILITIES		
Segment liabilities		
Property development	**(1,976,329)**	(3,144,668)
International business settlement	**(62,442)**	(59,274)
Financing business	**(3,400)**	(691)
Hotel business	**(165,771)**	–
Others	**(655)**	(763)
Total segment liabilities	**(2,208,597)**	(3,205,396)
Unallocated liabilities		
Other liabilities	**(6,219)**	(5,248)
Total unallocated liabilities	**(6,219)**	(5,248)
Consolidated total liabilities	**(2,214,816)**	(3,210,644)

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 2019

	Property development *HK$'000*	International business settlement *HK$'000*	Financing business *HK$'000*	Hotel business *HK$'000*	**Reportable segments' total** ***HK$'000***	Others *HK$'000*	Unallocated *HK$'000*	**Total** ***HK$'000***
Additions to property, plant and equipment	–	–	–	–	**–**	–	98	**98**
Depreciation of property, plant and equipment	(590)	(6,353)	(131)	–	**(7,074)**	(2)	(116)	**(7,192)**
(Impairment loss)/reversal of impairment loss of trade and other receivables	(15)	–	–	–	**(15)**	–	867	**852**
Impairment loss on factoring and loan receivables	–	–	(96,407)	–	**(96,407)**	–	–	**(96,407)**
Impairment loss on property, plant and equipment	–	(13,771)	–	–	**(13,771)**	–	–	**(13,771)**
Impairment loss on intangible asset	–	(59,186)	–	–	**(59,186)**	–	–	**(59,186)**
Government grant	–	–	224	–	**224**	–	–	**224**
Finance costs	(4,033)	–	(89)	(3,214)	**(7,336)**	–	–	**(7,336)**
Written off on other receivables	–	(13,962)	–	–	**(13,962)**	–	–	**(13,962)**

For the year ended 31 March 2018

	Property development *HK$'000*	International business settlement *HK$'000*	Financing business *HK$'000*	**Reportable segments' total** ***HK$'000***	Others *HK$'000*	Unallocated *HK$'000*	**Total** ***HK$'000***
Additions to property, plant and equipment	227	5,796	–	**6,023**	–	76	**6,099**
Additions to intangible assets	–	26,648	–	**26,648**	–	–	**26,648**
Depreciation of property, plant and equipment	(130)	(5,980)	(161)	**(6,271)**	(3)	(806)	**(7,080)**
Reversal of impairment loss on land development expenditure	6,428	–	–	**6,428**	–	–	**6,428**
Reversal of impairment loss on trade and other receivables	5,344	–	–	**5,344**	–	–	**5,344**
Government grant	–	–	2,427	**2,427**	–	–	**2,427**
Finance costs	(15,992)	–	–	**(15,992)**	–	–	**(15,992)**

(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, deferred tax assets and post-employment benefit assets ("Specified non-current assets").

	Revenue from external customers (by customer location)		**Specified non-current assets (by physical location)**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**161**	180
PRC (domicile)	**827,698**	543,333	**198,419**	81,850
Others	**150**	–	**1,292**	513
	827,848	543,333	**199,872**	82,543

(iii) Information about major customers

The Group's customer base is diversified and none of the customers (2018: nil) with whom transactions have exceeded 10% of the Group's revenue during the year ended 31 March 2019.

5. OTHER INCOME, GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**11,762**	8,344
Government grant	**224**	2,427
Net exchange (loss)/gain	**(6,751)**	11,637
Reversal of impairment loss on land development expenditure	**–**	6,428
Reversal of impairment loss on trade and other receivables, net	**852**	5,344
Referral fee income	**3,801**	2,478
Gain on disposal of subsidiary	**348**	–
Others	**389**	808
	10,625	37,466

6. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on		
– bank borrowings	**57,176**	83,555
– other borrowings	**7,246**	13,723
	64,422	97,278
Less: amounts capitalised in properties held for sale	**(57,086)**	(81,286)
	7,336	15,992

Borrowing costs capitalised during the years ended 31 March 2019 and 2018 arose from borrowings specifically for the purpose of obtaining qualifying assets.

7. INCOME TAX EXPENSES

	2019	2018
	HK$'000	*HK$'000*
Current tax in Hong Kong	**–**	10
Current tax in PRC		
Enterprise Income Tax ("EIT")	**11,683**	4,863
Over provision in respect of prior years	**–**	(895)
	11,683	3,978
Land Appreciation Tax ("LAT")	**17,827**	204
	29,510	4,182
Deferred tax	**(1,517)**	(100)
	27,993	4,082

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. (2018: The provision for the Hong Kong Profits Tax of the subsidiaries established in HK is calculated at 16.5%).

The PRC EIT is calculated on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Company's PRC subsidiaries during the year ended 31 March 2019 is 25% (2018: 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. 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 2019, the amount of prepaid LAT and EIT in respect of contract liabilities (previously known as "deposits received for sales of properties") amounted to approximately HK$19,862,000 (2018: HK$14,765,000), 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:

	2019	2018
	HK$'000	*HK$'000*
Directors' emoluments	**3,845**	4,188
Other staff salaries, wages and allowances	**41,542**	36,550
Other staff retirement scheme contributions	**3,670**	4,092
	49,057	44,830
Less: staff costs capitalised in properties held for sale	**(4,149)**	(1,890)
Total staff costs	**44,908**	42,940

	2019	2018
	HK$'000	*HK$'000*
Cost of inventories recognised as expenses	**700,855**	494,350
Auditor's remuneration	**2,260**	2,350
Impairment loss on property, plant and equipment *(note 10)*	**13,771**	–
Impairment loss on intangible assets *(note 11)*	**59,186**	–
Impairment loss on loan receivables *(note 12)*	**2,498**	–
Impairment loss on factoring receivables *(note 15)*	**93,909**	–
Written off on other receivables	**13,962**	–
Depreciation of property, plant and equipment	**7,192**	7,080
Research and development expenses not capitalised	**–**	10,522
Rental expenses in respect of rented premises	**6,811**	16,190

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:

	2019	2018
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic loss per share	**(217,980)**	(67,640)

	2019	2018
	Number of shares	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. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST						
At 1 April 2017	–	24,621	2,337	3,959	–	30,917
Exchange adjustments	–	2,555	243	411	–	3,209
Additions	–	6,099	–	–	–	6,099
At 31 March 2018 and 1 April 2018	–	33,275	2,580	4,370	–	40,225
Exchange adjustments	(845)	(1,524)	(159)	–	(8,049)	(10,577)
Additions	–	98	–	–	–	98
Transferred from properties held for sale *(note (a),(b))*	20,571	–	–	–	186,846	207,417
At 31 March 2019	19,726	31,849	2,421	4,370	178,797	237,163

	Buildings	Furniture and office equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
DEPRECIATION AND IMPAIRMENT						
At 1 April 2017	–	3,625	1,498	3,413	–	8,536
Exchange adjustments	–	693	176	383	–	1,252
Provided for the year	–	6,066	440	574	–	7,080
At 31 March 2018 and 1 April 2018	–	10,384	2,114	4,370	–	16,868
Exchange adjustments	–	(399)	(141)	–	–	(540)
Impairment loss *(note (c))*	–	13,771	–	–	–	13,771
Provided for the year	493	6,473	226	–	–	7,192
At 31 March 2019	493	30,229	2,199	4,370	–	37,291
CARRYING VALUES						
At 31 March 2019	19,233	1,620	222	–	178,797	199,872
At 31 March 2018	–	22,891	466	–	–	23,357

Notes:

(a) During the year ended 31 March 2019, the Group changed its intention to keep approximately 8,000 square meters car parking spaces, amounting to HK$20,571,000, as the Group's self-operating carpark and thus these car parking spaces were transferred from properties held for sale to property, plant and equipment.

(b) During the year ended 31 March 2019, the Group changed its intention to operate the hotel, which is under construction, amounting to approximately of HK$186,846,000, and thus the hotel was transferred from properties held for sale to property, plant and equipment.

(c) During the year ended 31 March 2019, the Group recognised a full impairment loss in relation to the equipment associated with the settlement platform as there is no recoverable amount of the property, plant and equipment. The recoverable amount was determined based on the estimated future cash flows generated from the settlement platform.

11. INTANGIBLE ASSETS

The movements in intangible assets during the year is summarised as follows:

	HK$'000
At 1 April 2017	32,538
Additions	26,648
At 31 March 2018 and 1 April 2018	59,186
Impairment loss	(59,186)
At 31 March 2019	–

The Group paid to 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". The recoverable amount of the settlement platform was determined by the management of the Company based on value in use calculation of the settlement platform. That calculation was determined based on the financial budgets approved by the management of the Company covering a 10-years period and a pre-tax discount rate of 16.6%. The recoverable amount of the settlement platform is based on certain key assumptions, including estimation of future revenue growth.

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

12. LOAN RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Loan receivables	**143,229**	152,275
Interest receivables	**3,820**	-
	147,049	152,275
Less: Loss allowance *(note(b))*		
Stage 1	**(211)**	–
Stage 2	**(6,825)**	–
Stage 3	**–**	–
	140,013	152,275
Current portion included under current assets	**(36,384)**	(18,571)
Amounts due after one year included under non-current assets	**103,629**	133,704

As at 31 March 2019 and 2018, all loans 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% per annum (2018: 6% per annum).

The Group's management considers that the fair values of loan receivables are not materially different from their net 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:

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**–**	3,694
181 – 365 days	**–**	148,581
Over 1 year	**147,049**	–
	147,049	152,275

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

	2019	2018
	HK$'000	*HK$'000*
Not past due	**138,073**	152,275
0 – 30 days	**4,523**	–
Over 90 days	**4,453**	–
	147,049	152,275

Ageing analysis of the loan receivables based on the maturity date in contracts and before loss allowance at the ended of reporting period is as follow:

	2019	2018
	HK$'000	*HK$'000*
Within one year	**38,095**	18,571
2 – 5 years	**90,545**	89,887
Over 5 years	**18,409**	43,817
	147,049	152,275

(b) Movement in impairment losses

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

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL not	Lifetime ECL	
	12-month ECL	credit-impaired	credit-impaired	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2018	–	–	–	–
Initial application of HKFRS 9	4,531	–	–	4,531
At 1 April 2018 (restated)	4,531	–	–	4,531
Transfer to life-time ECL not credit-impaired	(4,457)	4,457	–	–
Impairment loss charged to profit and loss	137	2,361	–	2,498
Exchange adjustment	–	7	–	7
At 31 March 2019	211	6,825	–	7,036

Based on the assessment of the management of the Group, an increase of loss allowance approximately HK$4,531,000 for these receivables was made upon the transition to HKFRS 9 as of 1 April 2018; and for the year ended 31 March 2019, an increase of loss allowance of approximately HK$2,498,000 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

	2019	2018
	HK$'000	*HK$'000*
Completed properties held for sale	**1,269,423**	669,225
Properties under development for sale	**593,142**	2,140,397
	1,862,565	2,809,622
Carrying amount of properties under development for sale expected to be completed:		
– within one year	**440,954**	741,002
– after one year	**152,188**	1,399,395
	593,142	2,140,397

As at 31 March 2019, certain properties held for sale with carrying amount of approximately HK$660,742,000 (2018: HK$827,943,000) were pledged to secure certain bank borrowings granted to the Group.

During the year ended 31 March 2019 and 2018, there is no impairment loss recognised as the net realisable value is higher than carrying amount for both years.

14. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**6,651**	3,648
Less: Loss allowance	**(33)**	–
	6,618	3,648
Other receivables and prepayments:		
Other deposits	**6,647**	14,978
Prepayments for construction work	**71,967**	46,919
Other tax prepayment	**18,822**	35,954
Other receivables	**6,516**	21,281
Other prepayments	**4,959**	7,389
Amount due from a third party	**–**	24,630
Total trade and other receivables	**115,529**	154,799

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 to the customers, at the end of the reporting period is as follows:

	2019	2018
	HK$'000	*HK$'000*
91-180 days	**6,618**	3,648

The ageing analysis of trade receivables after loss allowance which are past due but not impaired:

	2019	2018
	HK$'000	*HK$'000*
91-180 days	**6,618**	3,648

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

	2019	2018
	HK$'000	*HK$'000*
At 1 April	**–**	4,852
Impact of initial application of HKFRS 9 on trade receivables *(note2(a)(ii)(I))*	**18**	–
Impact of initial application of HKFRS 9 on other receivables *(note2(a)(ii)(II))*	**1,068**	–
Impairment loss on trade receivables	**15**	–
Reversal of impairment loss previously recognised	**(867)**	(5,344)
Exchange adjustments	**(2)**	492
At 31 March	**232**	–

The balances of other deposits, other receivables, and amount due from a third party are neither past due nor impaired. 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

	2019	2018
	HK$'000	*HK$'000*
Factoring receivables	**132,062**	123,150
Interest receivables	**4,586**	–
	136,648	123,150
Less: Loss allowance *(note(b))*		
Stage 1	**(28)**	–
Stage 2	**–**	–
Stage 3	**(96,446)**	–
Current portion included under current assets	**40,174**	123,150

As at 31 March 2019 and 2018, all factoring receivables were secured by accounts receivable of the debtors with interest rate of 6.5% (2018: 6.5-12%). 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:

	2019	2018
	HK$'000	*HK$'000*
91 – 180 days	**6,566**	–
181 – 360 days	**130,082**	123,150
	136,648	123,150

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

	2019	2018
	HK$'000	*HK$'000*
Not past due	**132,507**	123,150
31-90 days	**2,123**	–
Over 90 days	**2,018**	–
	136,648	123,150

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

	2019	2018
	HK$'000	*HK$'000*
0-30 days	**4,586**	–
31-90 days	**1,406**	–
91-180 days	**124,211**	123,150
181-365 days	**6,445**	–
	136,648	123,150

(b) Movement in impairment losses

Loss allowance for factoring 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 31 March 2018	–	–	–	–
Initial application of HKFRS 9	2,463	–	–	2,463
At 1 April 2018 (restated)	2,463	–	–	2,463
Transfer to lifetime ECL credit-impaired	(2,463)	–	2,463	–
Impairment loss charged to profit and loss	28	–	93,881	93,909
Exchange adjustment	–	–	102	102
At 31 March 2019	28	–	96,446	96,474

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

	2019	2018
	HK$'000	*HK$'000*
Trade payables *(note)*	**15,487**	8,680
Accrued construction cost to contractors	**754,513**	803,459
Interest payable	**2,635**	15,867
Amounts due to third parties	**782**	15,954
Other payables	**73,039**	57,490
Other tax payables	**23,801**	16,166
Receipt in advance from customers	**–**	16,447
	870,257	934,063

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:

	2019	2018
	HK$'000	*HK$'000*
0-90 days	**15,487**	8,680

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.

	At 31 March 2019	At 1 April 2018	At 31 March 2018
	HK$'000	*HK$'000* (restated)	*HK$'000*
Contract liabilities arising from property development business	**646,202**	1,311,790	–

	HK$'000
At 1 April 2018	–
Effects of the adoption of HKFRS 15 *(note (a))*	**1,311,790**
Revenue recognised for the balances included in the contract liabilities at the beginning of the year	**(811,012)**
Increase for the cash received for the balances where revenue is not yet recognised during the year	**145,424**
At 31 March 2019	**646,202**

Notes:

(a) The Group has initially applied HKFRS 15 using the cumulative effect method and adjusted the opening balance at 1 April 2018. Upon the adoption of HKFRS 15, amounts previously included as "deposits received for sale of properties" (note 18), have been reclassified to "Contract liabilities".

(b) As at 31 March 2019, the amount of sales deposits received expected to be recognised as revenue after one year is nil (2018: approximately HK$781,091,000).

18. DEPOSITS RECEIVED FOR SALE OF PROPERTIES

	2019	2018
	HK$'000	*HK$'000*
Deposits received for sale of properties *(note 17)*	**–**	1,311,790

19. BORROWINGS

	2019	2018
	HK$'000	*HK$'000*
Bank borrowings, secured *(note (a))*	**430,772**	724,922
Other borrowings, secured *(note(b))*	**165,771**	–
Other borrowings, unsecured *(note (c), (d))*	**9,374**	157,453
	605,917	882,375
Carrying amount of borrowings repayable:		
Within one year	**569,943**	813,590
More than one year, but not exceeding two years	**35,974**	68,785
	605,917	882,375
Less: amounts shown under current liabilities	**(569,943)**	(813,590)
Amounts shown under non-current liabilities	**35,974**	68,785

All borrowings were fixed-rate borrowings and denominated in RMB during both years.

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

	2019	2018
Effective interest rates	**6.5% – 18%**	3% – 24%

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

	2019	2018
	HK$'000	*HK$'000*
Secured by:		
Properties held for sale *(note 13)*	**660,742**	827,943

In addition to the Group's own assets pledged, 廣西正和實業集團有限公司 (Guangxi Zhenghe Industrial Co., Ltd*), the former related party 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") and other related parties of former shareholder of Liuzhou Zhenghe had also pledged certain assets to banks to secure the borrowings granted to the Group.

* *The English name is for identification purpose only*

(b) As at 31 March 2019, hotel rooms of HK$43,777,000 are pledged as security for secured other borrowings.

(c) As at 31 March 2019, the Group's other borrowings represent an unsecured borrowings of HK$9,374,000 provided by a third party with interest at a fixed rate of 18% per annum and repayable in January 2020.

(d) As at 31 March 2018, the Group's other borrowings represent (i) an unsecured borrowings of HK$123,150,000 provided by a third party with interest at a fixed rate of 5% per annum; (ii) an unsecured borrowings of HK$23,836,000 provided by another third party with interest at a fixed rate of 24% per annum; and (iii) unsecured borrowings of HK$10,467,000 provided by another third parties with interest at a fixed rate of 18% per annum. The balances have been fully repaid during the year.

20. OTHER COMMITMENTS

	2019	2018
	HK$'000	*HK$'000*
Commitments contracted for:		
– construction for properties held for sale	**461,838**	242,186
– development of settlement platform	**–**	14,872
	461,838	257,058

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 March 2019 (2018: nil).

OVERALL RESULTS

Key performance indicator (Financial Ratio)

	Notes	**Year ended 31 March** **2019**	2018
Revenue *(HK$'000)*		**827,848**	543,333
Gross profit margin *(%)*	*(i)*	**14.5%**	8.3%
Loss for the year *(HK$'000)*		**211,612**	65,170
Loss per share *(HK cents)*		**1.07**	0.33
Net asset value per share *(HK cents)*	*(ii)*	**5.42**	6.55

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 ordinary shares issued as at the relevant financial year end date.

For the current year, the Group recorded a turnover of approximately HK$827,848,000, representing a significant increase of approximately 52.4% when compared with the same period of last year. The turnover 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"). During the year, the construction of 2 blocks of studio/office buildings in Zone C, 3 blocks of high-rise apartments in Zone D1 and 2 blocks of residential and commercial complexes in Zone F in Zhenghe City were completed and delivered to the customers. As a result, the turnover of the Group for the year increased significantly.

A overall gross profit of approximately HK$120,232,000 (2018: HK$45,068,000) and gross profit margin of 14.5% (2018: 8.3%) were recorded for the current year. Increase in gross profit margin was mainly due to increase of high-rise residential blocks are sold during current year, which have higher average selling prices and gross profit margin.

A loss amounted to approximately HK$211,612,000 was recorded for the current year, representing an increase of over two times as compared to the loss of approximately HK$65,170,000 for corresponding period in 2018. The substantial increase in loss was mainly attributable to (a) impairment loss on intangible assets and property, plant and equipment amounting to approximately HK$59,186,000 and HK$13,771,000 respectively were provided in respect of Next Generation Settlement Network ("NGSN") platform; and (b) an impairment loss of approximately HK$93,909,000 on factoring receivables in the financing segment was made as result of a highly expected loss after assessment on risk of default by relevant factoring receivables. The basic and diluted loss per share for the current year was approximately HK1.07 cents which represented an increase of over two times from approximately HK0.33 cents for corresponding period in 2018.

REVIEW OF OPERATIONS AND PROSPECT

International Business Settlement

Since 2016, the Group has been aware of new technologies such as block chain, big data and distributed networks that will bring about substantial changes to the society and economy in the future. The Group strongly believes that through these new technologies, the Fintech industry will develop rapidly and provide development opportunities.

Therefore, the Group acquired a company in 2016 which develops the NGSN with new technologies such as block chain, big data and distributed networks, and started to develop international settlement and clearing business. Through the NGSN, the Group hopes to provide an alternative settlement channel to cross border trading business and individuals, so as to realize point-to-point, around the clock, multi-currency, real-time and low-cost fund settlement and clearing services around the world. In addition, in coordination with various countries, the Group hopes to provide support to banks and commercial customers in countries along the Belt and Road Initiative for their business expansion through the NGSN.

In line with this goal, the Group has signed memorandum of cooperation and framework agreement with a number of potential cooperative banks and financial institutions and has maintained communication with them in the past few years. Such banks and institutions fully recognized the value and opportunities brought by the NGSN solution. On the technical level, the feasibility of docking with banks has been verified, but it has been difficult to reach consensus on the actual operation mode and details of the business cooperation.

Both the banks and the Group understood that like any business, there are difficulties and challenges accompanying with the deployment and operation of the NGSN. In addition to the intrinsic complexity of the system, the NGSN, as an inter-bank settlement system, is also confronted with the complexity and changes of various external factors, such as the world trade environment, changes in financial regulatory trend, and even changes in both domestic and overseas political and business environments.

In view of the challenges in the operation of the NGSN, and the lack of substantive results of memorandum of cooperation and framework agreements previously signed with a number of potential cooperative banks and financial institutions, the future benefits that the NGSN can bring to the Group will likely to be adversely affected. In this regard, the Company has engaged an independent valuer to evaluate the value of the NGSN. The valuer has made reference to the projected future revenue of the NGSN and its realizable market value and has come to the conclusion that fully impairment of approximately HK$59,186,000 is required to be recorded for the NGSN.

Although the progress of the NGSN is slower than expected, the Company is not ready to give up on it. The Company will continue to maintain communication with all our existing partners, aiming to reach more in-depth and comprehensive cooperation agreements with potential cooperative banks and financial institutions as soon as possible so that the NGSN can be put into operation as soon as possible to provide fund settlement and clearing services to cross border trading business and individuals around the world.

At this stage, the Group has not, as originally planned achieved the ideal of providing fund settlement and clearing services to cross border trading business and individuals around the world. However, the Group is proactively expanding settlement and clearing services for commercial and individual customers in the European market and domestic market, capitalizing on the Electronic Money Institution (EMI) License granted to the Group in Lithuania. Upon completion of account opening procedures through our remote account opening services, our customer, from international market or domestic market, being traditional company or a new service enterprise, will be able to receive prompt and convenient services covering acceptance and remittance. In particular, efficient and convenient business settlement and clearing services of Single Euro Payments Area (SEPA) can be enjoyed in the European Economic Area (EEA).

In terms of customer expansion, besides continuous customer development in the European region, the Group has been active in the Asian-Pacific region (especially in China) since the first quarter of 2019, focusing on the overseas collection business of e-commerce platform. The Group has maintained discussion and cooperation with local commercial banks and professional e-commerce collection agencies in terms of shared customer service, shared accounts and technical integration, and has made various degrees of progress. The Group has entered into a cooperation agreement with one professional collection agency, and is in the progress of completing "know-your-client" with one commercial bank. In the meantime, the Group maintains an on-going communication with a number of commercial banks and collection agencies. Through cooperation with domestic institutions in China, the Group expects to provide domestic and overseas customers with a more diversified and efficient service for cross-border payment between China and European.

As of March 2019, nearly 100 European customers opened e-banking accounts through the Group's e-banking set up via network in Lithuania, which provided deposit, remittance and settlement services to them, with monthly deposits in aggregate of approximately EUR3 million and transaction amount in aggregate of more than EUR10 million.

At the same time, in addition to the existing businesses of account opening and collection and payment, the Group also strives to expand the variety of services and enrich the contents of services. In April of this year, the Group obtained approval from the central bank of Lithuania for expanding the services scope under the EMI License to conduct issue credit card, card collection and other business. The expansion of EMI License is expected to be completed in the second half of 2019. In the meantime, the Group has conducted negotiation with certain international payment services provider, such as UnionPay, Alipay and WeChat, with a view to cooperating with them in respect of collection business in Euro upon the completion of expansion of EMI License. Besides, the Group also keeps an eye on Special Bank License and hopes to upgrade EMI License to Special Bank License, with an aim of providing commercial customers with more financial services

In addition, in order to further enhance business competitiveness, expand services scope and better serve customers, the Group also continuously discusses with some potential partners, such as other national licensed service organizations, on various possible forms of cooperation, including investment and capital contribution. The Group will consider to progressively implement abovementioned cooperation. At the same time, in terms of IT system construction, the Group also plans to carry out the upgrade of the core IT system in 2019, including system upgrade and provision of API interfaces to customers.

In addition to Europe, the Group is actively applying for licenses for electronic banking or licenses for payment company in Central Asia and other regions, and expects to be granted e-payment licenses by Kyrgyzstan. Going forward, the Group will endeavor to explore business in Central Asia, with a view to achieving synergetic development with the business in European and domestic market.

Despite the set-back we had with NGSN, the Group continues to have confidence in emerging Fintech industry which the Group believes to be one of the innovative factors that would improve the delivery of global financial services in the future. The Group has tapped into the Fintech sector with the development of NGSN and the expansion of EMI in Lithuania, and will continue to be open for suitable opportunities in the Fintech sector. To diversify income source of the Group and to bring more benefits to the Company and its shareholders, the Group will continue to explore other potential opportunities in the Fintech sector, including but not limited to Fintech-related upstream and downstream services, infrastructure projects in connection with Fintech, etc.

During the year, this segment recorded revenue of approximately HK$150,000 (2018: nil) attributed by newly operated EMI business and loss of approximately HK$133,107,000 (2018: HK$56,986,000). The substantial increase in loss was mainly due to the impairment of approximately HK$59,186,000 and HK$13,771,000 were provided respectively in respect of NGSN platform and its associated fixed assets during the current year.

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 480,000 square meters. Phase II will provide another stack of residential and commercial properties with a total gross floor area of approximately 561,000 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	21,000	8,000
Zone B	94,000	128,000	28,000	–
Zone C	61,000	255,000	137,000	–
	231,000	480,000	186,000	8,000
Phase II:				
Zone D	71,000	191,000	58,000	–
Zone E	30,000	142,000	88,000	31,000
Zone F	41,000	228,000	164,000	–
	142,000	561,000	310,000	31,000
Total:	373,000	1,041,000	496,000	39,000

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

Note 2: Representing the gross floor area under development and saleable gross floor area of completed properties that were unsold as at 31 March 2019.

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

	Property type	Status
Phase I:		
Zone A	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. During the year, the Group changed intention to keep approximately 8,000 square meters car parking spaces as properties for sale to self-operating car parking space to generate stable recurring income. Hence reallocated to the Group's property, plant and equipment.
Zone B	Villas and high-rise apartment buildings with retail outlets and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years.
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 were completed and most of the units were sold in the past financial years. The construction works of 2 of these 3 blocks of studio/office buildings were completed and acceptance certificates of completion were granted in the current year. The properties were therefore delivered to the customers and revenue was recognised in the current year. The construction works of the remaining 1 block is in progress. The pre-sale permit was granted and acceptance certificates of completion is expected to be granted in the second half of 2019.

	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 are held for sale.
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 2 blocks of these high-rise apartment buildings were completed and sold during the year ended 31 March 2018 (the "last financial year"). The construction works of the remaining 3 blocks were completed and acceptance certificates of completion were granted in current year. The properties were therefore delivered to the customers and revenue was recognised in current year.
Zone D2	Villas	The construction works of the villas were completed. 8 villas with a total saleable area of approximately 5,000 square meters are held for sale.

	Property type	Status
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 last financial year. The hotel building was under construction and the pre-sale permit was granted. The acceptance certificate of completion is expected to be obtained in second half of 2019. During current year, the Group changed intention to operate the hotel under franchising arrangement instead of held for sale. Constructing area of approximately 31,000 square meters of the hotel building are included in property, plant and equipment.
Zone F	Residential and commercial complexes with 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. Most of units in 1 block were sold in the last financial year. Another 2 blocks' acceptance certificates of completion were obtained in current year and therefore delivered to the customers and revenue was recognised in the current year. 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 the first half of 2020.

(i) For property development segment in Liuzhou Zhenghe, an area of approximately 141,000 square meters (2018: 90,000 square meters) was sold and generated a segment turnover of approximately HK$811,012,000 for the current year (2018: HK$531,663,000). A segment profit of approximately HK$52,273,000 was recorded for the current year (2018: HK$4,253,000). The high sales figures in the year was mainly due to newly completed units in Zone C, Zone D1 and Zone F were delivered to customers during the current year.

An external expert was engaged to help to assess the fair value of the properties development project as at 31 March 2019. 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 2019 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) For the new hotel business in Liuzhou Zhenghe which is located in Zone E1 with gross floor area of approximately 31,000 square meters. During the year, the Group entered into a franchising agreement with a well-known international hotel franchisee to operate the hotel under the franchising requested standards. The construction and renovation works of the hotel building are still in progress and expected to commence operation not later than 2021. Segment loss of HK$4,689,000 mainly represented initial franchise fee and finance cost for entered into the franchising arrangement.

Financial services

A wholly foreign owned enterprise (the "WFOE") in the China (Shanghai) Pilot Free Trade Zone was established to carry out financing business in China with total injected 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.

In current year, the financial services business was affected significantly in view of the challenging business environment faced in China. Our clients in the factoring business experienced a severe blow in this tough business environment in China and defaulted two installments of interest payment in the current year. Although the principal amount of factoring receivables are not matured as at 31 March 2019, the significantly impairment and expected credit loss were provided for these receivables due to the defaulted interest payment and assessment of the recoverability of the debt. As a result, an impairment loss of HK$93,909,000 on factoring receivables was made in current year.

During the current year, this segment recorded approximately HK$16,686,000 interest income (2018: HK$11,670,000) and the segment loss was approximately HK$94,808,000 (2018: segment profit of HK$6,255,000). The substantial segment loss was mainly due to the aforesaid impairment loss of HK$93,909,000 was made for the factoring receivables after credit evaluations.

The carrying amount of factoring receivables and loan receivables arising from financing segment were at HK$40,174,000 and HK$140,013,000 after deduct allowance of impairment loss of HK$96,474,000 and HK$7,036,000 respectively for the year.

The Group adhered to a prudent risk management policy, with this segment continuously carrying out rigorous and regular review of credit risk over all the existing and new finance leasing clients. The Group will continue to adopt a careful and prudent credit risk management strategy and closely monitored recoverability to ensure prompt follow-up action is taken to receive any overdue debt.

Other operations

Other operations of the Group include the provision of consultancy services, operation of e-commerce platforms and an investment in a gold mine. No turnover was generated from these other operations during the current year and the loss incurred was approximately HK$794,000 (2018: HK$721,000). The Group's management will continue review the situation regularly and explore any possible solution to generate returns for the shareholders.

The 27% effective equity interest in the gold mine in the Republic of Kyrgyz was fully impaired in previous year. The construction of mining plants and other infrastructure is in progress and test-run of the mining production has commenced in current year. The Company's shareholding in the gold mine had been pledged to secure a bank loan borrowed by the mining company to finance its operation.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

FINANCIAL REVIEW

Finance position, liquidity and gearing

As at 31 March 2019, the total assets and liabilities of the Group were at approximately HK$3,317,118,000 (31 March 2018: HK$4,541,320,000) and approximately HK$2,214,816,000 (31 March 2018: HK$3,210,644,000) respectively. The Group recorded a total equity of approximately HK$1,102,302,000 as at 31 March 2019 (31 March 2018: HK$1,330,676,000).

The Group recorded net current assets of approximately HK$793,891,000 as at 31 March 2019 (31 March 2018: HK$1,143,863,000). The bank balances and cash as at 31 March 2019 was approximately HK$911,602,000 (31 March 2018: HK$1,167,633,000), of which most were denominated in Hong Kong dollars, Renminbi, Euro and US dollars.

The Group's current ratio (defined as current assets divided by current liabilities) was 1.36 (31 March 2018: 1.36).

As at 31 March 2019, the Group had total borrowing amounted to approximately HK$667,985,000 (31 March 2018: HK$962,141,000) which were denominated in Renminbi. The breakdowns are as follows:

(i) Secured bank and other borrowings amounted to approximately HK$596,543,000 (31 March 2018: HK$724,922,000) with effective interest rates in the ranges of 6.5% to 12%;

(ii) Unsecured other borrowings amounted to approximately HK$9,374,000 (31 March 2018: HK$157,453,000) with fixed interest rate of 18%; and

(iii) Interest free loan due to third parties, non-controlling interests and ultimate holding company amounted to approximately HK$782,000 (31 March 2018: HK$15,954,000), approximately HK$59,511,000 (31 March 2018: HK$61,508,000) and approximately HK$1,775,000 (31 March 2018: HK$2,304,000) respectively.

The gearing ratio, as a ratio of total borrowings to total equity, as at 31 March 2019 was 0.61 (31 March 2018: 0.72).

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 2019, the Company had 20,319,072,320 shares of ordinary shares in issue and the total equity of the Group was approximately HK$1,102,302,000.

Charges on assets

As at 31 March 2019, certain properties held for sale with carrying amount of approximately HK$660,742,000 (31 March 2018: HK$827,943,000) and certain property, plant and equipment with carrying amount of approximately HK$43,770,000 (31 March 2018: nil) respectively, were pledged to secure certain bank and other borrowings granted to the Group.

Foreign exchange exposure

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

EMPLOYMENT AND REMUNERATION POLICES

As at 31 March 2019, the Group had approximately 140 employees. The employees' salaries are reviewed and adjusted annually based on their performance and experience. The Group's employee benefits include performance bonus, medical insurance, mandatory provident fund scheme, local municipal government retirement scheme and education subsidy to encourage continuous professional development of staff.

MODEL CODE FOR DIRECTOR'S DEALING IN SECURITIES

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

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's securities during the year ended 31 March 2019.

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 2019 except for certain deviations as specified and explained below with considered reasons for such deviations.

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

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

(b) Code provision A.2.7 stipulates that, the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other directors. Since the Company has not appointed a new Chairman and no meeting was held between the Chairman and the non-executive Directors (including independent non-executive Directors) without the executive Directors present during the year ended 31 March 2019.

(c) Code provision E.1.2 stipulates that the Chairman should attend the annual general meeting. The Company does not at present have any officer with the title Chairman. However, one of the Directors presents at the annual general meeting held on 13 September 2018 was elected as chairman thereof to ensure an effective communication with the shareholders thereat.

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

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

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee of the Company comprised of three independent non-executive Directors, namely, Mr. Yap Yung (the chairman), Mr. Zhang Guangsheng and Mr. Chan Siu Tat. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2019 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 2019 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 Messrs. 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 Messrs. 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 2018/2019 annual report containing all information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

APPRECIATION

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

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

Hong Kong, 25 June 2019

* *The English name is for identification purpose only*

As at the date of this announcement, the Board comprises Mr. Yuen Leong, Ms. Luan Li and Mr. Hu Jianjun as executive directors; and Mr. Yap Yung, Mr. Zhang Guangsheng and Mr. Chan Siu Tat as independent non-executive directors.