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 2020

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 2020 (the "current year"), together with the comparative figures for the year ended 31 March 2019, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	**2020** *HK$'000*	2019 *HK$'000*
Revenue	*3*	**393,536**	827,848
Cost of sales and services		**(329,131)**	(707,616)
Gross profit		**64,405**	120,232
Other income, gains and losses	*5*	**7,335**	10,625
Selling expenses		**(5,700)**	(8,590)
Administrative and other expenses		**(80,283)**	(129,186)
Impairment loss on property, plant and equipment		**–**	(13,771)
Impairment loss on intangible assets		**–**	(59,186)
Impairment loss on loan receivables, net		**(58,227)**	(2,498)
Impairment loss on factoring receivables, net		**(36,969)**	(93,909)
Finance costs	*6*	**(39,981)**	(7,336)
Loss before taxation		**(149,420)**	(183,619)
Income tax expenses	*7*	**(32,394)**	(27,993)
Loss for the year from continuing operations		**(181,814)**	(211,612)
Discontinued operation			
Loss for the year from a discontinued operation, after tax		**(3,024)**	–
Loss for the year	*8*	**(184,838)**	(211,612)

	Notes	**2020** *HK$'000*	2019 *HK$'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		**(7,944)**	(10,702)
Total comprehensive income for the year		**(192,782)**	(222,314)
Loss for the year attributable to:			
Owners of the Company			
– Continuing operations		**(173,374)**	(217,980)
– Discontinued operation		**(2,117)**	–
		(175,491)	(217,980)
Non-controlling interests			
– Continuing operations		**(8,440)**	6,368
– Discontinued operation		**(907)**	–
		(9,347)	6,368
		(184,838)	(211,612)
Total comprehensive income attributable to:			
– Owners of the Company		**(182,901)**	(228,189)
– Non-controlling interests		**(9,881)**	5,875
		(192,782)	(222,314)
Loss per share – Basic and diluted *(HK cents)*	*9*		
– Continuing and discontinued operations		**(0.86)**	(1.07)
– Continuing operations		**(0.85)**	(1.07)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2020

	Notes	2020 HK$'000	2019 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**293,198**	199,872
Intangible assets	*10*	**–**	–
Prepayment for acquisition of equipment	*11*	**213,085**	–
Interests in associates		**–**	–
Loan receivables	*12*	**41,700**	103,629
Deferred tax assets		**31,350**	40,884
		579,333	344,385
CURRENT ASSETS			
Loan receivables	*12*	**31,470**	36,384
Properties held for sale	*13*	**1,595,265**	1,862,565
Trade and other receivables	*14*	**56,669**	115,529
Factoring receivables	*15*	**–**	40,174
Restricted bank deposits		**345**	6,479
Bank balances and cash		**710,845**	911,602
		2,394,594	2,972,733
CURRENT LIABILITIES			
Trade and other payables	*16*	**448,699**	870,257
Borrowings	*17*	**546,412**	569,943
Amount due to non-controlling interests		**76,277**	59,511
Amount due to ultimate holding company		**1,675**	1,775
Tax liabilities		**29,137**	31,154
Contract liabilities	*18*	**807,890**	646,202
Lease liabilities		**4,404**	–
		1,914,494	2,178,842
NET CURRENT ASSETS		**480,100**	793,891
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,059,433**	1,138,276

	Notes	**2020** ***HK$'000***	2019 *HK$'000*
NON-CURRENT LIABILITIES			
Borrowings	*17*	**74,064**	35,974
Lease liabilities		**6,043**	–
		80,107	35,974
NET ASSETS		**979,326**	1,102,302
CAPITAL AND RESERVES			
Share capital		**20,319**	20,319
Reserves		**876,176**	1,059,471
Equity attributable to owners of the Company		**896,495**	1,079,790
Non-controlling interests		**82,831**	22,512
TOTAL EQUITY		**979,326**	1,102,302

Notes:

1. GENERAL

International Business Settlement Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate and ultimate holding company is Long Grand Limited, a company incorporated in the British Virgin Islands (the "BVI"), which is owned by Mr. Yam Yu and Mr. Yuen Leong (a director of the Company) of 70% and 30%, respectively. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at 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, hotel business, provision of international business settlement services, provision of financing services and manufacturing and sales of disposable contact lens business. Except for provision of international business settlement services, all activities are mainly carried out in the People's Republic of China (the "PRC").

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

(a) Adoption of new/revised HKFRSs – effective 1 April 2019

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combinations
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 23, Borrowing Costs

The impact of the adoption of HKFRS 16 Leases has been summarised below. The other new or amended HKFRSs that are effective from 1 April 2019 did not have any material impact in the Group's accounting policies.

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases ("HKAS 17"), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee's perspective, almost all leases are recognised in the consolidated statement of financial position as a right-of-use assets and a lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (v) of this note.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application. The comparative information presented in 2019 has not been represented and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following tables summarised the impact of transition to HKFRS 16 on the consolidated statement of financial position as of 31 March 2019 to that of 1 April 2019 as follows (increase/(decrease)):

	Right-of-use assets	**Lease liabilities**
	HK$'000	*HK$'000*
Adjusted balance as at 1 April 2019	6,030	6,424
Additions	102,220	8,677
Depreciation	(4,448)	–
Interest expenses	–	503
Payments	–	(5,092)
Exchange adjustment	(775)	(65)
As at 31 March 2020	103,027	10,447

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 as at 31 March 2019 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 April 2019:

	HK$'000
Weighted average incremental borrowings rate as at 1 April 2019	10%
Operating lease commitments disclosed as at 31 March 2019	9,140
Less: recognition exemption – short term leases	(2,237)
Less: future interest expenses	(479)
Lease liabilities recognised as at 1 April 2019	6,424
Of which are:	
Current lease liabilities	4,363
Non-current lease liabilities	2,061
	6,424

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

(iii) Accounting as lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the consolidated statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the consolidated statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(iv) Accounting as lessor

Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 does not have any financial impact on leases where the Group is the lessor.

(v) Transition

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application (1 April 2019). The comparative information presented in 2019 has not been represented and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 April 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 April 2019.

The Group has elected to recognise all the right-of-use assets at 1 April 2019 for leases previously classified operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets at 1 April 2019 to assess if there was any impairment as on that date.

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 April 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 April 2019 and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int4.

(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.

Amendments to HKFRS 3	Definition of a business[1]
Amendments to HKAS 1 and HKAS 8	Definition of material[1]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]

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

[2] Effective for annual periods beginning on or after a date to be determined

3. REVENUE

The Group, following disposal of its property management business, is principally engaged in development of properties, hotel business, provision of international business settlement services, provision of financing services and manufacturing and sales of disposable contact lens business. Further details regarding the Group's principal activities are disclosed in Note 4.

	2020	2019
	HK$'000	*HK$'000*
Continuing operations:		
Revenue from contracts with customers *(note)*		
Sales of properties	**386,487**	811,012
International business settlement services	**3,054**	150
	389,541	811,162
Revenue from other sources		
Financing service income	**3,995**	16,686
	393,536	827,848
Discontinued operation:		
Revenue from contracts with customers *(note)*		
Property management services	**4,076**	–
	397,612	827,848

Note: Disaggregation of revenue from contracts with customers

	2020	2019
	HK$'000	*HK$'000*
Continuing operations:		
Timing of revenue recognition		
Goods transferred at a point in time	**386,487**	811,012
Services transferred over time	**3,054**	150
	389,541	811,162
Discontinued operation:		
Timing of revenue recognition		
Services transferred over time	**4,076**	–
	393,617	811,162

4. SEGMENT REPORTING

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

Continuing reportable segments:

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

Discontinued reportable segment:

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

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

(a) Segment revenue and results

For the year ended 31 March 2020

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

For the year ended 31 March 2019

	Property development *HK$'000*	Hotel business *HK$'000*	International business settlement *HK$'000*	Financing business *HK$'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	(4,689)	(133,107)	(94,808)	(794)	(181,125)
Unallocated corporate expenses						(14,256)
Bank interest income						11,762
Loss before taxation						(183,619)

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

	2020	2019
	HK$'000	*HK$'000*
ASSETS		
Segment assets		
Property development	**1,654,040**	1,997,302
Hotel business	**201,761**	211,492
International business settlement	**23,024**	10,105
Financing business	**73,758**	182,458
Contact lens business	**306,576**	–
Others	**–**	1,666
Total segment assets	**2,259,159**	2,403,023
Unallocated assets		
Bank balances and cash	**710,845**	911,602
Other assets	**3,923**	2,493
Total unallocated assets	**714,768**	914,095
Consolidated total assets	**2,973,927**	3,317,118
LIABILITIES		
Segment liabilities		
Property development	**(1,684,917)**	(1,976,329)
Hotel business	**(129,643)**	(165,771)
International business settlement	**(73,258)**	(62,442)
Financing business	**(1,472)**	(3,400)
Contact lens business	**(97,166)**	–
Others	**–**	(655)
Total segment liabilities	**(1,986,456)**	(2,208,597)
Unallocated liabilities		
Other liabilities	**(8,145)**	(6,219)
Total unallocated liabilities	**(8,145)**	(6,219)
Consolidated total liabilities	**(1,994,601)**	(2,214,816)

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 2020

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

For the year ended 31 March 2019

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

(ii) Information about geographical areas

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

	Revenue from external customers (by customer location)		**Specified non-current assets (by physical location)**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**1,853**	161
PRC (domicile)	**394,558**	827,698	**290,475**	198,419
Others	**3,054**	150	**870**	1,292
	397,612	827,848	**293,198**	199,872

(iii) Information about major customers

The Group's customer base is diversified and none of the customers (2019: nil) with whom transactions have exceeded 10% of the Group's revenue during the year ended 31 March 2020.

5. OTHER INCOME, GAINS AND LOSSES

	2020	2019
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**7,554**	11,762
Government grant	**130**	224
Net exchange loss	**(5,055)**	(6,751)
(Impairment loss)/reversal of impairment loss on trade and other receivables, net *(note 14)*	**(1,837)**	852
Referral fee income	**–**	3,801
Gain on disposal of subsidiary	**4,345**	348
Parking service income	**1,369**	–
Others	**829**	389
	7,335	10,625

6. FINANCE COSTS

	2020	2019
	HK$'000	*HK$'000*
Interests on		
– bank borrowings	**1,690**	57,176
– other borrowings	**93,567**	7,246
– lease liabilities	**503**	–
	95,760	64,422
Less: amounts capitalised in properties held for sale	**(55,779)**	(57,086)
	39,981	7,336

Borrowing costs capitalised during the years ended 31 March 2020 and 2019 arose from borrowings specifically for the purpose of obtaining qualifying assets.

7. INCOME TAX EXPENSES

	2020	2019
	HK$'000	*HK$'000*
Current tax in PRC		
Enterprise Income Tax ("EIT")	**–**	11,683
Land Appreciation Tax ("LAT")	**24,725**	17,827
	24,725	29,510
Deferred tax	**7,669**	(1,517)
	32,394	27,993

No provision for Hong Kong Profits Tax has been made as the income of the Group neither arises in nor is derived from Hong Kong during the years ended 31 March 2020 and 2019.

The PRC EIT is calculated on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Group's PRC subsidiaries during the year ended 31 March 2020 is 25% (2019: 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 2020, the amount of prepaid LAT and EIT in respect of contract liabilities amounted to approximately HK$1,768,000 (2019: HK$8,263,000), 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:

	2020	2019
	HK$'000	*HK$'000*
Directors' emoluments	**3,535**	3,845
Other staff salaries, wages and allowances	**32,777**	41,542
Other staff retirement scheme contributions	**2,048**	3,670
	38,360	49,057
Less: staff costs capitalised in properties held for sale	**(3,668)**	(4,149)
Total staff costs	**34,692**	44,908

	2020	2019
	HK$'000	*HK$'000*
Cost of inventories recognised as expenses	**326,188**	700,855
Auditor's remuneration	**2,280**	2,260
Impairment loss on property, plant and equipment	**–**	13,771
Impairment loss on intangible assets *(note 10)*	**–**	59,186
Impairment loss on loan receivables, net *(note 12)*	**58,227**	2,498
Impairment loss on factoring receivables, net *(note 15)*	**36,969**	93,909
Written off on other receivables	**–**	13,962
Depreciation of property, plant and equipment	**5,594**	7,192
Short term or low value lease expenses	**2,127**	–
Minimum lease payments under operating leases	**–**	6,811

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:

	2020	2019
	HK$'000	*HK$'000*
Profit and loss		
Loss for the year attributable to owners of the Company for the purposes of basic loss per share		
– Continuing operations	**(173,374)**	(217,980)
– Discontinued operation	**(2,117)**	–
	(175,491)	(217,980)

	2020	2019
Number of shares		
Weighted average number of shares for the purposes of basic loss per share	**20,319,072,320**	20,319,072,320

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

10. INTANGIBLE ASSETS

The Group entered into an agreement with an independent software company to assist the Group in developing a settlement platform for connecting with the systems of the central banks and commercial banks of the countries along the "Belt and Road Initiative". During prior years, the sums paid and payable by the Group pursuant to the agreement was USD7,600,000 (equivalent to HK$59,186,000). The platform is docking with banking system, in the view of directors of the Company, the platform will generate future economic benefits. The expected useful life of the platform is 10 years and the intangible assets will be amortised when it is ready for use.

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

11. PREPAYMENT FOR ACQUISITION OF EQUIPMENT

During the year, the Group, as purchaser, entered into a series of equipment purchase agreements with independent equipment providers, pursuant to which the Group agreed to acquire contact lens production line equipment in the PRC at total considerations of USD48,702,000 and RMB42,510,000 (equivalent to approximately HK$426,873,000 in total). The Group has paid USD25,107,000 and RMB13,380,000 (equivalent to approximately HK$213,085,000 in total) in 2020 and the remaining of HK$213,788,000 will be payable upon the completion of installation of equipment.

12. LOAN RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Loan receivables	**130,876**	143,229
Interest receivables	**6,782**	3,820
	137,658	147,049
Less: Loss allowance *(note(b))*		
Stage 1	**(131)**	(211)
Stage 2	**–**	(6,825)
Stage 3	**(64,357)**	–
Carrying amount of loan receivables	**73,170**	140,013
Current portion included under current assets	**(31,470)**	(36,384)
Amounts due after one year included under non-current assets	**41,700**	103,629

As at 31 March 2020 and 2019, 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% per annum (2019: 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:

	2020	2019
	HK$'000	*HK$'000*
Over 1 year	**137,658**	147,049

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

	2020	2019
	HK$'000	*HK$'000*
Not past due	**103,803**	138,073
31 to 90 days	**6,274**	4,523
Over 90 days	**27,581**	4,453
	137,658	147,049

(b) Movement in impairment losses

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

	Stage 1 12-month ECL *HK$'000*	Stage 2 Lifetime ECL not credit-impaired *HK$'000*	Stage 3 Lifetime ECL credit-impaired *HK$'000*	Total *HK$'000*
At 1 April 2018	4,531	–	–	4,531
Transfer to lifetime ECL not credit-impaired	(4,457)	4,457	–	–
Impairment loss charged to profit or loss	137	2,361	–	2,498
Exchange adjustment	–	7	–	7
At 31 March 2019 and 1 April 2019	211	6,825	–	7,036
Transfer to lifetime ECL credit-impaired	–	(6,825)	6,825	–
Impairment loss charged to profit or loss	(70)	–	58,297	58,227
Exchange adjustment	(10)	–	(765)	(775)
At 31 March 2020	131	–	64,357	64,488

For year ended 31 March 2020, an increase of loss allowance of approximately HK$58,227,000 (2019: 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

	2020	2019
	HK$'000	*HK$'000*
Completed properties held for sale	**1,035,763**	1,269,423
Properties under development for sale	**559,502**	593,142
	1,595,265	1,862,565
Carrying amount of properties under development for sale expected to be completed:		
– within one year	**559,502**	440,954
– after one year	**–**	152,188
	559,502	593,142

As at 31 March 2020, certain properties held for sale with carrying amount of approximately HK$626,787,000 (2019: HK$660,742,000) were pledged to secure certain borrowings granted to the Group.

During the years ended 31 March 2020 and 2019, there is no impairment loss recognised as the net realisable value is higher than carrying amount for both years.

14. TRADE AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Trade receivables	**4,310**	6,651
Less: Loss allowance	**(206)**	(33)
	4,104	6,618
Other receivables and prepayments:		
Other deposits	**1,079**	6,647
Prepayments for construction work	**22,065**	71,967
Other tax prepayment	**12,210**	18,822
Other receivables	**12,977**	6,516
Other prepayments	**4,234**	4,959
	56,669	115,529

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:

	2020	2019
	HK$'000	*HK$'000*
91 to 180 days	**1,690**	6,618
181 to 360 days	**2,414**	–
	4,104	6,618

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

	2020	2019
	HK$'000	*HK$'000*
At 1 April	**232**	1,086
Impairment loss on trade and other receivables	**1,870**	15
Reversal of impairment loss previously recognised	**(33)**	(867)
Exchange adjustments	**(24)**	(2)
At 31 March	**2,045**	232

The balances of other deposits and other receivables 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

	2020	2019
	HK$'000	*HK$'000*
Factoring receivables	**124,479**	132,062
Interest receivables	**4,370**	4,586
	128,849	136,648
Less: Loss allowance *(note (b))*		
Stage 1	**–**	(28)
Stage 2	**–**	–
Stage 3	**(128,849)**	(96,446)
Current portion included under current assets	**–**	40,174

As at 31 March 2020 and 2019, all factoring receivables were secured by accounts receivables of the debtors with interest rate of 6.5% (2019: 6.5%) per annum. 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:

	2020	2019
	HK$'000	*HK$'000*
91 to 180 days	**–**	6,566
181 to 360 days	**–**	130,082
Over 360 days	**128,849**	–
	128,849	136,648

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

	2020	2019
	HK$'000	*HK$'000*
Not past due	**–**	132,507
31 to 90 days	**–**	2,123
Over 90 days	**128,849**	2,018
	128,849	136,648

(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 1 April 2018	2,463	–	–	2,463
Transfer to lifetime ECL credit-impaired	(2,463)	–	2,463	–
Impairment loss charged to profit or loss	28	–	93,881	93,909
Exchange adjustment	–	–	102	102
At 1 April 2019	28	–	96,446	96,474
(Reversal of impairment loss)/ impairment loss charged to profit or loss	(27)	–	36,996	36,969
Exchange adjustment	(1)	–	(4,593)	(4,594)
At 31 March 2020	–	–	128,849	128,849

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

	2020	2019
	HK$'000	*HK$'000*
Trade payables *(note)*	**417**	15,487
Accrued construction cost to contractors	**197,408**	754,513
Interest payable	**73,178**	2,635
Amounts due to third parties	**745**	782
Other payables	**68,957**	73,039
Other tax payables	**107,994**	23,801
	448,699	870,257

Note:

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

	2020	2019
	HK$'000	*HK$'000*
0 to 90 days	**417**	15,487

17. BORROWINGS

	2020	2019
	HK$'000	*HK$'000*
Bank borrowings, secured *(note (a))*	**136,471**	430,772
Other borrowings, secured *(note(b))*	**476,302**	165,771
Other borrowings, unsecured *(note (c))*	**7,703**	9,374
	620,476	605,917
Carrying amount of borrowings repayable:		
Within one year	**546,412**	569,943
More than one year, but not exceeding two years	**1,166**	35,974
More than two years, but not exceeding five years	**72,898**	–
	620,476	605,917
Less: amounts shown under current liabilities	**(546,412)**	(569,943)
	74,064	35,974

All borrowings were denominated in RMB during both years.

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

	2020	2019
	HK$'000	*HK$'000*
Effective interest rates	**5% – 18%**	6.5% – 18%

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

	2020	2019
	HK$'000	*HK$'000*
Secured by:		
Property, plant and equipment	**92,833**	–
Properties held for sale	**–**	660,742

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

	2020	2019
	HK$'000	*HK$'000*
Secured by:		
Property, plant and equipment *(note (i))*	**41,707**	43,777
Properties held for sale *(note (ii))*	**626,787**	–
	668,494	43,777

(i) As at 31 March 2020, hotel rooms with carrying amount of HK$41,707,000 (2019: HK$43,777,000) are pledged as security for one of the Group's other borrowings of HK$129,642,000 (2019: HK$165,771,000) at a fixed rate of 8% per annum.

(ii) As at 31 March 2020, properties held for sale of HK$626,787,000 (2019: nil) are pledged as security for one of the Group's other borrowings of HK$346,660,000 (2019: nil) at a fixed rate of 18% per annum.

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 Liuzhou Zhenghe and other related parties of former shareholder of Liuzhou Zhenghe had also pledged certain assets to lender to secure the borrowings granted to the Group.

(c) As at 31 March 2020, one of the Group's other borrowings represent an unsecured borrowings of HK$7,703,000 (2019: HK$9,374,000) provided by a third party with interest at a fixed rate of 18% per annum and repayable in January 2021.

18. CONTRACT LIABILITIES

	2020	2019
	HK$'000	*HK$'000*
Contract liabilities arising from property development business	**807,890**	646,202

	HK$'000
At 1 April 2019	646,202
Revenue recognised for the balances included in the contract liabilities at the beginning of the year	(41,770)
Increase for the cash received for the balances where revenue is not yet recognised during the year	203,458
At 31 March 2020	807,890

As at 31 March 2020, the amount of sales deposits received expected to be recognised as revenue after one year is nil (2019: nil).

19. COMMITMENTS

	2020	2019
	HK$'000	*HK$'000*
Commitments contracted for:		
– construction for properties held for sale	**157,283**	141,523
– development of settlement platform	**–**	2,622
– acquisition of property, plant and equipment	**213,788**	–
	371,071	144,145

20. CONTINGENT LIABILITIES

	2020	2019
	HK$'000	*HK$'000*
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**1,074,002**	880,758

Note:

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

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

21. EVENTS AFTER THE REPORTING DATE

The emergence and spread of novel coronavirus in January 2020 have affected business and economic activity in the PRC and beyond. The Group has already assessed the overall impact of the situation on the operation of the Group and taken all possible effective measures to limit and keep the impact in control. The Group will keep continuous attention on the change of situation and make timely response and adjustments in the future but the estimate of its financial effect cannot be made at this stage.

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 March 2020 (2019: nil).

OVERALL RESULTS

Key performance indicator (Financial Ratio)

		Year ended 31 March	
	Notes	**2020**	2019
Revenue *(HK$'000)*		**393,536**	827,848
Gross profit margin *(%)*	*(i)*	**16.4%**	14.5%
Loss for the year *(HK$'000)*		**184,838**	211,612
Loss per share *(HK cents)*		**0.86**	1.07
Net asset value per share *(HK cents)*	*(ii)*	**4.82**	5.42

Notes:

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

(ii) Net asset value per share is calculated based on the number of 20,319,072,320 ordinary shares issued as at 31 March 2020 (2019: 20,319,072,320 ordinary shares).

For the current year, the Group recorded a revenue of approximately HK$393,536,000, representing a significant decrease of approximately 52.5% when compared with preceding financial year. The revenue for the current year is mainly generated from the property development segment in 正和城 ("Zhenghe City") of 柳州正和樺桂置業集團有限公司 (Liuzhou Zhenghe Huagui Real Estate Group Company Limited*) ("Liuzhou Zhenghe"). In the preceding financial 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 and therefore recorded substantial revenue in the previous year. However, during the current year, no buildings were completed and delivered to the market, and revenue was only generated from the selling of the unsold units in studio/office buildings in Zone C, villas in Zone D1 and commercial complexes in Zone F. As a result, the revenue of the Group for the year decreased significantly.

An overall gross profit of approximately HK$64,405,000 (2019: HK$120,232,000) and gross profit margin of 16.4% (2019: 14.5%) were recorded for the current year. The slight increase in gross profit margin was mainly due to the stores and apartment units sold during the current year as compared to residential units sold in preceding financial year has a relatively higher marking in selling.

The Group continued to incur losses of approximately HK$184,838,000 for the current year. The substantial loss in current year was mainly attributable to total impairment loss of HK$95,196,000 was made for loan receivables and factoring receivables in the financing segment and also less favourable performance in Liuzhou property segment caused by the COVID-19 outbreak in Asia earlier this year. The basic and diluted loss per share for the current year was approximately HK0.86 cent which represented a slightly decrease as compared to approximately HK1.07 cents in corresponding year in 2019.

REVIEW OF OPERATIONS AND PROSPECT

International Business Settlement

During the year, with the EMI License obtained in Lithuania, the Group connected numerous commercial and individual customers in both European market and China and provided fund settlement services for commercial and individual customers in a small scale. As of March 2020, nearly 200 European customers opened digital banking accounts through the Group's digital banking set up via network in Lithuania, which provided credit, remittance and settlement services to them, with transaction amount in aggregate reaching EUR350 million. As of 31 March 2020, the funds placed by customers in the Group's digital banking set up in Lithuania amounted to almost EUR6 million. This shows the customers of IBS Lithuania trust IBS Lithuania as an established financial institution and demonstrates that the customers are satisfactory with the Group's activities in Europe.

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

Since the development of digital banking is not yet fully matured and currently only basic services are available thereunder, its contribution to the Group is thus relatively low. As of 31 March 2020, the revenue of this segment was approximately HK$3,054,000 (2019: HK$150,000), and the total loss for the year was HK$27,544,000 (2019: HK$133,107,000). The major expenses in this segment for the year were staff costs. The significant losses incurred in the previous year were attributable to the impairment on the Next Generation Settlement Network ("NGSN") platform and its underlying assets.

During the previous financial year, under the impact arising from the world trade environment, changes in financial regulatory trend and changes in political environment, full impairment was made by the Group for the NGSN platform. The Company acknowledges that the development of NGSN faces is challenging and will continue to work through the challenges.

The NGSN platform is designed to build speedy financial clearing channels for countries along the "Belt and Road" in Asia, Europe, Africa and other regions, while providing convenient financial services for multilateral trade. By connecting to NGSN, remittance channels between the target regions and the global financial institutions can be developed to provide financial services for public and private customers in a more efficient manner, which in turn can assist the target customers in integrating resources and accessing to other friendly cooperative banks so as to achieve fast and safe transfer of funds. Moreover, leveraging on the joint efforts with the target customers, it can also promote the safe and rapid development of its financial infrastructures involving payment, clearing and settlement, enhance the financial service capabilities of the target regions, achieve stable economic and trade growth through multiple currencies as well as build financial infrastructures with stronger fund clearing and settlement capabilities.

The platform aims to over come the restriction of time and space and target to achieve quick onshore and offshore fund transfer in a fast and convenient way and at low costs. As a result, its entire payment process is more convenient and efficient than traditional cross-border fund transfer options. The platform is able to record transaction information including fund sources, use of funds, payment route, etc and the recorded information can be retrieved by relevant users online.

The Group has reorganized the management team with a view to developing NGSN, and employed experts and technical staff to support the development. The Company continues 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, and continues to be committed to attracting more banks and enterprises to join NGSN, so as to bring its advantages into full play, accelerate monetary circulation and improve economic circulation efficiency, with a view to accelerating market liquidity, boosting market confidence and enabling sustainable development. The Company successively initiated communication and cooperation with countries in Asia, Europe, Africa and other regions to seek further development, thus laying a foundation upon which NGSN can be deployed globally.

Liuzhou Zhenghe (property development, hotel business and property management 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 511,000 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	26,000	–
Zone C	61,000	255,000	125,000	–
	231,000	480,000	172,000	8,000
Phase II:				
Zone D	71,000	191,000	44,000	–
Zone E	30,000	142,000	87,000	31,000
Zone F	41,000	178,000	108,000	–
	142,000	511,000	239,000	31,000
Total:	373,000	991,000	411,000	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 2020.

(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 and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Approximately 8,000 square meters car parking spaces in this zone were held for self-operating to generate stable recurring income. Hence classify as the Group's property, plant and equipment.
Zone B	Villas and high-rise apartment buildings with retail outlets and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Car parking spaces with a total saleable area of approximately 17,000 square meters are held for sale.
Zone C	Residential and commercial complexes and studio/ office buildings with retail outlets and car parking spaces	There are 7 blocks of residential and commercial complexes and 3 blocks of studio/office buildings in this zone. The construction works of 7 blocks of residential and commercial complexes and 2 of 3 blocks of studio/office buildings in this zone were completed and most of the units were sold in the past financial years. The construction works of the remaining 1 block of studio/office building is in progress. The pre-sale permits were granted and acceptance certificates of completion are expected to be granted in 2020.

	Property type	**Status**
Phase II:		
Zone D1	Villas	The construction works of the villas were completed. 16 villas with a total saleable area of approximately 8,000 square meters were sold to the customers and revenue was recognised in the current year.
Zone D1	High-rise apartment buildings with retail outlets and car parking spaces	There are 5 blocks of high-rise apartment buildings in this zone. The construction works of these 5 blocks of high-rise apartment buildings were completed and most of the units were sold in the past financial years. Car parking spaces with a total saleable area of approximately 43,000 square meters are held for sale.
Zone D2	Villas	The construction works of the villas were completed. 8 villas with a total saleable area of approximately 5,000 square meters were sold to the customers and revenue was recognised in the current year.

	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. Retail outlets attached to this apartment building with a total saleable area of approximately 33,000 square meters are held for sale. 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 2020. In last financial year, the Group changed its intention to operate the hotel under franchising arrangement instead of held for sale. Constructing area of approximately 31,000 square meters of the hotel building are included in property, plant and equipment.
Zone F	Residential and commercial complexes with retail outlets and car parking spaces	There are 6 blocks of residential and commercial complexes in this zone. The construction works of 3 blocks of residential and commercial complexes were completed and most of the units were sold in the past financial years. The construction works of the remaining 3 blocks of residential and commercial complexes are in progress and pre-sale permits were granted. The acceptance certificates of completion are expected to be obtained in 2021. Retail outlets attached to 3 blocks of building with area of approximately 5,000 square meters was sold to customers and revenue was recognised in the year.

(i) For property development segment in Liuzhou Zhenghe, an area of approximately 34,000 square meters (2019: 141,000 square meters) was sold and generated a segment revenue of approximately HK$386,487,000 for the current year (2019: HK$811,012,000). A segment profit of approximately HK$9,453,000 was recorded for the current year (2019: HK$52,273,000). The low sales figures in current year was mainly due to no buildings were completed and delivered to the customers during the year. Therefore, revenue for the year was contributed by the sale of previously constructed unsold units only.

An external expert was engaged to help to assess the fair value of the properties development project as at 31 March 2020. 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 2020 as the net realisable value is higher than carrying amount.

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

(ii) The hotel business is located in Zone E1 of Zhenghe City with gross floor area of approximately 31,000 square meters. In last financial 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 no revenue will be generated until commencement of operation of the hotel in 2021 and the segment loss was HK$10,532,000 mainly represented interest on other borrowing for finance the hotel construction (2019: HK$4,689,000).

(iii) In order to increase the income stream, in beginning of 2019, the Group started to provide property management services to the residents or lessees in Zhenghe City. However, the Group completed the disposal of this business in end of 2019 as its performance does not meet the Group's expectation. In view of the benefit of the Group and its shareholders as a whole, the Group ceased the property management services business such that the Group could improve its resources allocation. The property management service business being sold to the non-controlling interest of Liuzhou Zhenghe resulting in a gain on disposal of subsidiary of HK$4,345,000. The revenue generated from this discontinued property management business was HK$4,076,000 and the segment loss was HK$3,024,000.

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 registered capital of USD35 million (approximately RMB225 million). The scope of business of the WFOE includes finance leasing, leasing, purchasing of leased assets in domestic and foreign markets, disposal of residual value and maintenance of leased assets, provision of consultation and guarantees for lease transactions and engaging in commercial factoring business.

Starting from last year, the financial services business was affected significantly in view of the challenging business environment in China. In the factoring business, our clients experienced a severe adversity in this tough business environment in China and have failed to pay interest payment since the last financial year. After assessment of the recoverability of the debt, a significantly impairment and expected credit loss of HK$93,909,000 were provided for these receivables in last financial year. The debts matured and past due in July 2019, there had been no progress for recover of any amount in arrears from these receivables during the year, after considering the credit risk of the borrowers and realizable value of the collaterals, a further fully impairment loss of HK$36,969,000 on factoring receivables was made in the year.

Besides, in finance leasing business, another client failed to settled the instalments since October 2018, finance lease receivables were considered credit-impaired when the customers fail to settle according to the settlement terms for more than six months after taking into consideration the recoverability of collateral. After considering the outbreak of COVID-19 since January 2020 having caused a challenging operational environment, the Company believes that the recoverability of the pledged assets in connection with the finance leasing business would be adversely impacted. As such, as at 31 March 2020, impairment loss of HK$58,227,000 on loan receivables was made in the year.

This segment recorded approximately HK$3,995,000 interest income (2019: HK$16,686,000) as revenue and the segment loss was approximately HK$98,182,000 (2019: HK$94,808,000) during the current year. The segment loss was mainly due to the aforesaid total impairment loss being made for factoring and loan receivables after credit evaluations.

The carrying amount of factoring receivables and loan receivables arising from financing segment were at nil and HK$73,170,000 after deducting accumulated allowance of impairment loss of HK$128,849,000 and HK$64,488,000 respectively for the year.

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

Contact lenses business in Fujian

In October 2019, Besting Capital Limited ("Besting Capital"), an indirectly wholly-owned subsidiary of the Company, entered into a cooperation agreement with Unicon Optical Co., Ltd. ("TW Unicon"), a company incorporated in Taiwan with limited liability and listed on the Emerging Stock Board of Taipei Exchange（台灣興櫃市場）(Stock code: 4150), pursuant to which Besting Capital and TW Unicon will jointly establish a joint venture company named Hong Kong Unicon Optical Co., Limited ("HK Unicon") for purpose of setting up a wholly foreign-owned enterprise named Fujian Unicon Optical Co., Ltd ("Fujian Unicon") in the PRC for manufacturing and selling of contact lenses.

The registered capital of HK Unicon is USD30 million, of which Besting Capital contributed USD21 million (representing 70% of the equity interests in HK Unicon) and TW Unicon contributed USD9 million (representing 30% of the equity interests in HK Unicon). The total investment amount of Fujian Unicon is expected to be around RMB540 million, which will be used to construct a contact lense production plant with a production capacity of approximately 240 million pieces of contact lenses a year. Apart from the registered capital, the remaining investment amount of approximately RMB328.6 million will be contributed by loans from bank or financial institution or shareholders' loan. By the end of 2019, the registered capital of USD30 million has been fully paid up. In February 2020, Fujian Unicon obtained a bank loan facility of RMB250 million for construction funds and got the first tranche of bank loan of approximately RMB66,341,000 (equivalent to approximately HK$74,064,000).

In January 2020, Fujian Unicon acquired a land parcel with a site area of 80 mu in Mawei District, Fuzhou for the construction of the plant. The design and construction works of the plant have commenced and the procurement of production equipment also commenced. We aim to complete the construction of plant infrastructure (including the construction of GMP clean room) by the end of 2020 and expect that the plant will be put into production successively in the mid-2021.

The co-operation with TW Unicon on this project was mainly because that with extensive experience in the production and research and development of contact lenses, TW Unicon is able to provide technology and engineering support in the construction of production facilities and technologies involving the production of contact lenses. Currently, Fujian Unicon has obtained licenses for six major product categories with the latest technologies on the market from TW Unicon, and conducted document verification on the development progress of these six major product categories and created document and experimental data required for future product verification, as to prepare in advance for the document and data required by the PRC drug administration and examining authority for the application of production licenses. Besides, collective discussion with business departments will also be conducted, with a view to developing new products best meeting market demands.

In the first quarter of 2020, Fujian Unicon applied for the domestic medical device sales permit and to ensure smooth application, relevant warehouse and quality control personnel have been arranged and relevant software suitable for medical equipment has been developed. The sales permit was granted successfully in March. It is expected that re-export business will be carried out first to enter the domestic market, establish sales channels and better understand the PRC market, aiming to lay a solid foundation for the successive release of production capacity in 2021.

During the year, no revenue was recorded in this segment as its newly set up. Segment loss of HK$3,801,000 was recorded. The major expenses for the year were staff costs and administrative expenses for setting up this segment.

Other operations

During the current year, no revenue was generated from provision of consultancy services and operation of e-commerce platforms. In order to improve the Group's resources allocation, the Group decided to put its resources to other segments in the future.

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 completed in 2019 and the mining production has commenced. As the mining production just commenced in the second half of 2019, the operation is still loss making. 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS

In July 2019, the Group entered into a subscription agreement (the "Subscription Agreement") with independent parties pursuant to which the Group has conditionally agreed to subscribe for 5 new ordinary shares, which represent approximately 5.56% of the enlarged issued share capital of Bronzelink Holding Limited ("Bronzelink") for a subscription price of USD50,000,000 (equivalent to approximately HK$392,805,000). Bronzelink is an investment holding company which hold 75% of Global-IP Cayman which is principally engaged in providing high capacity Ka-band satellite-enabled internet network services, exclusively dedicated to the emerging markets in Sub-Saharan Africa. After the completion, Bronzelink shall also procure granting an exclusive right to the Group to sell or to sub-license not less than 50Gbps bandwidth which is around 1/3 of the total bandwidth available from the satellite to the Group and, in connection with such sale or sublicense, entitle the Group to a payment in the amount of not less than 5% of the gross selling price payable by each of the customers of such 50Gbps bandwidth.

Due to the COVID-19 outbreak in most part of the world, travel restrictions and social distancing policies resulted in additional time being required for fulfilment of certain conditions precedent to the Subscription Agreement. Parties have agreed to further extend the long stop date of the Subscription Agreement to 31 December 2020. For details of the Subscription Agreement, please see announcements of the Company dated 19 July 2019, 27 December 2019, 27 March 2020 and 29 June 2020.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

FINANCIAL REVIEW

Finance position, liquidity and gearing

As at 31 March 2020, the total assets and liabilities of the Group were at approximately HK$2,973,927,000 (31 March 2019: HK$3,317,118,000) and approximately HK$1,994,601,000 (31 March 2019: HK$2,214,816,000) respectively. The Group recorded a total equity of approximately HK$979,326,000 as at 31 March 2020 (31 March 2019: HK$1,102,302,000).

The Group recorded net current assets of approximately HK$480,100,000 as at 31 March 2020 (31 March 2019: HK$793,891,000). The bank balances and cash as at 31 March 2020 was approximately HK$710,845,000 (31 March 2019: HK$911,602,000), 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 1.25 (31 March 2019: 1.36).

As at 31 March 2020, the Group had total borrowing amounted to approximately HK$699,173,000 (31 March 2019: HK$667,985,000) which were denominated in Renminbi. The breakdowns are as follows:

(i) Secured bank and other borrowings amounted to approximately HK$612,773,000 (31 March 2019: HK$596,543,000) with effective interest rates in the ranges of 5% to 12%;

(ii) Unsecured other borrowings amounted to approximately HK$7,703,000 (31 March 2019: HK$9,374,000) with fixed interest rate of 18%;

(iii) Interest free loan due to third parties, non-controlling interests and ultimate holding company amounted to approximately HK$745,000 (31 March 2019: HK$782,000), approximately HK$53,949,000 (31 March 2019: HK$59,511,000) and approximately HK$1,675,000 (31 March 2019: HK$1,775,000) respectively; and

(iv) Interest bearing loan from non-controlling interests amounted to approximately HK$22,328,000 (31 March 2019: nil) with floating interest rate.

As at 31 March 2020, committed borrowing facilities available to the Group but not drawn amounted to approximately HK$205,036,000 (31 March 2019: nil).

The gearing ratio, as a ratio of total borrowings to total equity, as at 31 March 2020 was 0.71 (31 March 2019: 0.61).

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 2020, the Company had 20,319,072,320 shares of ordinary shares in issue and the total equity of the Group was approximately HK$979,326,000.

Charges on assets

As at 31 March 2020, certain properties held for sale with carrying amount of approximately HK$626,787,000 (31 March 2019: HK$660,742,000) and certain property, plant and equipment with carrying amount of approximately HK$134,540,000 (31 March 2019: HK$43,777,000) respectively, were pledged to secure certain bank and other borrowings granted to the Group.

Contingent liabilities

The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is any default of the mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchaser to banks, the Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of granting the relevant mortgage loans and ends after the buyer obtains the individual property ownership certificate. As at 31 March 2020, the guarantee given to banks for the above-mentioned mortgage facilities amounted to approximately HK$1,074,002,000 (31 March 2019: HK$880,758,000).

Foreign exchange exposure

As part of the Group's assets and liabilities are denominated in Renminbi, US dollars, Hong Kong dollars and Euro, 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 2020, the Group had approximately 125 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 2020.

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 2020 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 2020.

(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 12 September 2019 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. Chan Siu Tat and Ms. Chen Lanran. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2020 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 2020 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND DISPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.ibsettlement.com. The 2019/2020 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, 29 June 2020

* *The English name is for identification purpose only*

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