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**INTERNATIONAL BUSINESS SETTLEMENT HOLDINGS LIMITED**  
**國際商業結算控股有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 00147)

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “Board” or the “Directors”) of International Business Settlement Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2023 (the “period” or “reporting period”), together with the comparative figures, as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	3	<b>140,220</b>	87,203
Cost of sales and services		<u><b>(120,159)</b></u>	<u>(83,652)</u>
Gross profit		<b>20,061</b>	3,551
Other income, gains and losses	5	<b>4,319</b>	4,412
Selling expenses		<b>(2,030)</b>	(1,741)
Administrative and other expenses		<b>(27,491)</b>	(35,053)
Impairment loss on property, plant and equipment		<b>(17,349)</b>	–
Impairment loss on properties held for sale		<b>(9,880)</b>	–
Impairment loss on inventory		<b>(9,814)</b>	–
Finance costs	6	<u><b>(33,499)</b></u>	<u>(7,190)</u>
Loss before taxation		<b>(75,683)</b>	(36,021)
Income tax (expenses)/credit	7	<u><b>(12,745)</b></u>	<u>34,805</u>
<b>Loss for the period</b>	<b>8</b>	<u><b>(88,428)</b></u>	<u>(1,216)</u>

		<b>Unaudited</b>	
		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2023</b>	<b>2022</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Other comprehensive income/(expense) for the period</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>710</u>	<u>(22,485)</u>
<b>Total comprehensive expense for the period</b>		<b><u>(87,718)</u></b>	<b><u>(23,701)</u></b>
 (Loss)/profit for the period attributable to:			
– Owners of the Company		(64,879)	(10,541)
– Non-controlling interests		<u>(23,549)</u>	<u>9,325</u>
		<u>(88,428)</u>	<u>(1,216)</u>
 Total comprehensive (expense)/income attributable to:			
– Owners of the Company		(64,278)	(26,331)
– Non-controlling interests		<u>(23,440)</u>	<u>2,630</u>
		<u>(87,718)</u>	<u>(23,701)</u>
 Loss per share			
Basic and diluted ( <i>HK cents</i> )	<i>10</i>	<u>(0.32)</u>	<u>(0.05)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2023	31 March 2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>633,872</b>	736,659
Intangible assets		<b>2,362</b>	1,246
Prepayment	<i>11</i>	<b>219,468</b>	166,751
Deferred tax assets		<b>66,243</b>	76,428
		<b>921,945</b>	981,084
<b>CURRENT ASSETS</b>			
Loan receivables	<i>12</i>	–	–
Properties held for sale		<b>926,001</b>	1,030,397
Inventory		<b>21,784</b>	27,140
Trade and other receivables	<i>13</i>	<b>85,404</b>	69,959
Factoring receivables	<i>14</i>	–	–
Restricted bank deposits		<b>648</b>	690
Bank balances and cash		<b>331,918</b>	268,997
		<b>1,365,755</b>	1,397,183
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>15</i>	<b>689,371</b>	677,552
Deposit received from an investor	<i>16</i>	<b>93,966</b>	–
Borrowings	<i>17</i>	<b>649,947</b>	691,754
Amount due to non-controlling interests		<b>52,864</b>	79,028
Amount due to ultimate holding company		<b>1,636</b>	1,636
Tax liabilities		<b>32,476</b>	33,614
Contract liabilities	<i>18</i>	<b>83,827</b>	133,511
Lease liabilities		<b>3,513</b>	5,967
		<b>1,607,600</b>	1,623,062

		<b>30 September</b>	31 March
		<b>2023</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(unaudited)</b>	(audited)
NET CURRENT LIABILITIES		<u>(241,845)</u>	<u>(225,879)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>680,100</u>	<u>755,205</u>
NON-CURRENT LIABILITIES			
Borrowings	<i>17</i>	<b>120,609</b>	129,006
Lease liabilities		<u>3,303</u>	<u>3,771</u>
		<u>123,912</u>	<u>132,777</u>
NET ASSETS		<u><b>556,188</b></u>	<u>622,428</u>
CAPITAL AND RESERVES			
Share capital		<b>20,319</b>	20,319
Reserves		<u>505,051</u>	<u>569,329</u>
Equity attributable to owners of the Company		<b>525,370</b>	589,648
Non-controlling interests		<u>30,818</u>	<u>32,780</u>
TOTAL EQUITY		<u><b>556,188</b></u>	<u>622,428</u>

## 1. BASIS OF PREPARATION

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

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2022/2023 consolidated annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 April 2023. Details of any changes in accounting policies are set out in note 2. The adoption of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) have no material effect on these condensed consolidated interim financial statements. The Group has not early adopted any new and revised HKFRSs that has been issued but not yet effective in the current accounting period.

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

These condensed consolidated interim financial statements are presented in Hong Kong Dollars (“HK\$”), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022/2023 consolidated annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with the HKFRSs and should be read in conjunction with the 2022/2023 consolidated annual financial statements.

## **Basis of measurement and going concern assumption**

The Group had net current liabilities of approximately HK\$241,845,000 as at 30 September 2023.

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

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

## **2. CHANGES IN HKFRSs**

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

### 3. REVENUE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue from contracts with customers</b> <i>(Note)</i>		
Sales of properties	<b>42,544</b>	33,627
Sales of contact lens	<b>40,066</b>	26,376
Leasing and trading of computer equipment	<b>57,610</b>	27,200
	<b>140,220</b>	87,203

*Note:* Disaggregation of revenue from contracts with customers

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>82,610</b>	60,003
Services transferred over time	<b>57,610</b>	27,200
	<b>140,220</b>	87,203

#### 4. SEGMENT REPORTING

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

- Property development – Developing and selling of commercial and residential properties, car parking spaces, including undertaking of primary land development activities, in the PRC.
- Hotel business – Hotel development and provision of hotel management services in the PRC.
- International business settlement – Providing settlement and clearing services for commercial and individual customers.
- Contact lens business – Manufacturing and sales of disposable contact lens in the PRC.
- Leasing and trading of computer equipment business – Providing encrypted distributed storage space in Hong Kong through leasing of servers and trading of computer equipment.
- Financing business – Provision of finance through money lending services, finance leases, leasing, factoring and other related services.

The CODM considered that the property development segment, hotel business segment, international business settlement segment, contact lens business segment, leasing and trading of computer equipment business segment and financing business segment are the main businesses lines and reportable operating segments of the Group.

(a) Segment revenue and results

*Six months ended 30 September 2023 (unaudited)*

	Property development <i>HK\$'000</i>	Hotel business <i>HK\$'000</i>	International business settlement <i>HK\$'000</i>	Contact lens business <i>HK\$'000</i>	Leasing and trading of computer equipment business <i>HK\$'000</i>	Financing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>REVENUE</b>							
External sales and segment revenue	<u>42,544</u>	<u>-</u>	<u>-</u>	<u>40,066</u>	<u>57,610</u>	<u>-</u>	<u>140,220</u>
Segment (loss)/profit	(29,337)	-	(5,030)	(48,966)	10,922	154	(72,257)
Unallocated corporate expenses							(8,907)
Bank interest income							<u>5,481</u>
Loss before taxation							<u>(75,683)</u>

*Six months ended 30 September 2022 (unaudited)*

	Property development <i>HK\$'000</i>	Hotel business <i>HK\$'000</i>	International business settlement <i>HK\$'000</i>	Contact lens business <i>HK\$'000</i>	Leasing and trading of computer equipment business <i>HK\$'000</i>	Financing business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>REVENUE</b>							
External sales and segment revenue	<u>33,627</u>	<u>-</u>	<u>-</u>	<u>26,376</u>	<u>27,200</u>	<u>-</u>	<u>87,203</u>
Segment (loss)/profit	(4,464)	-	(4,078)	(22,249)	2,007	(654)	(29,438)
Unallocated corporate expenses							(7,820)
Bank interest income							<u>1,237</u>
Loss before taxation							<u>(36,021)</u>

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

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

**(b) Segment assets and liabilities**

	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
<b>ASSETS</b>		
<i>Segment assets</i>		
Property development	<b>990,650</b>	1,095,737
Hotel business	<b>179,909</b>	191,476
International business settlement	<b>2,410</b>	4,356
Contact lens business	<b>482,257</b>	526,546
Leasing and trading of computer equipment business	<b>298,155</b>	287,953
Financing business	<b>8</b>	9
	<hr/>	<hr/>
Total segment assets	<b>1,953,389</b>	2,106,077
	<hr/>	<hr/>
Unallocated assets		
Bank balances and cash	<b>331,918</b>	268,997
Other assets	<b>2,393</b>	3,193
	<hr/>	<hr/>
Total unallocated assets	<b>334,311</b>	272,190
	<hr/>	<hr/>
Consolidated total assets	<b>2,287,700</b>	2,378,267
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES</b>		
<i>Segment liabilities</i>		
Property development	<b>(1,169,379)</b>	(1,250,792)
Hotel business	<b>(124,707)</b>	(132,725)
International business settlement	<b>(25,139)</b>	(22,422)
Contact lens business	<b>(402,333)</b>	(340,100)
Leasing and trading of computer equipment business	<b>(2,358)</b>	(142)
Financing business	<b>(21)</b>	(185)
	<hr/>	<hr/>
Total segment liabilities	<b>(1,723,937)</b>	(1,746,366)
	<hr/>	<hr/>
Unallocated liabilities		
Other liabilities	<b>(7,575)</b>	(9,473)
	<hr/>	<hr/>
Total unallocated liabilities	<b>(7,575)</b>	(9,473)
	<hr/>	<hr/>
Consolidated total liabilities	<b>(1,731,512)</b>	(1,755,839)
	<hr/> <hr/>	<hr/> <hr/>

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

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

(c) **Other segment information**

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

	Revenue from external customers (by customer location)		Specified non-current assets (by physical location)	
	Six months ended		As at 30	As at 31
	30 September		September	March
	2023	2022	2023	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong	57,610	27,200	141,407	181,117
PRC (domicile)	82,610	60,003	494,827	556,788
	<u>140,220</u>	<u>87,203</u>	<u>636,234</u>	<u>737,905</u>

5. **OTHER INCOME, GAINS AND LOSSES**

	Six months ended	
	30 September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Bank interest income	5,481	1,237
Government grant	18	280
Rental income	–	81
Net exchange (loss)/gain	(618)	2,698
Impairment loss on trade and other receivables, net	(890)	(135)
Others	328	251
	<u>4,319</u>	<u>4,412</u>

## 6. FINANCE COSTS

	Six months ended	
	30 September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Interest on		
– bank borrowings	4,866	5,678
– other borrowings	28,027	29,995
– lease liabilities	606	314
	<u>          </u>	<u>          </u>
<i>Less:</i> amount capitalised in	33,499	35,987
– properties held for sale	–	(24,434)
– construction in progress under property, plant and equipment	–	(4,363)
	<u>          </u>	<u>          </u>
	<b><u>          </u></b>	<b><u>          </u></b>
	33,499	7,190

Borrowings costs capitalised during both interim periods arose from borrowings specifically for the purpose of obtaining qualifying assets.

## 7. INCOME TAX EXPENSES/(CREDIT)

	Six months ended	
	30 September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Current tax in PRC</b>		
Enterprise Income Tax (“EIT”)	824	–
Land Appreciation Tax (“LAT”)	4,736	1,272
	<u>          </u>	<u>          </u>
	5,560	1,272
<b>Deferred tax</b>		
Charge/(credit) for the period	7,185	(36,077)
	<u>          </u>	<u>          </u>
	<b><u>          </u></b>	<b><u>          </u></b>
	12,745	(34,805)

No provision for Hong Kong Profits Tax has been made for both interim periods as the Group has no assessable profit arising in Hong Kong.

The PRC EIT is calculated based on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Group’s PRC subsidiaries during both interim periods is 25%.

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

The Group is required to prepay LAT and EIT in accordance with the relevant PRC tax rules in respect of pre-sale of property development projects. As at 30 September 2023 and 31 March 2023, no prepaid LAT and EIT in respect of contract liabilities, which has been presented as deduction against the tax liabilities of the respective subsidiary in the condensed consolidated statement of financial position.

## 8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Six months ended	
	30 September	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Directors' emoluments	1,489	1,489
Other staff salaries, wages and allowances	10,260	16,659
Other staff retirement benefits scheme contributions	841	423
	<u>12,590</u>	<u>18,571</u>
Total staff costs	<u>12,590</u>	<u>18,571</u>
Cost of inventories recognised as expenses	73,551	58,463
Amortisation of intangible assets	170	79
Short term or low value lease expenses	–	85
Impairment loss on property, plant and equipment	(17,349)	–
Impairment loss on properties held for sale	(9,880)	–
Impairment loss on inventory	(9,814)	–
	<u>45,701</u>	<u>22,991</u>
Depreciation of property, plant and equipment	54,371	27,760
Less: capitalised in cost of inventories manufactured	(8,670)	(4,769)
	<u>45,701</u>	<u>22,991</u>

## 9. DIVIDEND

No dividend was paid, declared or proposed during the reporting period. The Board has resolved not to declare any interim dividend for the reporting period (2022: Nil).

## 10. LOSS PER SHARE

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

	Six months ended 30 September	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Profit or loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	<u>(64,879)</u>	<u>(10,541)</u>

	Six months ended 30 September	
	2023	2022
<b>Number of shares</b>		
Weighted average number of shares for the purposes of basic loss per share	<u>20,319,072,320</u>	<u>20,319,072,320</u>

No diluted loss per share were presented as there were no potential shares in issue for both periods.

## 11. PREPAYMENT

	30 September 2023	31 March 2023
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Prepayment for acquisition of:		
– Machinery and equipment ( <i>Note</i> )	113,766	117,149
– Server equipment	<u>105,702</u>	<u>49,602</u>
	<u>219,468</u>	<u>166,751</u>

### *Note:*

The Group, as purchaser, entered into a series of machinery and equipment purchase agreements with independent providers. Pursuant to which the Group agreed to acquire contact lens production line in the PRC at total considerations of USD37,421,000 (31 March 2023: USD37,421,000) and RMB49,252,000 (31 March 2023: RMB42,601,000) (together equivalent to approximately HK\$356,036,000 (31 March 2023: HK\$348,735,000)). Amounts of USD33,874,000 and RMB35,092,000 (together equivalent to approximately HK\$317,172,000) have been paid by the Group as at the end of the reporting period. The remaining of approximately HK\$38,864,000 will be payable upon the completion of installation of machinery and equipment.

## 12. LOAN RECEIVABLES

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Loan receivables	<b>124,814</b>	132,845
Interest receivables	<b>6,524</b>	6,944
	<b>131,338</b>	139,789
<i>Less: Loss allowance (Note (b))</i>		
Stage 1	-	-
Stage 2	-	-
Stage 3	<b>(131,338)</b>	<b>(139,789)</b>
Current portion included under current assets	<b>-</b>	<b>-</b>

As at 30 September 2023 and 31 March 2023, all loan receivables were secured by collaterals.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at rate approximately 6% to 15% (31 March 2023: 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:

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Over 1 year	<b>131,338</b>	139,789

(b) Movement in impairment losses

Loss allowance for loan receivables during the period 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 31 March 2023 (audited)	–	–	139,789	139,789
Exchange adjustments	–	–	(8,451)	(8,451)
At 30 September 2023 (unaudited)	<u>–</u>	<u>–</u>	<u>131,338</u>	<u>134,338</u>

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. TRADE AND OTHER RECEIVABLES

	30 September 2023 HK\$'000 (unaudited)	31 March 2023 HK\$'000 (audited)
Trade receivables	57,759	42,790
Less: Loss allowance	<u>(1,152)</u>	<u>(308)</u>
	56,607	42,482
Other receivables and prepayments:		
Other deposits	7,263	7,570
Other tax prepayment	521	432
Other receivables	14,742	11,471
Other prepayments	<u>6,271</u>	<u>8,004</u>
	<u>85,404</u>	<u>69,959</u>

The Group's formal credit policy in place is to monitor the Group's exposure to credit risk through regular reviews of receivables and follow-up actions taken on overdue accounts. Credit evaluations are performed on all customers requiring credit over a certain amount.

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

	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
Within 90 days	<b>50,103</b>	38,773
91 – 180 days	<b>5,629</b>	3,709
181 – 365 days	<b>875</b>	–
	<u><b>56,607</b></u>	<u>42,482</u>

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

	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
At the beginning of the period/year	<b>308</b>	135
Impairment loss charged to profit or loss	<b>890</b>	305
Reversal of impairment loss previously recognised	–	(125)
Exchange adjustments	<b>(46)</b>	(7)
	<u><b>1,152</b></u>	<u>308</u>

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

## 14. FACTORING RECEIVABLES

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Factoring receivables	62,283	66,291
Interest receivables	<u>2,237</u>	<u>2,381</u>
	<b>64,520</b>	68,672
<i>Less: Loss allowance (Note (b))</i>		
Stage 1	-	-
Stage 2	-	-
Stage 3	<u>(64,520)</u>	<u>(68,672)</u>
Current portion included under current assets	<u><u>-</u></u>	<u><u>-</u></u>

As at 30 September 2023 and 31 March 2023, all factoring receivables were secured by accounts receivables of the debtors with interest rate of 6.5% (31 March 2023: 6.5%). The Group has recourse right on the debts in the event of default. However, the collaterals are not permitted to sell or re-pledge by the Group.

### (a) Ageing analysis

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

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Over 1 year	<u><u>64,520</u></u>	<u><u>68,672</u></u>

(b) Movement in impairment losses

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

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime	Lifetime	Total
	ECL	ECL not	ECL credit-	
	HK\$'000	credit-	impaired	HK\$'000
		impaired	impaired	
		HK\$'000	HK\$'000	
At 31 March 2023 (audited)	–	–	68,672	68,672
Exchange adjustments	–	–	(4,152)	(4,152)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2023 (unaudited)	–	–	64,520	64,520
	<hr/>	<hr/>	<hr/>	<hr/>

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.

15. TRADE AND OTHER PAYABLES

	30 September	31 March
	2023	2023
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Trade payables ( <i>Note</i> )	17,573	4,461
Accrued construction costs to contractors	155,164	165,141
Interest payables	205,447	193,189
Other tax payables	218,205	223,893
Other payables	92,982	90,868
	<hr/>	<hr/>
	689,371	677,552
	<hr/>	<hr/>

*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:

	30 September	31 March
	2023	2023
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Within 90 days	16,452	3,708
91 – 180 days	1,121	412
181 – 365 days	–	341
	<hr/>	<hr/>
	17,573	4,461
	<hr/>	<hr/>

## 16. DEPOSIT RECEIVED FROM AN INVESTOR

The Group has entered into cooperation agreements with an investor in July 2023, the investor has conditionally agreed to inject RMB175,000,000 to subscribe for approximately 36.84% equity interest of Fujian Unicon Optical Co.,Ltd (“Fujian Unicon”), an indirect 70% owned subsidiary of the Company (“Capital Injection Amount”).

During the reporting period, first installment of 50% of the Capital Injection Amount (i.e. RMB87,500,000) equivalent to approximately HK\$93,966,000, had been received from the investor. For further details, please refer to the announcement of the Company dated 31 July 2023.

## 17. BORROWINGS

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Bank borrowings, secured ( <i>Note (a)</i> )	<b>238,726</b>	254,664
Other borrowings, secured ( <i>Note (a)</i> )	<b>124,707</b>	132,726
Other borrowings, unsecured ( <i>Note (b)</i> )	<b>407,123</b>	433,370
	<b><u>770,556</u></b>	<b><u>820,760</u></b>
Carrying amount of borrowings repayable:		
Within one year	<b>649,947</b>	691,754
More than one year, but not exceeding two years	<b>99,131</b>	106,147
More than two years, but not exceeding five years	<b>21,478</b>	22,859
	<b>770,556</b>	820,760
<i>Less:</i> amount shown under current liabilities	<b><u>(649,947)</u></b>	<b><u>(691,754)</u></b>
Amounts shown under non-current liabilities	<b><u>120,609</u></b>	<b><u>129,006</u></b>
The borrowings comprise:		
Variable-rate borrowings	<b>238,726</b>	254,664
Fixed-rate borrowings	<b>531,830</b>	566,096
	<b><u>770,556</u></b>	<b><u>820,760</u></b>

All borrowings were denominated in RMB during both periods.

As at 30 September 2023 and 31 March 2023, the Group’s variable-rate borrowings carry interest at Loan Prime Rate plus 0.9375%, interest is reset every year.

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

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Effective interest rates	<u><u>3% – 18%</u></u>	<u><u>3% – 18%</u></u>

Notes:

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

	<b>Carrying amounts of assets pledged of</b>		
	<b>Bank borrowings HK\$'000</b>	<b>Other borrowings HK\$'000 (Note (i))</b>	<b>Total HK\$'000</b>
<b>At 30 September 2023 (unaudited)</b>			
Property, plant and equipment	<u><u>292,202</u></u>	<u><u>65,665</u></u>	<u><u>357,867</u></u>
<b>At 31 March 2023 (audited)</b>			
Property, plant and equipment	<u><u>310,990</u></u>	<u><u>69,887</u></u>	<u><u>380,877</u></u>

- (i) As at 30 September 2023, hotel rooms with carrying amount of HK\$65,665,000 (31 March 2023: HK\$69,887,000) are pledged as security for one of the Group's other borrowings of HK\$124,707,000 (31 March 2023: HK\$132,726,000) at a fixed rate of 6.5% per annum.
- (b) As at 30 September 2023, the Group's unsecured other borrowings represent:
- (i) Unsecured borrowings of HK\$7,345,000 (31 March 2023: HK\$7,887,000) provided by independent third parties with interest at a fixed rate of 18% per annum;
- (ii) Unsecured borrowings of HK\$21,478,000 (31 March 2023: HK\$22,859,000) provided by related party of non-controlling owner of the Company's subsidiary with interest at a fixed rate of 3% per annum; and
- (iii) Unsecured borrowings of HK\$378,300,000 (31 March 2023: HK\$402,624,000) provided by 廣西正和實業集團有限公司 (Guangxi Zhenghe Industrial Co., Ltd\*), the former related party of Liuzhou Zhenghe with interest at a fixed rate of 12% per annum.

## 18. CONTRACT LIABILITIES

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

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Contract liabilities arising from property development business	<u><b>83,827</b></u>	<u>133,511</u>
		<i>HK\$'000</i>
At 1 April 2023		133,511
Revenue recognised for the balances included in the contract liabilities at the beginning of the period		(42,544)
Exchange adjustments		<u>(7,140)</u>
At 30 September 2023		<u><b>83,827</b></u>

As at 30 September 2023 and 31 March 2023, the amount of sales deposits received expected to be recognised as revenue after one year is nil.

## 19. COMMITMENTS

	<b>30 September 2023 HK\$'000 (unaudited)</b>	31 March 2023 HK\$'000 (audited)
Commitments contracted for acquisition of property, plant and equipment	<u><b>50,161</b></u>	<u>101,992</u>

## 20. CONTINGENT LIABILITIES

	<b>30 September</b>	31 March
	<b>2023</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(audited)
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	<b><u>450,351</u></b>	<u>479,329</u>

*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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overall results

### Key performance indicator (Financial Ratio)

		Six months ended	
		30 September	
	Notes	2023	2022
Revenue (HK\$'000)		140,220	87,203
Gross profit margin (%)	(i)	14.31%	4.07%
Loss for the period (HK\$'000)		88,428	1,216
Loss per share (HK cents)		<u>0.32</u>	<u>0.05</u>
		<b>30 September</b>	<b>31 March</b>
		<b>2023</b>	<b>2023</b>
Net asset value per share (HK cents)	(ii)	<u>2.74</u>	<u>3.06</u>

#### Notes:

- (i) Gross profit margin is calculated as gross profit divided by revenue and multiplying the resulting value by 100%.
- (ii) Net asset value per share is calculated based on the number of 20,319,072,320 ordinary shares issued as at 30 September 2023 (31 March 2023: 20,319,072,320 ordinary shares).

For the reporting period, the Group recorded a revenue of approximately HK\$140,220,000, representing an increase of 60.8% when compared with the same period in 2022. The increment was mainly due to improvement in contribution from both the contact lens segment and the leasing and trading of computer equipment segment for the current period. The revenue from the sales of properties, sales of contact lens and leasing and trading of computer equipment for the current period are HK\$42,544,000 (2022: HK\$33,627,000), HK\$40,066,000 (2022: HK\$26,376,000) and HK\$57,610,000 (2022: HK\$27,200,000) respectively.

An overall gross profit of approximately HK\$20,061,000 (2022: HK\$3,551,000) and gross profit margin of 14.31% (2022: 4.07%) were recorded for the reporting period. The relatively low gross profit margin recorded in last reporting period was dragged down by the contact lens segment because of the unsatisfactory utilization rate of the production lines caused by the pandemic. For the current period, the utilization rate improved a lot and the overall gross profit ratio resumed to normal level.

The Group continued to incur losses of approximately HK\$88,428,000 for the reporting period (2022: HK\$1,216,000). The increment of loss for the current reporting period is mainly due to (i) impairment loss on the production equipment and inventory in the contact lens segment amounted to HK\$17,349,000 and HK\$9,814,000 respectively; (ii) impairment loss on properties held for sale amounted to HK\$9,880,000 as a result of the poor property market conditions in the PRC; and (iii) finance costs amounted to HK\$28,028,000 in current period cannot be capitalised as the major building construction works were completed; and (iv) a tax credit amounted to HK\$36,077,000 recorded in the corresponding period in 2022 due to the accelerated tax depreciation in the leasing and trading of computer equipment segment but no such tax credit for this reporting period.

The basic and diluted loss per share was approximately HK\$0.32 cents for the reporting period (2022: HK\$0.05 cents).

## **Review of operations and prospect**

### ***International Business Settlement***

During the reporting period, no concrete progress on the development of the settlement platform project in view of the continuing military conflict between Russia and Ukraine and the unsettled global political environment. Also, there has not been much activities on the cross-border settlement system in connection to the Central Bank Digital Currency proposed by the PRC government. No additional investment were made in the current reporting period in respect of these two projects.

The trend of dedollarisation between international trades by using their local currencies among several countries and regions is a great opportunity for us to develop an alternative global settlement channels for the global economic and financial markets. We understand that the challenges and difficulties ahead are immense, we will continue to try to work through the challenges.

No revenue generated from this segment for the period after the deconsolidation of International Business Settlement Limited (the “IBS HK”), a wholly-owned subsidiary engaged in the settlement business through an electronic money institution license (“EMI license”) in Lithuania, in February 2022 as a result of a winding up petition against IBS HK. Segment loss incurred for the reporting period was HK\$5,030,000 (2022: HK\$4,078,000). The major expenses of this segment are rental expenses and staff costs. The deconsolidation of IBS HK will not affect the development of alternative settlement channels that the Group will continue to work on.

In relation to the winding up petition against IBS HK, the liquidator has been appointed. The Company will monitor the latest development and will keep the shareholders and potential investors informed as and when appropriate in accordance with the Listing Rules.

### ***Liuzhou Zhenghe (property development and hotel business segment)***

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

Zhenghe City comprises two phases with Phase I providing a stack of residential and commercial properties with gross floor area of approximately 485,000 square meters. Phase II will provide another stack of residential and commercial properties with a total gross floor area of approximately 513,000 square meters. Both Phase I and Phase II have commenced construction and are under development. The Group owned 100% interest in properties held for development and properties held for sale in both Phase I and Phase II.

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

	Site area (sq.m)	Approximate gross floor area (sq.m)	Saleable area remaining unsold (Note 2) (sq.m)	Properties held for self- operating/ own use (sq.m)
Phase I:				
Zone A	76,000	97,000	12,000	–
Zone B	94,000	130,000	10,000	–
Zone C	61,000	258,000	109,000	–
	<u>231,000</u>	<u>485,000</u>	<u>131,000</u>	<u>–</u>
Phase II:				
Zone D	71,000	191,000	44,000	–
Zone E	30,000	140,000	80,000	31,000
Zone F	41,000	182,000	35,000	–
	<u>142,000</u>	<u>513,000</u>	<u>159,000</u>	<u>31,000</u>
Total:	<u><u>373,000</u></u>	<u><u>998,000</u></u>	<u><u>290,000</u></u>	<u><u>31,000</u></u>

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

*Note 2:* Representing saleable gross floor area under development and saleable gross floor area of completed properties that were unsold as at 30 September 2023.

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

	<b>Property type</b>	<b>Status</b>
<b>Phase I:</b>		
Zone A	Villas and high-rise apartment buildings with retail outlets, farmers market and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Farmers market and car parking spaces attached, with a total saleable area of approximately 12,000 square meters are held for sale.
Zone B	Villas and high-rise apartment buildings with retail outlets and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Remaining unsold saleable area are retail outlets and car parking spaces with approximately 10,000 square meters which are held for sale.
Zone C	Residential and commercial complexes and studio/office buildings with retail outlets and car parking spaces	<p>There are 7 blocks of residential and commercial complexes and 3 blocks of studio/office buildings in this zone.</p> <p>The construction works of 7 blocks of residential and commercial complexes and 2 of 3 blocks of studio/office buildings in this zone were completed and most of the units were sold in the past financial years.</p> <p>The construction works of the remaining 1 block of studio/office building were completed and acceptance certificates of completion were granted in the previous financial year. The studio/office building with saleable area of approximately 26,000 square meters, retail outlets and car parking spaces with saleable area of approximately 83,000 square meters in this zone are held for sale.</p>

	<b>Property type</b>	<b>Status</b>
<b>Phase II:</b>		
Zone D1	Villas	The construction works of the villas in this zone were completed and sold to the customers and revenue was recognised in the past financial years.
Zone D1	High-rise apartment buildings with retail outlets and car parking spaces	<p>There are 5 blocks of high-rise apartment buildings in this zone.</p> <p>The construction works of these 5 blocks of high-rise apartment buildings were completed and most of the units were sold in the past financial years.</p> <p>Car parking spaces and few remaining retail shops with a total saleable area of approximately 44,000 square meters in this zone are held for sale.</p>
Zone D2	Villas	The construction works of 36 villas are completed and were sold in the past financial years.
Zone E	Hotel and high-rise apartment buildings with retail outlets and car parking spaces	The construction works of high-rise apartment buildings were completed and most of the units were sold in the past financial years. Retail outlets and car parking spaces attached to this apartment building with a saleable area of approximately 26,000 and 54,000 square meters respectively are held for sale.

**Property type****Status**

Zone F

Residential and commercial complexes with retail outlets and car parking spaces

The construction works of the hotel building were completed and the pre-sale permit was granted. The acceptance certificate of completion is expected to be obtained in 2024. The Group plans to operate the hotel under franchising arrangement instead of holding for sale. Constructing area of approximately 31,000 square meters of the hotel building are included in property, plant, and equipment.

There are 6 blocks of residential and commercial complexes in this zone.

The construction works of 3 blocks of residential and commercial complexes were completed and most of the units together with the attached retail outlets were sold in the past financial years.

The construction works of the remaining 3 blocks of residential and commercial complexes were completed and acceptance certificates of completion were granted and the properties were therefore delivered to customer in the previous financial year.

Remaining unsold saleable area mainly included retail outlets and car parking spaces attached to this complex with a saleable area of approximately 7,000 and 27,000 square meters respectively.

- (i) For property development segment in Liuzhou Zhenghe, an area of approximately 6,000 square meters (2022: 3,000 square meters) was sold and generated a segment revenue of approximately HK\$42,544,000 for the reporting period (2022: HK\$33,627,000). A segment loss of approximately HK\$29,337,000 (2022: HK\$4,464,000) was recorded for the reporting period. Increase in segment loss recorded was mainly due to the fact that finance costs of HK\$28,028,000 cannot be capitalized and charged as expense during the period (2022: HK\$1,511,000) as most of the building construction works in Liuzhou Zhenghe were completed. Besides, impairment loss on properties held for sale of HK\$9,880,000 was recorded due to the poor property market in the PRC.

An external expert was engaged to assess the fair value of the properties development project as at 30 September 2023. 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 expected construction costs and costs that will be expended to complete the development. An impairment loss amounted to HK\$9,880,000 is recognized for the period ended 30 September 2023 as the net realisable value is lower than carrying amount.

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

- (ii) The hotel business is located in Zone E1 of Zhenghe City with gross floor area of approximately 31,000 square meters. In 2018, the Group entered into a franchising agreement with a well-known international hotel franchisee to operate the hotel under the franchising requested standards. The construction works of the hotel building were completed but acceptance certificate of completion has not yet been obtained and no revenue will be generated until commencement of operation of the hotel. Based on the latest estimation, the hotel is expected to commence operation in 2024.

### ***Contact Lens Business***

The Group first started the contact lens business in late 2019 and the construction of the production plant was completed in 2021. The management team spent lots of effort in maintaining product quality, developing new products and obtaining patents certificates to increase our competitive strength. However, with the blow of the pandemic in the past few years, the development of the contact lens business is far behind our expectation and created a financial pressure on the Group.

The Group has been actively exploring cooperation opportunity with different industry experts and market players to ease the challenges and uncertain market conditions our contact lens business has been facing. On 28 July 2023, Eyebright Medical Technology (Beijing) Co., Ltd. (愛博諾德(北京)醫療科技股份有限公司), a company listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (Stock Code: 688050), was introduced as an investor (the “Investor”) in Fujian Unicon.

Pursuant to the cooperation agreements entered into with the Investor, the Investor has conditionally agreed to inject RMB175,000,000 to subscribe for approximately 36.84% equity interest of the Fujian Unicon (the “Capital Injection Amount”) and conditionally agreed to purchase approximately 14.16% equity interest of the Fujian Unicon at the consideration of RMB70,081,600 from Hong Kong Unicon Optical Co., Limited (“HK Unicon”), an indirect non-wholly owned subsidiary of the Company. Upon completion, the Group will dispose of the controlling stake in Fujian Unicon and hold 49% of Fujian Unicon. In addition, HK Unicon has agreed to sell 15% equity interest of Fujian Unicon at a consideration of RMB15,500,000 to an employee shareholding platform for the eligible employees under an equity rewards scheme to recognize their past contributions. Eventually, the shareholding in Fujian Unicon will be reduced to 34%. For further details, please refer to the announcement of the Company dated 31 July 2023.

As at the reporting date, first installment of 50% of the Capital Injection Amount (i.e. RMB87,500,000) had been received from the Investor. That means the conditions precedent to convert the shareholders’ loans to equity of Fujian Unicon have been fulfilled. We expected that the transaction will complete in early 2024.

During the reporting period, the segment recorded sales revenue of HK\$40,066,000 (2022: HK\$26,376,000). The increase is mainly due to recovery of consumer market after the pandemic as well as operation advice from the Investor to improve the production efficiency and to strengthen customer loyalty. The segment loss for the period is HK\$48,966,000 (2022: HK\$22,249,000) which represented mainly salaries, depreciation, research and development expenses and impairment loss on the production equipment.

### ***Leasing and trading of computer equipment***

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

In view of the fast pace development of the virtual world and the ever increasing amount of data being generated online every minute of the day, the Board believes that the need for secured, encrypted and reliable cloud distributed storage space and the computer equipment is not only an important element of the infrastructure for the healthy development of the virtual world, the demand of which will also increase sharply in the near future. A subsidiary engaged mainly in the business of leasing of data storage equipment to customers who provide virtual data storage space for end-users and trading of computer equipment was set up in January 2022.

The leasing fees payable to the Group consist of a fixed rent plus a variable rent with reference to the average market price of Filecoin quoted on different cryptocurrency exchanges with specific formula. The rental income provides a steady income stream to the Group. It is expected that the Group would be able to recover the cost of each set of servers within its expected useful life.

In view of the sustainable income stream and recover the investment cost within a reasonable period, the Group decided to re-invest the rental income received by further acquiring 450 sets of servers for leasing. As at the date of this announcement, the newly ordered 450 sets of servers have been set up and the Group hold 1,410 set of servers in total and all were leased out to customers. In order to utilize the resources to maximize the return for the shareholders, the rental received was used in trading of computer equipment during the reporting period as well.

For the reporting period, the revenue generated from leasing of data storage equipment was approximately HK\$57,610,000 (2022: HK\$27,200,000); and the segment profit for the period was HK\$10,922,000 (2022: HK\$2,007,000). As all servers were leased out, which provided a steady income stream and segment profit to the Group.

As the Hong Kong government has announced its strategy to foster the development of Fintech development and its goal of creating a top crypto hub, it is expecting that Hong Kong is pivoting toward a more friendly regulatory regime for cryptocurrencies in the coming future. Looking forward, the legislative framework encoding crypto rules will bring transparency and clarity to development of future cryptocurrency trading activities. The Group will keep a close eye on policy changes and market trends. The Group may engage further in the business of cryptocurrencies, including but not limited to trading of crypto and crypto-asset production in the future when the development of the ecosystem of virtual assets is regulated and mature.

### ***Financing Business***

No new loan has been lent during the reporting period. In view of the uncertain macro-economic environment in the PRC, the Group adopted a prudent and careful strategy to operate its financing business in the future.

Although all long overdue loans have been fully impaired in the previous years, we kept arranging staff to visit the pledged plantation site in Shanghai regularly and performed stock take of the collaterals to make sure the collaterals are in good condition. We will continue to monitor the situation and explore any possible actions to recover the loan.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

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

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

For the six months ended 30 September 2023, the Group did not hold any significant investment and has not executed any agreement in respect of material acquisitions, investments or capital asset and did not have any other future plans relating to material acquisitions, investments or capital asset as at reporting date. Nonetheless, if any potential investment opportunity arises in the future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

## **EVENTS AFTER REPORTING DATE**

Save as disclosed in above paragraph headed “Contact Lens Business” in the section of “Review of Operations and Prospect”, there are no material subsequent events undertaken by the Group after the reporting period.

## **FINANCIAL REVIEW**

### **Finance position, liquidity and gearing**

As at 30 September 2023, the total assets and liabilities of the Group were at approximately HK\$2,287,700,000 (31 March 2023: HK\$2,378,267,000) and approximately HK\$1,731,512,000 (31 March 2023: HK\$1,755,839,000) respectively. The Group recorded a total equity of approximately HK\$556,188,000 as at 30 September 2023 (31 March 2023: HK\$622,428,000).

The Group recorded net current liabilities of approximately HK\$241,845,000 as at 30 September 2023 (31 March 2023: HK\$225,879,000). The bank balances and cash as at 30 September 2023 was approximately HK\$331,918,000 (31 March 2023: HK\$268,997,000), 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 0.85 (31 March 2023: 0.86).

As at 30 September 2023, the Group had total borrowing amounting to approximately HK\$825,056,000 (31 March 2023: HK\$901,424,000) denominated in Renminbi, 85% (31 March 2023: 86%) of which are due within one year, 12% (31 March 2023: 12%) of which are due more than one year but not exceeding two years, and 3% (31 March 2023: 2%) of which are due more than two years but not exceeding five years. The breakdowns are as follows:

- (i) Secured bank borrowings amounting to approximately HK\$238,726,000 (31 March 2023: HK\$254,664,000) with variable interest rate; and secured other borrowings amounting to approximately HK\$124,707,000 (31 March 2023: HK\$132,726,000) with fixed interest rate of 6.5%;
- (ii) Unsecured other borrowings amounted to approximately HK\$407,123,000 (31 March 2023: HK\$433,370,000) with fixed interest rate ranges from 3% to 18%;
- (iii) Interest free loan due to non-controlling interests and ultimate holding company amounting to approximately HK\$52,864,000 (31 March 2023: HK\$56,169,000) and approximately HK\$1,636,000 (31 March 2023: HK\$1,636,000) respectively; and
- (iv) Interest bearing loan from non-controlling interests amounting to nil (31 March 2023: HK\$22,859,000 with floating interest rate).

As at 30 September 2023, the Group has unutilised banking facilities of approximately HK\$24,379,000 (31 March 2023: HK\$25,358,000) available for further drawdown should it have any further capital needs. The cash at banks together with the available banking facilities and the estimated cash flows generated from the Group's operations can provide adequate liquidity and capital resources for the ongoing operating requirements of the Group.

The gearing ratio, as a ratio of total borrowings to total equity, as at 30 September 2023 was 1.48 (31 March 2023: 1.45).

## **Financial resources**

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

## **Capital structure**

As at 30 September 2023, the total issued share capital of the Company was HK\$20,319,072 which is divided into 20,319,072,320 shares of ordinary shares of the Company.

## **Charges on assets**

As at 30 September 2023, certain property, plant and equipment with carrying amount of approximately HK\$357,867,000 (31 March 2023: HK\$380,877,000) 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, and the Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of granting the relevant mortgage loans and ends after the buyer obtains the individual property ownership certificate. As at 30 September 2023, the guarantee given to banks for the above-mentioned mortgage facilities amounted to approximately HK\$450,351,000 (31 March 2023: HK\$479,329,000).

## **Foreign exchange exposure**

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

## **INTERIM DIVIDEND**

The Board has resolved not to declare any dividend for period ended 30 September 2023 (2022: Nil).

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 September 2023, the Group had approximately 240 employees (2022: 190). 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 Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. Having made specific enquiry of all Directors, the Company received confirmation from all of the Directors that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions throughout the reporting period.

## **SHARE OPTION SCHEME**

The Company operates a share option scheme (the “Share Option Scheme”) providing incentives or rewards to eligible persons of the Group for their contribution to the Group. Since the Stock Exchange published the amendments to Chapter 17 of the Listing Rules relating to share schemes which took effect on 1 January 2023, the Company has terminated the existing Share Option Scheme and adopted the 2023 Share Option Scheme on 11 September 2023 to replace the existing Share Option Scheme. The summary of the 2023 Share Option Scheme is set out in a circular to the shareholders of the Company dated 11 August 2023. For the six months ended 30 September 2023, no option was granted under the Share Option Scheme.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SHARES**

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company’s securities during the reporting period.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules throughout period except for certain deviations as specified and explained below with considered reasons for such deviations.

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

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

- (b) Code provision F.2.2 stipulates that the Chairman should attend the annual general meeting. The Company does not at present have any officer with the title Chairman. However, one of the Directors presents at the annual general meeting held on 11 September 2023 was elected as chairman thereof to ensure an effective communication with the shareholders thereat.
- (c) Code provision C.6.3 stipulates that the company secretary should report to the Chairman and/or the CEO. As the Company did not officially appoint a Chairman or a CEO, the company secretary reported to the executive Directors during the period.

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

## **AUDIT COMMITTEE**

As at the date of this announcement, the Audit Committee of the Company comprised of three independent non-executive Directors, namely, Mr. Yap Yung (the chairman), Ms. Chen Lanran and Mr. Wong Kin Ping, all of whom possess extensive experience in financial and general management. The primary duties of the Audit Committee are to manage the relationship between the Company and its external auditor and monitor the audit scope and the process, to review and supervise the financial reporting process, internal control system and risk management and to provide advice and comments to the Board.

The Group's unaudited interim financial information for the six months ended 30 September 2023 has been reviewed by the Audit Committee. Based on this review and discussions with the management, the Audit Committee was satisfied that the unaudited interim financial information of the Group was prepared in accordance with applicable accounting standards and fairly presents the Group's financial position and results for the current reporting period with adequate disclosures.

## **REVIEW OF INTERIM RESULTS**

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

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.ibsettlement.com](http://www.ibsettlement.com) respectively. The interim report containing all information required by the Listing Rules will be dispatched to the Company's shareholders and available on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express our appreciation to the continuous support of our shareholders and hard work and dedication of all our staff over the period.

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

Hong Kong, 29 November 2023

\* *The English name is for identification purpose only*

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