敏捷控股
NIMBLE HOLDINGS

# NIMBLE HOLDINGS COMPANY LIMITED
# 敏捷控股有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*
**(Stock Code: 186)**

## FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The board (the "**Board**") of directors (the "**Directors**") of Nimble Holdings Company Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2022 (the "**Year**"), together with the comparative figures for the year ended 31 March 2021 (the "**Corresponding Year**") and selected explanatory notes are stated as follows:

## CONSOLIDATED INCOME STATEMENT
*Year ended 31 March 2022*

| | *Notes* | **2022** *HK$ million* | 2021 *HK$ million* |
|---|---|---|---|
| **Continuing operations** | | | |
| REVENUE | 5 | **423** | 200 |
| Cost of sales | | **(353)** | (168) |
| Gross profit | | **70** | 32 |
| Other income | | **6** | 3 |
| Selling and distribution costs | | **(50)** | (22) |
| Administrative expenses | | **(115)** | (78) |
| Finance costs | 6 | **–*** | –* |
| LOSS BEFORE TAXATION | 7 | **(89)** | (65) |
| Income tax charge | 8 | **(9)** | (3) |

| | Notes | **2022** <br> ***HK$ million*** | 2021 <br> *HK$ million* |
|---|---|---|---|
| LOSS FOR THE YEAR FROM CONTINUING OPERATIONS | | **(98)** | (68) |
| **Discontinued operations** | | | |
| (LOSS)/PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS | | **(7)** | 10 |
| LOSS FOR THE YEAR | | **(105)** | (58) |
| (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO: | | | |
| Shareholders of the Company | | | |
| – From continuing operations | | **(90)** | (51) |
| – From discontinued operations | | **(7)** | (35) |
| | | **(97)** | (86) |
| Non-controlling interests | | | |
| – From continuing operations | | **(8)** | (17) |
| – From discontinued operations | | **–*** | 45 |
| | | **(8)** | 28 |
| | | **(105)** | (58) |
| **LOSS PER SHARE** | 10 | ***HK cents*** | *HK cents* |
| From continuing and discontinued operations | | | |
| Basic and diluted | | **(1.77)** | (1.57) |
| From continuing operations | | | |
| Basic and diluted | | **(1.64)** | (0.93) |

* The amount is less than HK$1 million.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*Year ended 31 March 2022*

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| LOSS FOR THE YEAR | **(105)** | (58) |
| OTHER COMPREHENSIVE INCOME, NET OF TAX: | | |
| – Items that may be subsequently reclassified to profit or loss: | | |
| Exchange differences on translation of financial statements of overseas/PRC subsidiaries | **10** | 4 |
| – Items that were reclassified to profit or loss: | | |
| Exchange differences reclassified to profit or loss upon disposal of subsidiaries | **1** | – |
| | **11** | 4 |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | **(94)** | (54) |
| TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO: | | |
| Shareholders of the Company | | |
| – From continuing operations | **(82)** | (48) |
| – From discontinued operations | **(7)** | (35) |
| | **(89)** | (83) |
| Non-controlling interests | | |
| – From continuing operations | **(5)** | (16) |
| – From discontinued operations | **–*** | 45 |
| | **(5)** | 29 |
| | **(94)** | (54) |

* The amount is less than HK$1 million.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*31 March 2022*

| | Notes | **2022** **HK$ million** | 2021 HK$ million |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | **3** | 1 |
| Right-of-use assets | | **4** | 3 |
| Deferred tax assets | | **2** | 1 |
| Brands and trademarks | | **–** | – |
| Goodwill | | **–** | – |
| Other assets | | **1** | 1 |
| | | **10** | 6 |
| CURRENT ASSETS | | | |
| Inventories | | **18** | 18 |
| Properties under development | 11 | **7,413** | 5,769 |
| Completed properties held for sale | 11 | **18** | – |
| Accounts receivable | 12 | **55** | 70 |
| Prepayments, deposits and other receivables | | **180** | 37 |
| Tax recoverable | | **–** | 1 |
| Cash and bank balances | 13 | **1,589** | 430 |
| | | **9,273** | 6,325 |
| Assets classified as held for sale | | **–** | 90 |
| | | **9,273** | 6,415 |
| CURRENT LIABILITIES | | | |
| Accounts payable | 14 | **820** | 1,598 |
| Contract liabilities | 15 | **2,305** | 282 |
| Accrued liabilities and other payables | | **81** | 23 |
| Amounts due to related parties | 16 | **1,729** | 1,584 |
| Interest-bearing bank loans | 17 | **464** | 2 |
| Lease liabilities | | **2** | 2 |
| Tax liabilities | | **4** | 5 |
| | | **5,405** | 3,496 |

| | Notes | **2022** *HK$ million* | 2021 *HK$ million* |
|---|---|---|---|
| Liabilities associated with assets classified as held for sale | | **–** | 25 |
| | | **5,405** | 3,521 |
| NET CURRENT ASSETS | | **3,868** | 2,894 |
| NON-CURRENT LIABILITIES | | | |
| Amounts due to related parties | 16 | **2,364** | 1,910 |
| Amount due to a non-controlling shareholder | | **319** | 477 |
| Interest-bearing bank loans | 17 | **777** | – |
| Lease liabilities | | **1** | 1 |
| Tax liabilities | | **13** | 14 |
| | | **3,474** | 2,402 |
| NET ASSETS | | **404** | 498 |
| CAPITAL AND RESERVES | | | |
| Share capital | 18 | **55** | 55 |
| Share premium | 18 | **386** | 386 |
| Reserves | | **(156)** | (67) |
| EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY | | **285** | 374 |
| NON-CONTROLLING INTERESTS | | **119** | 124 |
| TOTAL EQUITY | | **404** | 498 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*31 March 2022*

## 1. GENERAL

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is Flat C01, 32nd Floor, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong. The shares of the Company (the "**Shares**") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company's immediate holding company is Wealth Warrior Global Limited ("**Wealth Warrior**"), a company incorporated in the British Virgin Islands. The beneficial owner and sole director of Wealth Warrior is Mr. Tan Bingzhao ("**Mr. Tan**"). As such, the ultimate controlling shareholder of the Company is Mr. Tan.

The Company is an investment holding company. The principal activities of the Company's major subsidiaries are property development in the People's Republic of China (the "**PRC**"), distribution of houseware products and audio products in the United States of America (the "**USA**"), the trading of household appliances in the PRC, and provision of information technology ("**IT**") services in the PRC. The Group was also engaged in the holding and licensing of brands and trademarks on a worldwide basis which was classified as dicountinued operations during the Corresponding Year.

The audited consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), the functional currency of the Company, and all values are rounded to the nearest million ("**HK$ million**") unless otherwise stated.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

**New and amended standards adopted by the Group**

During the Year, the Group has adopted the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") and Hong Kong Accounting Standards ("**HKASs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to the operations to the Group:–

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

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

**New standards and amendments to standards not yet adopted**

The Group has not applied the following new and amendments to HKFRSs and HKASs, which have been issued but are not yet effective, in the consolidated financial statements:–

| | |
|---|---|
| HKFRS 17(2) | Insurance Contracts and the related Amendments |
| Amendments to HKFRS 3(1) | Reference to the Conceptual Framework |
| Amendments to HKFRS 10 and HKAS 28(3) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| Amendments to HKAS 1(2) | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 and HKFRS Practice Statement 2(2) | Disclosure of Accounting Policies |
| Amendments to HKAS 8(2) | Disclosure of Accounting Estimates |
| Amendments to HKAS 12(2) | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 16(1) | Property, Plant and Equipment – Proceeds before Intended Use |
| Amendments to HKAS 37(1) | Onerous Contracts – Cost of Fulfilling a Contract |
| Amendments to HKFRSs(1) | Annual Improvements to HKFRSs 2018–2020 |
| Amendments to Accounting Guideline 5(1) | Accounting Guideline 5 Merger Accounting for Common Control Combinations (Revised) |

(1) Effective for annual periods beginning on or after 1 January 2022
(2) Effective for annual periods beginning on or after 1 January 2023
(3) Effective date to be determined

The Directors anticipate that the application of all new and amendments to HKFRSs and HKASs will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. STATEMENT OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

### (b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the Year comprise the financial statements of the Company and its subsidiaries.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Hong Kong dollar is the Company's functional and the Group's presentation currency.

The consolidated financial statements have been prepared under the historical cost basis.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These consolidated financial statements have been prepared on a going concern basis. As at 31 March 2022, the following events and conditions existed which may cast significant doubt on the Group's ability to continue as a going concern:–

– the Group incurred losses from its continuing operations in recent years, including losses of HK$98 million and HK$68 million in the Year and the Corresponding Year respectively;

– the Group incurred negative operating cash flows in the Year;

– the Group's net current assets of HK$3,868 million as at 31 March 2022 included HK$7,413 million of properties under development for sale, HK$7,119 million of which are not expected to be realised within one year after 31 March 2022;

– the Group relied upon its related parties to provide fundings for its operations, with amounts due to related parties amounting to HK$4,093 million as at 31 March 2022; and

– the current market conditions of the property market in which the Group operates are volatile, in particular for the property development operations of the Group, which will potentially adversely affect the future operations of the Group.

The applicability of the going concern basis to the consolidated financial statements is dependent upon the Group being able to continue to operate as a going concern, which in turn depends upon the continued availability to the Group of adequate financings and the Group being able to attain profitable operations and generate positive operating cash flows in future. In particular, in view of the reliance of the Group on the financing provided by its related parties as at 31 March 2022, the Directors have performed assessments on the financial capabilities of these related parties to provide the financial support to the Group and concluded that the related parties will not withdraw their financing facilities to the Group and request the repayment of loans due from the Group before the respective maturity dates based on the following:–

– Advances from related parties amounting to approximately HK$2,391 million as at 31 March 2022 will be repaid within 3 years from the respective agreement dates as stipulated in the loan agreements using proceeds expected to be received by the Group from its pre-sales of the properties being developed for sale.

– No indication of, or request or demand for, repayment of the amounts due to the related parties have been received by the Group.

– Subsequent to the end of reporting period, the related parties have confirmed to the Group that they will not request for repayment of amounts owed by the Group until the Group is able to do so without impairing its liquidity and financial position.

The Directors also have given careful considerations to the future liquidity needs and financial performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken by the Group to mitigate its liquidity pressure and to improve its financial position which include, but are not limited to, the followings:–

– The Group has seven property development projects as of 31 March 2022 (31 March 2021: seven). The Group has launched the pre-sales of its properties under development for all projects and deposits amounting to approximately HK$2,305 million have been received therefrom as at 31 March 2022 (31 March 2021: HK$281 million). The Group expects to continuously generate cash inflows via the pre-sales activities and sales of completed properties for sale in the next twelve months subsequent to the end of the reporting period.

– To provide funds required as working capital for its various property development projects in the PRC, the Group has successfully obtained two property development project bank loan facilities of approximately HK$1,729 million, in which approximately HK$1,234 million has been utilised by the Group as of 31 March 2022, these facilities are secured by certain properties under development with aggregate carrying amount of HK$2,772 million. In the opinion of the Directors, the remaining property development projects of the Group, with aggregate carrying amount of approximately HK$4,641 million as of 31 March 2022 are unpledged as of the date of approval of these consolidated financial statements, and are available for use as security to be provided to the banks if further banking facilities are required in the foreseeable future.

– Management of the Group has considered relevant facts and circumstances, and prepared a projected cash flow for the property development operation in the next twelve months. The Directors are of the opinion that the Group will have sufficient working capital to operate within the next twelve months.

– The Group closely monitors the financing activities of the Group, and ensures that all borrowings complied with the terms of the loans and there was no breach of loans covenants at any time during the Year.

– The Group will continue to take active measures to control administrative and operating costs through various channels, including human resources optimization and containment of capital expenditures.

The eventual outcome of the above mentioned measures cannot be determined with certainty. Hence, a material uncertainly exists that may cast significant doubt on the Group’s ability to continue as a going concern. The Directors are of the opinion that, taking into account the likely and expected outcome of the above measures and after assessing the Group’s current and future cash flow needs and positions, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from 31 March 2022. Accordingly, the Directors believe that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

## 4. SEGMENT REPORTING

The Group currently organises its operations into the following reportable operating segments.

| **Operating segments** | **Principal activities** |
|---|---|
| PRC Property Development | Property development and operations in the PRC |
| Emerson | Distribution of houseware products and audio products and licensing business – Comprising a group listed on the NYSE American of the USA |
| PRC Household Appliances | Trading of household appliances, wires and cables in the PRC |
| PRC IT Services | IT system development and related services in the PRC# |

| | **PRC Property Development** *HK$ million* | **Emerson** *HK$ million* | **PRC Household Appliances** *HK$ million* | **PRC IT Services#** *HK$ million* | **Unallocated** *HK$ million* | **Inter-segment elimination** *HK$ million* | **Consolidated** *HK$ million* |
|---|---|---|---|---|---|---|---|
| **Year ended 31 March 2022** | | | | | | | |
| **Continuing operations** | | | | | | | |
| **Revenue:** | | | | | | | |
| Sale of properties to external customers | **195** | **–** | **–** | **–** | **–** | **–** | **195** |
| Sale of household appliances, wires and cables to external customers | **–** | **–** | **164** | **–** | **–** | **–** | **164** |
| Sale of houseware products to external customers | **–** | **13** | **–** | **–** | **–** | **–** | **13** |
| Sale of audio products to external customers | **–** | **49** | **–** | **–** | **–** | **–** | **49** |
| Licensing income from external customers | **–** | **2** | **–** | **–** | **–** | **–** | **2** |
| IT services to external customers | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Total segment revenue | **195** | **64** | **164** | **–** | **–** | **–** | **423** |
| **Results:** | | | | | | | |
| Segment results | **(52)** | **(28)** | **11** | **–*** | **–** | **–** | **(69)** |
| **Reconciliations:** | | | | | | | |
| Unallocated corporate expenses | | | | | **(23)** | | **(23)** |
| ECL on accounts receivable | | | **(1)** | | **–** | | **(1)** |
| Interest income | | | | | **4** | | **4** |
| Loss before taxation | | | | | | | **(89)** |
| **Assets:** | | | | | | | |
| Segment assets | **8,989** | **234** | **74** | **7** | **10** | **(31)** | **9,283** |
| **Liabilities:** | | | | | | | |
| Segment liabilities | **8,844** | **9** | **40** | **–** | **17** | **(31)** | **8,879** |

| | PRC Property Development<br>*HK$ million* | Emerson<br>*HK$ million* | PRC Household Appliances<br>*HK$ million* | PRC IT Services#<br>*HK$ million* | Unallocated<br>*HK$ million* | Inter-segment elimination<br>*HK$ million* | Consolidated<br>*HK$ million* |
|---|---|---|---|---|---|---|---|
| **Other information:** | | | | | | | |
| Revenue from customers contributing over 10% of total revenue of the Group: | | | | | | | |
| – Customer A | **–** | **–** | **74** | **–** | **–** | **–** | **74** |
| Depreciation of plant and equipment | **–*** | **–** | **–*** | **–*** | **1** | **–** | **2** |
| Depreciation of right-of-use assets | **–*** | **1** | **–*** | **–*** | **–*** | **–** | **2** |
| Additions to non-current assets | **–*** | **3** | **1** | **–** | **3** | **–** | **8** |

* The amount is less than HK$1 million.

\# Subsequent to the end of the reporting period, the management has decided to close down the operation.

| | PRC Property Development<br>*HK$ million* | Emerson<br>*HK$ million* | PRC Household Appliances<br>*HK$ million* | PRC IT Services#<br>*HK$ million* | Unallocated<br>*HK$ million* | Inter-segment elimination<br>*HK$ million* | Consolidated<br>*HK$ million* |
|---|---|---|---|---|---|---|---|
| **Year ended 31 March 2021** | | | | | | | |
| **Continuing operations** | | | | | | | |
| **Revenue:** | | | | | | | |
| Sale of properties to external customers | – | – | – | – | – | – | – |
| Sale of household appliances, wires and cables to external customers | – | – | 142 | – | – | – | 142 |
| Sale of houseware products to external customers | – | 20 | – | – | – | – | 20 |
| Sale of audio products to external customers | – | 36 | – | – | – | – | 36 |
| Licensing income from external customers | – | 2 | – | – | – | – | 2 |
| IT services to external customers | – | – | – | – | – | – | – |
| Total segment revenue | – | 58 | 142 | – | – | – | 200 |
| **Results:** | | | | | | | |
| Segment results | (25) | (33) | 14 | –* | – | – | (44) |

| | PRC Property Development *HK$ million* | Emerson *HK$ million* | PRC Household Appliances *HK$ million* | PRC IT Services[#] *HK$ million* | Unallocated *HK$ million* | Inter-segment elimination *HK$ million* | Consolidated *HK$ million* |
|---|---|---|---|---|---|---|---|
| **Reconciliations:** | | | | | | | |
| Unallocated corporate expenses | | | | | (21) | | (21) |
| ECL on accounts receivable | | | (2) | | – | | (2) |
| Interest income | | | | | 2 | | 2 |
| Loss before taxation | | | | | | | (65) |
| **Assets:** | | | | | | | |
| Segment assets | 5,965 | 264 | 85 | 7 | 23 | (13) | 6,331 |
| Assets of a disposal group classified as held for sale | | | | | | | 90 |
| Consolidated assets | | | | | | | 6,421 |
| **Liabilities:** | | | | | | | |
| Segment liabilities | 5,824 | 9 | 60 | – | 18 | (13) | 5,898 |
| Liabilities associated with a disposal group classified as held for sale | | | | | | | 25 |
| Consolidated liabilities | | | | | | | 5,923 |
| **Other information:** | | | | | | | |
| Revenue from customers contributing over 10% of total revenue of the Group: | | | | | | | |
| – Customer A | – | – | 39 | – | – | – | 39 |
| – Customer B[Ø] | – | – | 31 | – | – | – | 31 |
| – Customer C[Ø] | – | – | 22 | – | – | – | 22 |
| – Customer D[Ø] | – | – | 20 | – | – | – | 20 |
| Depreciation of plant and equipment | –* | – | –* | –* | –* | – | –* |
| Depreciation of right-of-use assets | –* | 2 | –* | –* | –* | – | 3 |
| Additions to non-current assets | –* | – | –* | –* | –* | – | 1 |

* The amount is less than HK$1 million.

# Subsequent to the end of the reporting period, the management has decided to close down the operation.

ø Revenue from these customers contributed less than 10% of total revenue of the Group during the Year.

**5. REVENUE**

An analysis of the Group's revenue from contracts with customers from continuing operations, by principal activities, for the Year is as follows:–

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| **Continuing operations:** | | |
| By principal activities: | | |
| Sales of properties | **195** | – |
| Sales of goods | **226** | 198 |
| Licensing income | **2** | 2 |
| | **423** | 200 |

The Group's customers with sales transactions' values exceeded 10% of the Group's revenue during the Year are set out in Note 4.

Revenue from the above mentioned principal activities were recognised on "point in time" basis.

As at 31 March 2022, the aggregate amount of the transaction prices allocated to the performance obligations that were unsatisfied (or partially unsatisfied) as of the end of the reporting period amounted to approximately HK$2,581 million (2021: approximately HK$312 million). This amount represents revenue expected to be recognised in the future from pre-completion sales contracts for properties under development and licensing agreement entered into by the customers and licensee with the Group. The Group expects to recognise these amounts as revenue when the performance obligations are satisfied. Based on the remaining contract terms, these amounts are expected to be recognised within 1 to 5 years after the end of the current reporting period.

**6. FINANCE COSTS**

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| **Continuing operations:** | | |
| Interest on loans from related parties | **170** | 42 |
| Interest on loans from a non-controlling shareholder | **30** | 7 |
| Interest on bank loans | **56** | –* |
| Interest on lease liabilities | **–*** | –* |
| Less: interest expense capitalised into properties under development *(Note (i))* | **(256)** | (49) |
| | **–*** | –* |

*Note (i):*

The finance costs incurred by the Group in both years arose from funds borrowed specifically for the purpose of obtaining the qualifying assets.

* The amount is less than HK$1 million.

## 7. LOSS BEFORE TAXATION

Loss before taxation from continuing operations is arrived at after charging/(crediting):–

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| **Continuing operations:** | | |
| (a) **Staff costs** | | |
| Directors' and Chief Executive Officer's emoluments | **7** | 7 |
| Other staff costs: | | |
| – Salaries and other benefits | **57** | 33 |
| – Retirement benefits costs | **5** | 3 |
| | **69** | 43 |
| Less: amount capitalised in properties under development | **(12)** | (3) |
| | **57** | 40 |
| (b) **Other items** | | |
| Short-term lease expenses | **1** | 1 |
| Depreciation of plant and equipment | **2** | –* |
| Depreciation of right-of-use assets | **2** | 3 |
| Auditor's remuneration: | | |
| – Current year | **2** | 2 |
| Business tax and other levies | **14** | 3 |
| Legal and professional fees | **18** | 15 |
| Advertising and promotion expenses** | **28** | 14 |
| Carrying amount of inventories sold | **196** | 168 |
| Cost of properties sold recognised as expense | **157** | – |
| Expected credit losses ("**ECL**") on accounts receivable | **1** | 2 |
| Interest income# | **(4)** | (2) |
| Government grants# | **(2)** | (–)* |

* The amount is less than HK$1 million.

\# Included in other income in the consolidated income statement.

** Included in selling and distribution costs.

## 8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

No Hong Kong profits tax has been provided for the Year in the consolidated financial statements as there are no assessable profits arising in Hong Kong during the Year (Corresponding Year: Nil).

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The provision of land appreciation taxes ("**LAT**") is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT is charged at ranges of progressive rates of the appreciation value, with certain allowable exemptions and deductions.

Taxes on profits assessable elsewhere have been calculated at rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretations and practices in respective jurisdictions thereof.

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| **Continuing operations** | | |
| Current tax | | |
| – PRC enterprise income tax | **10** | 3 |
| – Overseas | **–*** | –* |
| Deferred tax | | |
| – PRC | **(1)** | –* |
| Income tax charge | **9** | 3 |

*Note (i):*

Included in tax liabilities as at 31 March 2022 are tax provisions in respect of overseas' current tax recognised in respect of the provisions of tax legislation ("**one-time transition tax**") enacted by the United States Government in December 2017. In accordance with this legislation, the Group is able to elect to pay such tax liabilities over a period of up to eight years on an interest-free basis. As of 31 March 2022, such provision of one-time transition tax amounting to approximately HK$13 million (2021: HK$14 million) and approximately HK$1 million (2021: HK$2 million) were included in non-current portion and current portion of tax liabilities respectively.

* The amount is less than HK$1 million.

## 9. DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (Corresponding Year: Nil).

## 10. LOSS PER SHARE

### (a) Basic loss per share

***For continuing and discontinued operations***

The calculation of basic loss per share is based on the following data:–

| | **2022**<br>***HK$ million*** | 2021<br>*HK$ million* |
|---|---|---|
| Loss: | | |
| Loss attributable to the shareholders of the Company used in the basic loss per share calculation | **(97)** | (86) |

| | **2022**<br>**Number of ordinary shares**<br>***million*** | 2021<br>Number of ordinary shares<br>*million* |
|---|---|---|
| Shares: | | |
| Weighted average number of ordinary shares for the purpose of calculating basic loss per share | **5,492.2** | 5,492.2 |

***For continuing operations***

The calculation of basic loss per share is based on the following data:–

| | **2022**<br>***HK$ million*** | 2021<br>*HK$ million* |
|---|---|---|
| Loss: | | |
| Loss attributable to the shareholders of the Company | **(97)** | (86) |
| Add: Loss for the Year from discontinued operations | **7** | 35 |
| Loss attributable to the shareholders of the Company used in the basic loss per share calculation | **(90)** | (51) |

The denominators used are the same as those detailed above for basic loss per share.

***For discontinued operations***

Basic and diluted loss per share for the Year from the discontinued operations is HK0.13 cents (Corresponding Year: HK0.64 cents), based on the loss for the Year from the discontinued operations attributable to shareholders of the Company of HK$7 million (Corresponding Year: HK$35 million) and the denominators detailed above for basic loss per share.

### (b) Diluted loss per share

Diluted loss per share equals basic loss per share as there were no potential ordinary shares outstanding during the Year and the Corresponding Year.

## 11. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

| | 2022<br>HK$ million | 2021<br>HK$ million |
|---|---|---|
| **Properties under development for sale** | | |
| Amounts comprise: | | |
| – Land use right (including direct costs associated with the acquisition) | **5,634** | 5,417 |
| – Construction costs including depreciation and staff costs capitalised | **1,468** | 299 |
| – Finance costs capitalised | **311** | 53 |
| | **7,413** | 5,769 |
| **Completed properties held for sale** | **18** | – |
| | **7,431** | 5,769 |

The properties under development are located in the PRC. Properties under development that have plans to be developed for sale, and are expected to be realised within the Group's normal operating cycle, are classified as current assets. Included in the amounts are properties under development of HK$7,119 million (2021: HK$5,670 million) which are expected to be completed and available for delivery to the customers more than twelve months from the end of the reporting period.

Included in the Group's properties under development as at 31 March 2021 were land costs with an aggregate net carrying amount of approximately HK$2,792 million for which the Group had not yet obtained land use right certificates from the relevant government authorities. During the Year, the Group has fully settled the purchase consideration in accordance with the terms of certain relevant land use right grant contracts and these land use rights were obtained by the Group.

At 31 March 2022, certain of the Group's properties under development with carrying value of HK$2,772 million (2021: Nil) were pledged for certain credit facilities granted to the Group by the banks.

The Group's completed properties held for sale are stated at the lower of cost and net realisable value and situated in the PRC. In the opinion of the Directors, completed properties held for sale as at 31 March 2022 are expected to be sold within twelve months from the end of the reporting period.

## 12. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 30 to 90 days to its trade customers.

| | 2022<br>HK$ million | 2021<br>HK$ million |
|---|---|---|
| Gross amount | **64** | 77 |
| Less: allowance of ECL | **(9)** | (7) |
| Net amount | **55** | 70 |

The following are the movements of accounts receivable's allowance of ECL during the Year/Corresponding Year:–

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| At beginning of year | **7** | 5 |
| Addition | **1** | 2 |
| Reversal | **–*** | – |
| At end of year | **8** | 7 |

The ageing analysis of accounts receivable (net of allowance of ECL), presented based on the invoice date, is as follows:–

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| 0–3 months | **54** | 31 |
| 3–6 months | **1** | 39 |
| | **55** | 70 |

* The amount is less than HK$1 million.

## 13. CASH AND BANK BALANCES

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| Bank balances | **287** | 123 |
| Short-term deposits with original maturities within three months | **172** | 13 |
| Cash and cash equivalents in the consolidated statement of cash flows | **459** | 136 |
| Short-term deposits with original maturities more than three months but less than one year | **–** | 195 |
| Restricted bank deposits | **1,130** | 99 |
| | **1,589** | 430 |

Restricted bank deposits represented guarantee deposits for construction of pre-sale properties and are denominated in RMB and placed in designated bank accounts. In accordance with relevant government requirements, property development companies of the Group are required to place certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for the construction of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from related government authority is obtained.

## 14. ACCOUNTS PAYABLE

The analysis of accounts payable, including ageing analysis of accounts payable arising from purchases of inventories based on the invoice date, is as follows:–

| | **2022** *HK$ million* | 2021 *HK$ million* |
|---|---|---|
| For purchases of inventories | | |
| 0–3 months | **34** | 24 |
| 3–6 months | **2** | 34 |
| 6–12 months | **4** | –* |
| For additions of lands *(Note (i))* | **–** | 1,396 |
| For construction costs *(Note (ii))* | **780** | 144 |
| | **820** | 1,598 |

*Notes:*

(i) The payable to the relevant government authorities for the acquisition of land use rights were fully settled during the Year.

(ii) Construction costs payable comprise payables for construction costs and other project related expenses (including unbilled payables) which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis is performed.

* The amount is less than HK$1 million.

## 15. CONTRACT LIABILITIES

| | **2022** *HK$ million* | 2021 *HK$ million* |
|---|---|---|
| Sale of properties | **2,305** | 281 |
| Others | **–*** | 1 |
| | **2,305** | 282 |

Revenue recognised in the Year that was included in the contract liabilities balance at the beginning of the Year was approximately HK$182 million (2021: HK$3 million).

Included in the contract liabilities is approximately HK$459 million (2021: approximately HK$177 million) which is expected to be settled within next 12 months from the end of the reporting period.

## 16. AMOUNTS DUE TO RELATED PARTIES

| | **2022** | | 2021 | |
|---|---|---|---|---|
| | ***Effective contractual interest rate (%)*** | ***HK$ million*** | *Effective contractual interest rate (%)* | *HK$ million* |
| **Current** | | | | |
| Guangzhou Minjie Estate Development Co., Ltd* ("**GZ Minjie**", 廣州敏捷房地產開發有限公司) | **–** | **1,702** | – | 1,584 |
| Current portion of long term loan from GZ Minjie | **4.75%** | **8** | – | – |
| Current portion of long term loan from Guangzhou Jinxiu Investment Company Limited* ("**GZ Investment**", 廣州錦綉投資有限公司) | **4.75%** | **19** | – | – |
| | | **1,729** | | 1,584 |
| **Non-current** | | | | |
| GZ Minjie | **4.75% to 5.6%** | **157** | 4.75% to 5.6% | 224 |
| GZ Investment | **–** | **–** | 4.75% | 93 |
| Guangzhou Yufeng Real Estate Development Co., Ltd* (廣州育豐房地產開發有限公司) | **6.4% to 7.5%** | **2,142** | 6.4% to 7.5% | 1,199 |
| Zhongshan Wanquan Property Management Co., Limited* (中山市完全物業管理有限公司) | **6.5% to 8.5%** | **65** | 8.5% | 394 |
| | | **2,364** | | 1,910 |
| | | **4,093** | | 3,494 |

All these entities are beneficially owned, directly or indirectly, by Mr. Tan Huichuan (a son of Mr. Tan) and Mr. Tan Haocheng (an elder brother of Mr. Tan).

Subsequent to the end of the reporting period, on 5 May 2022, the subsidiaries of the Company entered into loan agreements with GZ Minjie in relation to the loan facility of up to RMB4,731 million (equivalent to approximately HK$5,844 million) at the agreed interest rate of 3.7% per annum, unsecured and with the principal and interest repayable in full after three years from the date of drawdown. In the opinion of the Directors, the purpose of the loan facility is to provide funds to repay the amounts due to the related parties above and for use in the Group's property development operations.

* For identification purposes only.

## 17. INTEREST-BEARING BANK LOANS

| | **2022** | 2021 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| Loans from banks – secured *(Note (i))* | **1,241** | – |
| Loan from bank – unsecured *(Note (ii))* | **–** | 2 |
| | **1,241** | 2 |
| Less: Amount due within one year shown under current liabilities | **(464)** | (2) |
| | **777** | – |

*Notes:*

(i) At 31 March 2022, bank loans of the Group bear floating interest rate based on RMB Loan Prime Rate plus a specified margin, ranging from 0.55% to 3.65% per annum. These bank loans were secured by the shares in Nanning Ruihua and certain properties under development of approximately RMB2,244 million, which are equivalent to HK$2,772 million, as set out in Note 11.

(ii) During the Corresponding Year, a subsidiary of the Group applied for and received aggregate loan proceeds in the amount of approximately US$204,000 (equivalent to approximately HK$2 million) under the Paycheck Protection Program ("**PPP**") in the USA. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("**CARES Act**"), provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The PPP Loan was approved by the Small Business Association ("**SBA**") of the USA with an interest rate of 1%, and included a "forgiveness" clause which stated that the borrower may apply for forgiveness of the loan amount if the amount is used for payroll costs, any payment of interest on a covered mortgage obligation, any payment on a covered rent obligation and any covered utility payment.

A PPP loan has been borrowed under the PPP by a subsidiary of the Group during the Corresponding Year, in which the forgiveness of the loan amount was granted by the SBA and has been recognised in other income in the consolidated income statement during the Year.

## 18. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

| | Number of Shares | Share Capital *HK$ million* | Share Premium *HK$ million* |
|---|---|---|---|
| Authorised share capital: | | | |
| Ordinary shares of HK$0.01 each at 31 March 2022 and 31 March 2021 | 20,000,000,000 | 200 | |
| Issued and fully paid share capital: | | | |
| Ordinary shares of HK$0.01 each at 31 March 2022 and 31 March 2021 | 5,492,232,889 | 55 | 386 |

The share premium represents the difference between the par value of the shares issued and the consideration received.

**Reserves**

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

***(i) Contributed reserve***

The contributed reserve represents the credit amount arising from capital reduction in the previous years.

***(ii) Statutory reserve***

The statutory reserve represents the amount transferred from profit after taxation of the subsidiaries established in the PRC in accordance with the relevant PRC laws until the accumulated total of the fund reaches 50% of the registered capital of the respective subsidiaries.

***(iii) Exchange fluctuation reserve/(deficits)***

The exchange fluctuation reserve/(deficits) comprises all foreign exchange differences arising from the translation of the financial statements of foreign/PRC operations. The reserve is dealt with in accordance with the accounting policies.

***(iv) Other reserve***

The other reserves mainly represent the change in net assets attributable to the Group in relation to changes in ownership interest in subsidiaries without losing of control.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a revenue of HK$423 million for the Year as compared to HK$200 million for the Corresponding Year, representing an increase of approximately 112%. The increase in revenue was mainly due to the first time recognition of revenue from recognised sales of property development in our Ningxiang project, which was the founding property development project of the Group. During the Year, according to the construction plan, certain phases of the Ningxiang project have been completed and property units were then delivered to the ultimate customers. Revenue from recognised sales of property development which amounted to HK$195 million was then recorded in the Consolidated Income Statement of the Group for the Year. In addition, revenues generated from Emerson and the trading of household appliances, wires and cables in the PRC were also increased during the Year. Besides, as the disposal of the licensing business was completed on 15 June 2021 (the "**Completion Date**"), the Group has re-classified the operation of the licensing business for the period from 1 April 2021 to the Completion Date as the discontinued operations in the Consolidated Income Statement for the Year, which also affected the total revenue for the Year. According to this re-classification, revenue generated from the licensing business for the Year amounting to HK$7 million was not included in the total revenue of the Group. Likewise, the revenue generated from the licensing business for the Corresponding Year of HK$44 million was also not included in the total revenue. Having taken into account the result of the discontinued operations, the Group recorded an audited loss attributable to shareholders of the Company (the "**Shareholders**") of HK$97 million for the Year, which was approximately 13% higher than the audited loss attributable to Shareholders of HK$86 million for the Corresponding Year. The increase in audited loss attributable to Shareholders during the Year was mainly attributable to the increase in selling expenses and administrative expenses incurred from the PRC's property development business of the Group mainly attributable to the pre-sale activities during the Year, even though sales income from selling of completed property units has been recognised during the Year; and partly offset by the decrease of the loss attributable to Shareholders from the licensing business, i.e. the discontinued operations.

On 7 April 2021, the Company, Grande N.A.K.S. Ltd and Unijoy Limited ("**Unijoy**"), both of them formerly were wholly owned subsidiaries of the Company, entered into a sale and purchase agreement with Sino Capital Resources Limited (the "**Purchaser**"), a company wholly owned by a director of Grande N.A.K.S. Ltd, to dispose of the entire issued share capital of Unijoy to the Purchaser (the "**Disposal**"). As the disposal of the licensing business was completed on the Completion Date, the management has classified the licensing business as the discontinued operations in the Group's consolidated results for the Year. In addition, since the Completion Date, the assets and liabilities of licensing business were excluded from the Consolidated Statement of the Financial Position of the Group as at 31 March 2022, in return, the receipt of the cash consideration for the Disposal of HK$60 million was included in the consolidated assets of the Group. Moreover, as the Group's PRC IT services business has not generated any income during the last two years, subsequent to the end of the reporting period, the management has therefore decided to close down the operation. Upon completion of the Disposal and the closure of the Group's PRC IT services business, the current and continuing principal business activities of the Group include property development in the PRC, Emerson's operation in the USA, and household appliances business in the PRC.

**PRC property development business**

Since the inception of property development business in the PRC in late 2019, the Group has increased its land plots from 1 parcel of land in Ningxiang, Hunan province to 8 parcels of land in 7 cities of 5 provinces in the PRC at the end of 2020, locating as to 2 parcels of land in Ningxiang and Yongzhou cities of Hunan province, 2 parcels of land in Gongyi city of Henan province, 2 parcels of land in Yangjiang and Shantou cities of Guangdong province, one parcel of land in Ningbo city of Zhejiang province and 1 parcel of land in Nanning city of Guangxi province. As 2 land plots in Gongyi city of Henan province are adjacent, they were constructed and managed under 1 property project, and therefore the Group has totally 8 land plots but 7 projects being under development. Out of these 7 projects, certain phases of Ningxiang project have been completed and delivered to customers during the Year. Revenue from recognized sales of project development amounted to approximately RMB160 million was then recorded. The revenue from recognized sales of project development representing a saleable area of approximately 36,900 sq.m. had an average selling price of approximately RMB4,300 per sq.m. The uncompleted phases of Ningxiang project and the other 6 projects are all for residential use and being developed.

**Contracted sales**

All 7 projects under development have been in pre-sales during the Year. The Group's attributable contracted sales during the Year were approximately RMB1,923 million with approximately 222,050 sq.m. sold and the average selling price was approximately RMB8,700 per sq.m. As there was only one project owned and under pre-sale by the Group in the Corresponding Year, comparison of contracted sales for the two years is not applicable. The attributable contracted sales for the Group are summarised as follows:

| **Name of the project** | **Approximate attributable total value** *(RMB million)* | **Approximate attributable saleable area sold** *(sq.m.)* |
|---|---|---|
| Ningxiang Minjie Ziyun Fu* 寧鄉敏捷紫雲府 | 99 | 20,000 |
| Gongyi Minjie Jinxiu Yuanzhu* 鞏義敏捷錦綉源築 | 360 | 47,000 |
| Yangjiang Minjie Dongyue Fu* 陽江敏捷東樾府 | 329 | 56,000 |
| Guangxi Nanning Minjie Huayu Jinxiu Jiangchen* 廣西南寧敏捷華宇錦綉江辰 | 1 | 50 |
| Shantou Minjie Jinglong Wan* 汕頭敏捷璟瓏灣 | 852 | 71,000 |
| Yongzhou Minjie Jinyue Fu* 永州敏捷金玥府 | 134 | 21,000 |
| Ningbo Yunyue Xingzhu Huayuan* 寧波雲玥星著花園 | 148 | 7,000 |
| Total | 1,923 | 222,050 |

* For identification purposes only.

**Projects under development**

Projects under development amounted to approximately 1,081,500 sq.m. attributable gross floor area ("**GFA**") as at 31 March 2022, details of which are set out below:

| Location | Approximate attributable GFA *(sq.m.)* | Approximate attributable saleable area *(sq.m.)* |
|---|---|---|
| Ningxiang, Hunan | 98,000 | 82,700 |
| Gongyi, Henan | 185,100 | 152,800 |
| Yangjiang, Guangdong | 103,000 | 87,500 |
| Ningbo, Zhejiang | 100,200 | 74,800 |
| Nanning, Guangxi | 114,000 | 92,500 |
| Shantou, Guangdong | 319,100 | 267,700 |
| Yongzhou, Hunan | 162,100 | 140,700 |
| Total | 1,081,500 | 898,700 |

**Properties held for sale**

During the Year, property with a saleable area of approximately 42,800 sq.m. from Ningxiang project has been certified as completed. As approximately 36,900 sq.m. in saleable area has been recognized as sales of property development, the remaining properties held for sale as recorded in the Consolidated Statement of Financial Position as at 31 March 2022 were approximately 5,900 sq.m. in saleable area.

**Land bank**

As at 31 March 2022, the Group's attributable land bank was approximately 168,300 sq.m. and approximately 135,700 sq.m. in GFA and saleable area respectively, distributed across 3 cities and regions. Details are as follows:

| Location | Approximate attributable GFA *(sq.m.)* | Approximate attributable saleable area *(sq.m.)* |
|---|---|---|
| Gongyi, Henan | 3,100 | – |
| Yangjiang, Guangdong | 95,900 | 80,300 |
| Yongzhou, Hunan | 69,300 | 55,400 |
| Total | 168,300 | 135,700 |

**Emerson operations business**

Emerson, a 72.4% owned subsidiary, whose shares are listed on the NYSE American in the USA, generated revenue of HK$64 million for the Year as compared to HK$58 million for the Corresponding Year, representing approximately an increase of 10%. The increase in revenue was primarily driven by increased consumer demand for certain of Emerson's products from its customers, namely, Walmart, Amazon.com and Fred Meyer; in particular clock radios as consumers spent more time at home and shopping online, and Emerson's and its core customers' ability to continue to sell products under difficult economic conditions, including selling through online channels. During the Year, Emerson has continued to take active steps to streamline its operations and reduce and control its operating costs. As a result, the operating loss of Emerson for the Year was reduced to HK$28 million as compared to HK$33 million for the Corresponding Year.

Licensing revenue generated by Emerson for the Year was approximately HK$2 million, which is approximately the same as the Corresponding Year.

**PRC household appliances business**

Although the spread of COVID-19 pandemic has affected the overall economic environment adversely in the PRC, trading of household appliances, wires and cables in the PRC recorded a revenue of HK$164 million, as compared to HK$142 million for the Corresponding Year, representing approximately an increase of 15%. The increase in revenue was mainly due to two factors. Firstly, the price of copper increased during the Year as compared to the Corresponding Year, and that increased the sale prices of wires and cables, in effect, it increased the revenue from sales of wires and cables. Secondly, despite the fact that the COVID-19 pandemic has adversely affected most businesses during the Year, our PRC household appliances business team doubled its efforts to solicit new customers, and the revenue thereby increased from the selling of wires and cables to those new customers. However, as the cost of sales of the PRC household appliances increased, the gross profit of this operation decreased during the Year as compared with the Corresponding Year. As a result, the operating profit of this operation for the Year was decreased to HK$10 million as compared to HK$12 million for the Corresponding Year.

**PRC IT business**

The PRC IT business has not generated any income for the last two years. Such unfavorable performance was mainly due to the ongoing COVID-19 pandemic as most companies have had to reduce their budget for non-profit generating units. In this respect, the management has decided to close down the operation of the PRC IT business subsequent to the end of the reporting period.

### Discontinued operations

Unijoy and its subsidiaries (collectively named as "**Unijoy Group**") own three consumer electronic brands, Akai, Sansui and Nakamichi, and are principally engaged in the licensing of brands and trademarks through the licensing of these brands to independent third parties. As mentioned above, the Group successfully disposed the entire interests of Unijoy Group on 15 June 2021, and therefore, the results of the licensing business for the period from 1 April 2021 to 15 June 2021 was classified as the discontinued operations in the Consolidated Income Statement for the Year.

During the Year, revenue generated from the licensing operations was HK$7 million up to the Completion Date as compared to HK$44 million for the Corresponding Year. The loss attributable to Shareholders of these discontinued operations for the Year was HK$7 million as compared to HK$35 million for the Corresponding Year. However, the operating loss attributable to Shareholders of the discontinued operations was partially offset by the gain on the Disposal of HK$5 million. The loss attributable to Shareholders during the Year was mainly due to the ongoing COVID-19 pandemic, which directly affected the licensing business resulting in a decrease in revenue.

## BUSINESS PROSPECTS

The real estate industry in the PRC, which we have commenced to join in 2019, was facing unprecedented challenges in 2021. Policies in real estate industry were tightened comprehensively. With more rigorous policies, some property companies had liquidity issues. Under such unprecedented situation, property companies with stable cash flow, efficient operation performance and multi-track of businesses will be able to bounce back easily. Such property companies will overcome the most difficult period and achieve long term appreciation. The general tone of "housing properties are for living in and not for speculation" was reaffirmed in the Report on the Work of the PRC Government in 2022, which also mentioned the core mission of "meeting the reasonable needs of homebuyers". With the determination of the PRC Government working keynote in 2022, we believe the ongoing policies will continue to maintain continuity and stability for real estate industry, and will keep the prices of land and housing as well as market expectations stable from the second half of 2022 onwards. As mentioned in the above, we have only started property development business in 2019, with relatively small size of investment in the operation, but relatively sufficient sources of funding, we believe we should be able to pick up our sales of properties in the future soon. Moreover, the Group had successfully disposed its licensing business during the Year and has decided to close down the PRC IT business subsequent to the end of the reporting period to consolidate the Group's resources in the remaining core businesses, and the management has utilised most of the sales proceeds from the Disposal and allocated the resources from the PRC IT business to strengthen our property development business.

Regarding the operation of Emerson, in light of the adverse effects of the COVID-19 pandemic on macroeconomic conditions domestically and internationally, along with the uncertainty associated with a potential recovery, Emerson has implemented certain cost-reduction actions intended to reduce expenditures in light of the effects of the COVID-19 pandemic to the business. However, the environment remains highly uncertain and demand for Emerson's products remains difficult to assess due to many factors including the pace of economic recovery around the world, the status of various government stimulus programs, competitive intensity and retailer actions to continue carefully managing inventory. As a result, Emerson is unable at this time to predict the full impact of the COVID-19 pandemic on its operations and financial results, and, depending on the magnitude and duration of the pandemic, including the further spread and severity of COVID-19 cases in areas in which the company operates and the availability and distribution of effective vaccines, such impact may be material. Accordingly, current results and financial condition recorded for the Year herein may not be indicative of future operating results and trends for the second half of the next financial year.

Even though the spread of COVID-19 pandemic has still adversely affected the normal operation of our PRC household appliances business in certain extent, the management of this operation still has confidence in maintaining the scale of this operation in the second half of the next financial year. The sales team will continue to solicit new customers in order to increase the revenue of this operation. On the other hand, the management will continue to impose various cost control measures in order to reduce the operating cost of this operation.

Despite the fact that the current operating environment is unfavorable, especially for property development in the PRC, it is comparable to a chilly winter, but with better control of costs and sound marketing strategies in pre-sale, we believe we can wait for spring's coming. In fact, individual housing mortgage loans have been eased starting in October 2021, and People's Bank of China has lowered the reserve requirement ratio for financial institutions in December 2021, it is expected the real estate market will recover very soon. At that time, we will then begin to acquire more land plots through public auction again in order to expand the land bank of the Group. With better use of resources on promising operations, the Directors hope that the Group can produce a better return to the Shareholders in the coming years.

## LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group as at 31 March 2022 was approximately 1.72 as compared to approximately 1.82 as at 31 March 2021. The decrease in current ratio was mainly due to the increase in contract liabilities and interest-bearing bank loans from PRC's property development business during the Year, which were partially set off by (1) the increase in properties under development and cash and bank balances; and (2) the decrease in accounts payable.

During the Year, the Group's working capital requirements were financed by internal resources and external borrowings as the Group continued to generate cash from its PRC's property development business, Emerson operation business, licensing operation business (up to the Completion Date) and PRC household appliances business.

During the Year, new bank borrowings of approximately RMB1,000 million, equivalent to approximately HK$1,234 million have been procured at interest rate ranging 4.4% to 7.5%. The effective interest rate of the total bank borrowings portfolio at 31 March 2022 was approximately 5.63%. All the borrowings were in RMB and at floating interest rate bench marked to rates published by the People's Bank of China. The Group considered the RMB interest rate environment relatively stable and with the Group's borrowings substantially in RMB that matched income and assets predominantly in RMB, the Group did not consider it necessary to hedge its interest rate exposure.

As at 31 March 2022, the Group had HK$1,589 million cash and bank balances (HK$430 million as at 31 March 2021). The Group's working capital requirements were mainly financed by internal resources.

The Group had inventories of HK$18 million as at 31 March 2022 (HK$18 million as at 31 March 2021).

## MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Year, Unijoy Group was disposed of and transferred to Sino Capital Resources Limited, an entity wholly-owned by Mr. Ho Wing On Christopher (a director of Grande N.A.K.S. Ltd, a wholly-owned subsidiary of the Company), at the consideration of HK$60,000,000. The Disposal was completed on 15 June 2021 and a disposal gain of HK$5,000,000 was recorded in the Consolidated Income Statement for the Year.

Except for the above, the Group had no other material acquisition or disposal of subsidiaries, associates or joint ventures for the Year.

## SIGNIFICANT INVESTMENT

The Group did not enter into any new significant investment during the Year.

## FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any concrete plans for material investments or capital assets acquisitions for the coming 12 months.

## GEARING

As at 31 March 2022, the Group's gearing ratio, expressed as net borrowings over total equity, was approximately 5.85 times (as at 31 March 2021: approximately 3.93 times).

## CHARGES ON GROUP ASSETS

As at 31 March 2022, properties under development with aggregate carrying amount of HK$2,772 million were pledged to secure bank borrowing facilities for the Group (as at 31 March 2021: Nil).

## TREASURY POLICIES

The Group's revenues are mainly in US dollars and RMB. Since HK dollars is linked with US dollars, the Group is not exposed to significant currency risks in transactions settled in US dollars. However, for transactions settled in RMB, the Group will be exposed to foreign currency risks. The Group offsets the corresponding risks mainly through natural hedging and has not participated in any speculative trading of derivative financial instruments, but will carefully consider whether to conduct currency and interest rates at an appropriate time to hedge against corresponding risks. The Group will closely monitor and manage its foreign currency exposure and to make use of appropriate measures when required.

## EMPLOYEES AND REMUNERATION

The numbers of employees of the Group as at 31 March 2022 and 31 March 2021 were 150 and 146 respectively. The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance in the relevant financial year. Other benefits include medical and retirement schemes.

## DIVIDEND

The Board does not recommend the payment of final dividend for the Year (2021: Nil).

No dividend has been paid or declared by the Company during the Year (2021: Nil).

## CONTINGENT LIABILITIES

Except for the cases set out below, the Group did not have significant contingent liabilities as of 31 March 2022 and up to the date of this announcement:

**(i) Guarantees**

The Group had provided guarantees of approximately HK$1,045 million as at 31 March 2022 (as at 31 March 2021: approximately HK$177 million) to banks in favour of the purchasers of the Group's properties under development up to an amount of 80% of the purchase price of an individual property in respect of the mortgage loans provided by the banks to such purchasers. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The guarantees start from the respective dates of grant of the mortgage loans.

In the opinion of the Directors, the total fair value of the financial guarantee contracts of the Group is insignificant at initial recognition. The Directors also consider the possibility of default by the parties involved to be remote and in case of default in payments, the net realisable value of the related properties would be able to cover the outstanding principal together with the accrued interest and penalties. Accordingly, no value has been recognised in the consolidated statement of financial position as at 31 March 2022.

**(ii) Legal cases**

Pursuant to an order made by the High Court of Hong Kong Special Administrative Region (the "**High Court**") on 9 May 2016 in respect of case HCCW 177/2011, the Company is required to:

(i) indemnify and keep indemnified the former provisional liquidators in the event that the funds paid into court are insufficient to meet the taxed fees and expenses of the former provisional liquidators; and

(ii) indemnify and keep indemnified Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 ("**the Action**"), subject to the final determination of the Action.

HCA 92/2014 is a legal case filed in January 2014 with the High Court by Sino Bright Enterprises Co., Ltd., and HCA 1152/2017 is a legal case filed in May 2017 with the High Court by the Company (which was later consolidated with HCA 92/2014), against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

As at the date of this announcement, the Company has received no such requests for the related fees, costs and expenses.

The Directors are of the view that no provision is necessary for any of the matters described above, after having considered their respective merits.

## CAPITAL COMMITMENTS

As at 31 March 2022, the Group had contracted, but not provided for, capital expenditure commitments of HK$2,453 million (as at 31 March 2021: HK$1,351 million) in respect of properties under development.

## EVENTS AFTER THE REPORTING PERIOD

Other than those disclosed in this announcement, there were no other significant events occurred up to the date of this announcement.

## ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 26 August 2022. The notice of annual general meeting will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

## CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2022 annual general meeting of the Company, the register of members of the Company will be closed. Details of such closure are set out below:

Latest time to lodge transfer documents for registration . . . . . . . . . . . . . . . . . . . . 4:30 p.m. on Friday, 19 August 2022

Closure of registers of members . . . . . . . . . . . . . . . . . . . . . . . . . . . . Monday, 22 August 2022 to Friday, 26 August 2022 (both days inclusive)

Record date . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . Friday, 26 August 2022

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the 2022 annual general meeting of the Company, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the transfer will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer will be lodged on or after 15 August 2022), no later than the aforementioned latest time.

## PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

## CORPORATE GOVERNANCE CODE

On 1 January 2022, the amendments to the Corporate Governance Code (the "**New CG Code**") came into effect and majority of the requirements under the New CG Code would apply to corporate governance reports for financial year commencing on or after 1 January 2022. The Board will continue to review and enhance its corporate governance practice of the Company to ensure compliance with the New CG Code and align with the latest developments.

The Company's code on corporate governance practices was adopted by reference to the code provisions of the Corporate Governance Code then in force during the Year (the "**Code**") as set out in Appendix 14 to the Listing Rules before the New CG Code came into effect. The code provisions references in this announcement follow the code provision references of the Code.

The Board confirmed that the Company had complied with all principles and code provisions in the Code that were in force during the Year, except for the code provisions of the Code as noted hereunder.

**Code Provision A.2.1 (which has been renumbered as code provision C.2.1 since 1 January 2022 in the New CG Code)**

Mr. Tan has been acting as the chairman of the Board (the "**Chairman**") and the Chief Executive Officer ("**CEO**") of the Company since his appointment as a Director on 2 December 2017, which according to code provision A.2.1 (which has been renumbered as code provision C.2.1 since 1 January 2022 in the New CG Code), the roles of these two positions should be separate and should not be performed by the same individual.

The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. The CEO is responsible for the day-to-day management of the Group's business. Their respective roles and responsibilities are set out in writing and have been approved by the Board. As mentioned above, the roles of the Chairman and the CEO have been performed by Mr. Tan. However, if the Board does find a suitable candidate for the position of CEO, the above roles will be separately discharged by different persons at that time.

**Code Provision A.6.7 (which has been renumbered as code provision C.1.6 since 1 January 2022 in the New CG Code)**

Pursuant to code provision A.6.7 (which has been renumbered as code provision C.1.6 since 1 January 2022 in the New CG Code), independent non-executive directors generally should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to the outburst of COVID-19 pandemic, the independent non-executive Directors of Dr. Lin Jinying and Dr. Lu Zhenghau, whose residence is in Guangzhou, the PRC, were unable to attend the annual general meeting of the Company held on 26 August 2021.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all Directors and each of them has confirmed that they have complied with the Model Code during the Year.

## REVIEW BY AUDIT COMMITTEE AND AUDITOR

The Group's consolidated financial statements for the Year have been reviewed by the audit committee of the Company. The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Company's auditor, Moore Stephens CPA Limited ("**Moore Hong Kong**"), to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Moore Hong Kong 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 Moore Hong Kong on this preliminary announcement.

## EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the Year.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Material uncertainty related to going concern

We draw attention to Note 3(b) to the consolidated financial statements, which states that as at 31 March 2022, the Group's current portion of interest-bearing bank loans and amounts due to related parties amounted to HK$2,193 million in total while its cash and cash equivalents amounted to HK$1,589 million. These conditions, along with the other conditions and the current situation as set forth in Note 3(b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nimbleholding.com). The Group's annual report for the Year will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
**Nimble Holdings Company Limited**
**Tan Bingzhao**
*Chairman*

Hong Kong, 28 June 2022

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Tan Bingzhao and Mr. Deng Xiangping; and three independent non-executive Directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing.*