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Asia Cassava Resources Holdings Limited
亞洲木薯資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 841)

ANNUAL REPORT

2022

Contents

Management Discussion and Analysis

During the year ended 31 March 2022 (the "Current Year"), the Group was principally engaged in procurement of dried cassava chips in Southeast Asian countries, including Thailand, Cambodia and Vietnam, and sales of dried cassava chips, to customers in the People's Republic of China (the "PRC"). The Group is continued to be the largest procurer and exporter of dried cassava chips in Thailand and the largest supplier of imported dried cassava chips in the PRC with an all-round integrated business model covering procurement, processing, warehousing, logistics and sale of cassava chips.

Business review

During the Current Year in which the impact of coronavirus epidemic still persisted, the demand for alcoholic products (to which the dried cassava chips are one of the raw materials for production in the PRC) is increased significantly which triggered demand of the dried cassava chips. The Group's revenue from procurement and sales of dried cassava chips was increased to approximately HK$3,556.2 million for the Current Year, representing an increase of approximately 32.2% from approximately HK$2,689.1 million for the previous year.

As regards "338 Apartment", upper apartment units are currently operated by the Group as serviced apartment operators upon the lapse of the lease to the local serviced apartment operators during the Current Year. The remaining portion of the building was considered as investment property.

As regards the Group's hotel operation, the revenue generated from hotel room rental and catering from restaurant was improving but still subject to uncertainties from the coronavirus epidemic and China's macro-economic growth. The Group will continue to put efforts on overcoming unfavourable factors and capitalising opportunities, such as putting resources in promoting food & drink delivery services, the birthday party or wedding banquets packages and optimising staff allocation.

Financial Review on Audited Results

Revenue

The Group's revenue from procurement and sales of dried cassava chips increased by approximately HK$867.1 million or approximately 32.2% from approximately HK$2,689.1 million for the previous year to approximately HK$3,556.2 million for the Current Year. Increase in the Group's revenue was mainly attributable to the increase in sales volume of dried cassava chips in the mainland China and average selling price during the Current Year.

The Group's revenue from hotel and serviced apartment operation amounted to approximately HK$22.5 million for the Current Year, representing an increase of approximately 21.0% from approximately HK$18.6 million for the previous year. During the Current Year, the Group's PRC hotel operation was still subject to pressures from the coronavirus epidemic in China and the slowdown in China's macro-economic growth. Nevertheless, the Group continues to put efforts on overcoming unfavourable factors and capitalising opportunities, such as putting resources in promoting food and drinks delivery services, the birthday party or wedding banquets packages and optimising staff allocation.

Gross profit and gross profit margin

The Group's cost of sales from procurement and sales of dried cassava chips increased by approximately HK$697.2 million, or approximately 28.5%, from approximately HK$2,443.6 million for the previous year to approximately HK$3,140.8 million for the Current Year, mainly due to the increase in sales quantity of dried cassava chips in the Current Year.

The Group's gross profit from procurement and sales of dried cassava chips increased by approximately HK$169.9 million from approximately HK$245.5 million for the previous year to approximately HK$415.4 million for the Current Year, mainly due to the increase in revenue from procurement and sales of dried cassava chips and increase in average selling price.

The Group's gross profit margin from procurement and sales of dried cassava chips for the Current Year increased to approximately 11.7% from approximately 9.1% for the previous year mainly due to increase in average selling price.

The Group's cost of sales from hotel and serviced apartment operation decreased to approximately HK$6.3 million for the Current Year from approximately HK$7.3 million for the previous year. The Group's gross profit margin from hotel operation for the Current Year increased to approximately 72.0% from approximately 60.7% for the previous year.

Financial Review on Audited Results

(Continued)

Selling and distribution costs

During the Current Year, the Group's selling and distribution expenses of approximately HK$281.3 million (2021: approximately HK$149.1 million) comprised mainly (a) ocean freight costs of approximately HK$130.1 million (2021: approximately HK$44.3 million), (b) warehouse, handling and inland transportation expenses of approximately HK$130.6 million (2021: approximately HK$96.2 million) and (c) those related to hotel operation of approximately HK$9.4 million (2021: approximately HK$8.6 million).

The Group's selling and distribution expenses increased mainly due to increase in sales volume and increase in unit ocean freight costs under the COVID pandemic during the Current Year.

General and administrative expenses

General and administrative expenses of the Group increased from approximately HK$61.7 million in the previous year to approximately HK$82.4 million in the Current Year, mainly due to (i) the increase in depreciation of approximately HK$10 million in relation to certain units of 338 Apartment due to its separation as serviced apartment from investment properties, (ii) the increase in repair and maintenance expenses incurred for 338 Apartment of approximately HK$4.0 million, and (iii) the increase in operating expenses due to inflationary adjustment.

Finance costs

Finance expenses of the Group increased from approximately HK$12.9 million for the previous year to approximately HK$13.1 million for the Current Year. The increase in finance costs was mainly due to increase in average interest rates of the trade financing loans and bank borrowing during the Current Year as compared with the previous year.

Profit/(Loss) for the year

The Group's profit for the Current Year attributable to the owner of the Company amounted to approximately HK$45.0 million (2021: loss of HK$7.1 million).

Financial resources and liquidity

As at 31 March 2022, the net assets amounted to approximately HK$832.9 million, representing an increase of approximately HK$32.1 million from approximately HK$800.8 million as at 31 March 2021 which was mainly due to the profit and other comprehensive income for the Current Year and the decrease in non-controlling interest.

Current assets amounted to approximately HK$1,594.7 million (2021: HK$1,312.0 million), including cash and cash equivalents of approximately HK$100.6 million (2021: HK$66.2 million), trade and bills receivables of approximately HK$548.5 million (2021: HK$489.4 million), inventories of approximately HK$869.2 million (2021: HK$693.1 million), debt investments at fair value through other comprehensive income of approximately HK$1.3 million (2021: HK$1.0 million), financial assets at fair value through profit or loss of approximately HK$6.0 million (2021: HK$6.8 million), and prepayments, deposits and other receivables of HK$63.4 million (2021: HK$51.3 million). The Group had non-current assets of HK$1,326.1 million (2021: HK$1,358.4 million) which mainly included investment properties of approximately HK$625.7 million (2021: HK$1,153.2 million), property, plant and equipment of approximately HK$598.9 million (2021: HK$93.9 million), right-of-use assets of approximately HK$36.0 million (2021: HK$40.0 million), prepayments, deposits and other receivables of approximately HK$21.7 million (2021: HK$21.3 million), club membership of approximately HK$2.2 million (2021: HK$2.2 million) and equity investments at fair value through other comprehensive income of approximately HK$38.9 million (2021: HK$44.9 million).

The Group's current liabilities amounted to approximately HK$1,372.6 million (2021: HK$1,578.8 million), which comprised mainly trade and other payables and accruals of approximately HK$288.4 million (2021: HK$300.3 million), tax payable of approximately HK$66.7 million (2021: HK$42.7 million) and bank borrowings of approximately HK$1,017.4 million (2021: HK$1,235.8 million). The Group's non-current liabilities included non-current bank borrowings of approximately HK$420.0 million (2021: Nil), deferred tax liabilities of approximately HK$13.3 million (2021: HK$11.8 million) and the amount due to a non-controlling shareholder of approximately HK$281.9 million (2021: HK$279.1 million) for the acquisition and operation of 338 Apartment.

Financial Review on Audited Results

(Continued)

Financial resources and liquidity *(Continued)*

The Group expresses its gearing ratio as a percentage of borrowings over total assets. As at 31 March 2022, the Group had a gearing ratio of 49.2% (2021: 46.3%).

The Group's inventory turnover period is 90.6 days as at 31 March 2022, representing an increase of 19.8 days from 70.8 days as at 31 March 2021.

The Group's debtor turnover period is 52.8 days as at 31 March 2022 (2021: 59.8 days).

Employment and remuneration policy

As at 31 March 2022, the total number of the Group's staff was approximately 250. The total staff costs (including directors' remuneration) amounted to approximately HK$27.3 million for the Current Year. The Group remunerates its employees based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in form of mandatory provident fund and provides similar schemes for its employees in the PRC, Macau, Vietnam and Thailand.

Charge on group assets

As at 31 March 2022, the Group's bank borrowings are secured by:

(i) legal charges over the Group's leasehold land, hotel properties and serviced apartment and buildings situated in Hong Kong with a carrying value of HK$12,327,000, HK$503,515,000 and HK$1,170,000 (2021: leasehold land and buildings of HK$15,330,000 and HK$1,070,000), respectively;

(ii) legal charges over the Group's investment properties situated in Hong Kong with a carrying value of HK$564,500,000 (2021: HK$1,091,200,000); and

(iii) bills receivables of the Group amounting to HK$217,931,000 (2021: HK$210,980,000) discounted to the banks with recourse.

Foreign currency exposure

The Group carries on business in Renminbi ("RMB"), United States dollars ("US$") and Thai Baht and therefore the Group is exposed to foreign currency risk as the values of these currencies fluctuate in the international market. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the directors monitor the related foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent liabilities

As 31 March 2022, the Group did not have any material contingent liabilities.

Material acquisition

The Group had no material acquisition during the Current Year.

Prospect

In the PRC, renewable energy is considered a vital resource of energy, playing an important role in the aspects such as satisfying national energy safety and demand, and reducing environmental pollution. The PRC's policy of "non-competition for grain with people and non-competition for harvest land with grain" stipulates that grains such as corn should be used with priority for animal feeds and food so as to guarantee the national food safety. As a result, the use of non-grain feedstock to produce bio-fuel is encouraged by the PRC government. We anticipate that the demand of dried cassava chips in the PRC ethanol fuel industry will be growing which is beneficial to the Group's long-term business development.

For procurement, the Group has procurement facilities and networks in Thailand, Cambodia and Laos of total storage capacity of 600,000 tonnes, which pave the solid foundation for enhancement of the market coverage and maintenance of long-term business development. The Group targets to reduce its unit cost of dried cassava chips and increase its gross profit margin with the effect of economy of scales in relation to the procurement business of dried cassava chips by the Group's procurement networks in Thailand, Laos and Cambodia. In medium and long-run, the Group intends to set up additional procurement facilities and networks (when appropriate) in Thailand, Laos or Cambodia so as to cope with the expected increase in demand of dried cassava chips, to increase the Group's market share and to maintain our leading position in the industry.

The Group's unique and integrated business model combines the procurement, processing, warehousing, logistics and sale of cassava chips. Looking ahead, the Group plans to continue establishing more procurement and warehouse centres in order to replicate the proven business model in Thailand. Riding on our broad procurement channels and network together with the warehouse facilities, optimised logistics capabilities and the widespread sales network in the PRC, the Group will continue to strive to enhance our market coverage and maximise returns for our shareholders.

In addition, the Group will prudently study the feasibility for trading of other commodity and also explore other investment project with potentials, but not limiting to hotel operation and property project, in order to broaden the revenue sources and maximize returns for our shareholders.

Board of Directors

Executive Directors

Mr. Chu Ming Chuan ("Mr. Chu"), aged 67, is the chairman of the Board. He was also appointed as an executive Director on 8 May 2008. Save for All Praise Limited, Artwell Properties Limited, Winsure International Investment Limited and Globe Shipping Limited, Mr. Chu is a director of all the subsidiaries of the Company. Mr. Chu is responsible for formulating the Group's strategies and guiding the Group's overall development. He has over 20 years of experience in import and export of agricultural by-products and over 15 years of experience in the cassava industry. Mr. Chu is currently a member of the National Committee of the Chinese People's Political Consultative Conference, a standing committee member of the All-China Federation of Industry and Commerce, a standing member and a convenor for Hong Kong Region of the Chinese People's Political Consultative Conference, Shandong Province and standing member and a convenor for Hong Kong and Macau Regions of the Chinese People's Political Consultative Conference, Jinan City. He is also a permanent honorary chairman of the Hong Kong Federation of Fujian Associations. Mr. Chu has completed DBA (工商管理博士) course at the Shenzhen Research Institution of the Renmin University of China (中國人民大學深圳研究院). Mr. Chu is the spouse of Ms. Ng Nai Nar and the brother of Ms. Chu Ling Ling, Miranda.

Ms. Liu Yuk Ming ("Ms. Liu"), aged 61, was appointed as an executive Director on 8 May 2008. She is also a director of Artsun International Macao Limited, Rizhao Yushun Cassava Co., Ltd. ("Rizhao Yushun"), Global Property Connection Co., Ltd., Art Rich International Limited and Alush (Thailand) Co., Ltd. ("Alush Thailand"), each of which is a subsidiary of the Company. She joined the Group in 1992 and is currently the deputy general manager of the Group. She is responsible for formulating the marketing strategies and daily operations of the Group. She has over 15 years of experience in logistics management and import and export of cassava. Over the 15 years with the Group, Ms. Liu has been responsible for, among others, overseeing the operation of charter vessels, developing ship chartering networks and supervising the sales and marketing team of the Group. Prior to joining the Group, Ms. Liu has worked in certain trading and shipping companies and as an export executive in the Hong Kong office of a multinational trading group. Ms. Liu is currently a council member of the Shandong Overseas Friendship Association.

Ms. Lam Ching Fun ("Ms. Lam"), aged 55, was appointed as an executive Director on 2 July 2008. She joined the Group in 1992 and is currently the general manager of the Group's chartering and logistics department. She is responsible for logistic systems, charter business management, cargo handling arrangement and the Sino-Thai ports coordination. Ms. Lam has over 15 years of experience in logistics operations in the cassava industry. Over the 15 years with the Group, Ms. Lam's responsibilities included overseeing the Group's logistics system and managing the chartering of vessels.

Independent non-executive Directors

Professor Fung Kwok Pui ("Professor Fung"), aged 71, was appointed as an independent non-executive Director on 22 January 2009, and was resigned as independent non-executive director on 1 November 2021.

Professor Fung graduated from the Chinese University of Hong Kong in 1973, majoring in Chemistry, and obtained his master degree in Biochemistry in 1975. He later obtained his doctorate degree in Microbiology from the University of Hong Kong in 1978, and has been conducting clinical biochemical research at University of Toronto, Canada for many years.

Professor Fung was a member of the Chinese Medicines Board of the Chinese Medicine Council of Hong Kong from 1999 to 2002, and a member of the Biology and Medicine Panel of the Research Grants Council from 1996 to 2001. He has also been the Hong Kong representative of the Society of Chinese Bioscientists in America for many years, and was presented Distinguished Service Award in 1999.

Ms. Amporn Lohathanulert ("Ms. Lohathanulert"), aged 49, was graduated from the Ramkhambaeng University, Bangkok, Thailand and obtained Bachelor Degree in Mass Communication. Since 1992, she had served for one of leading insurance companies in Thailand as sales secretary or life insurance agent for 20 years, mainly responsible for providing health and financial advice to customers.

Mr. Hong Sijie ("Mr. Hong"), aged 35, graduated from the Open University of China majoring in business administration. Mr. Hong worked in the People's Government Office of Anhai County, Quanzhou City, Fujian Province, China during the period from May 2006 to December 2010, and he was employed as deputy general manager in Zhangpu County Xinyi Fire Fighting Technology Co., Limited (漳州市漳浦縣鑫藝消防科技有限公司) in Zhangzhou City, Fujian Province, China during the period from March 2011 to September 2016. Mr. Hong is currently the general manager of Quanzhou Wanzhu Construction Engineering Co., Limited (泉州市萬築建築工程有限公司).

Mr. Chui Chi Yun, Robert ("Mr. Chui"), aged 64, was appointed as an independent non-executive director on 14 August 2018. He obtained a Bachelor's degree in commerce from the Concordia University in June 1978 and was awarded the Medal of Honour by the Government of Hong Kong Special Administrative Region in 2014. Mr. Chui is currently a practicing certified public accountant in Hong Kong and is a fellow member of the Hong Kong Institute of Certified Public Accountants since June 1991 and the Chartered Association of Certified Accountants since May 1989. Mr. Chui has over 35 years of experience in the accounting industry and is the founder of a Hong Kong accounting firm, Robert Chui & Co. since August 1991.

Mr. Chui has been appointed as an independent non-executive director of Tse Sui Luen Jewellery (International) Limited, (Stock Code: 417), National Arts Entertainment and Culture Group Limited, (Stock Code: 8228), Wing Lee Property Investments Limited (Stock Code: 864), and F8 Enterprises (Holdings) Group Limited (Stock Code: 8347) since April 1999, May 2009, February 2013 and March 2017, respectively.

Since December 2014, Mr. Chui has been appointed as a non-executive director of GTI Holdings Limited, formerly known as Addchance Holdings Limited (Stock Code: 3344) and retired in May 2017. From May 2015 to March 2016, Mr. Chui was appointed as an independent non-executive director of Aurum Pacific (China) Group Limited (Stock Code: 8148). From June 2015 to July 2018, Mr. Chui was appointed as an independent non-executive director of PPS International (Holdings) limited (Stock Code: 8201). From October 2020 to December 2021, Mr. Chui was appointed as an independent non-executive director of Huiyin Holdings Group Limited (Stock Code: 1178).

Senior Management

Ms. Ng Nai Nar, aged 59, is the head of administration and human resources of the Group and is responsible for the administration and human resources functions of the Group. She has completed DBA (工商管理博士) course at the Shenzhen Research Institution of the Renmin University of China (中國人民大學深圳研究院). She also obtained a Master degree in Business Administration and a Bachelor Degree of Science in Applied Computing from the Open University of Hong Kong, Diploma and Higher certificate in Electronic Engineering from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University). Mrs. Chu joined the Group in 1985 and has years of company management experience. She is the spouse of Mr. Chu.

Mr. Shum Shing Kei ("Mr. Shum"), aged 50, is the chief financial officer and company secretary of the Company. He joined the Group in June 2008 and is responsible for the corporate finance function of the Group and oversees matters related to financial administration of the Group. Mr. Shum obtained a master degree in financial management from the University of London, the United Kingdom in 1998 and a Bachelor (Hon) degree in accountancy from Hong Kong Polytechnics in 1993. Prior to joining to the Group, Mr. Shum has over 14 years' working experience in auditing, accounting and financial management. Mr. Shum had worked for China Data Broadcasting Holdings Limited as qualified accountant and company secretary, the shares of which are listed on the Growth Enterprise Market (the "GEM") operated by the Stock Exchange, and an international accounting firm. Mr. Shum is a fellow member of Hong Kong Institute of Certified Public Accountants.

Ms. Chu Ling Ling, Miranda ("Ms. Chu"), aged 69, is a deputy financial controller and is responsible for overall monitoring the accounting department of the Group. She joined the Group in 1997 and has worked for over 10 years in the accounting and financial management division of the Group. Ms. Chu is the elder sister of Mr. Chu.

Mr. Wang Dong Dai ("Mr. Wang"), aged 59, is the general manager of Rizhao Yushun, a subsidiary of the Company. Mr. Wang joined the Group in 2001 and is responsible for monitoring the daily management of Rizhao Yushun and supervising the daily operations and coordination of the business of the Group in Mainland China. Prior to this, he had engaged in the financial and business management sectors for about eight years. Mr. Wang graduated from the Shandong University with major in Law.

Ms. Jiang Ting ("Ms. Jiang"), aged 53, is the deputy general manager of Rizhao Yushun, a subsidiary of the Company. She was employed by the Group in 2008 as part of the reorganisation and is responsible for the analysis of cassava market information and customer relationship of the Group in the PRC. Ms. Jiang has over 5 years' experience in marketing. Ms. Jiang graduated from Weifang Vocational College (濰坊職業大學) with major in international trading.

Report of the Directors

The directors present their report and the audited financial statements of the Group for the year ended 31 March 2022.

Principal activities

The principal activity of the Company is investment holding. The Group is principally engaged in the procurement of dried cassava chips in Southeast Asian countries, the sale of dried cassava chips in Mainland China and Thailand, hotel and serviced apartment operations in the Mainland China and Hong Kong and property investment. The activities of the subsidiaries are set out in note 1 to the financial statements.

Results and dividends

The Group's profit for the year ended 31 March 2022 and the Group's financial position at that date are set out in the financial statements on pages 26 to 88.

No interim dividend was paid during the year and the Directors do not recommend the payment of a final dividend in respect of the year ended 31 March 2022.

Business review

A review of the business of the Group during the year and a discussion on the Group's future business development, principal risks and uncertainties that the Group may be facing are provided in Management Discussion and Analysis on pages 2 to 4 of this Annual Report.

The financial risk management objectives and policies of the Group are shown in note 31 to the financial statements on pages 83 to 87 of this Annual Report.

Summary financial information

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the Company's published audited financial statements for the years ended 31 March 2018, 2019, 2020, 2021 and 2022, respectively, and restated/reclassified as appropriate, is set out on page 91. This summary does not form part of the audited financial statements.

Share capital

There were no movements in the Company's share capital during the year.

Pre-emptive rights

There are no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, redemption or sale of listed securities of the Company

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

Distributable reserves

As at 31 March 2022, the Company's reserve available for distribution amounted to approximately HK$507,927,000.

Relationship of stakeholders

To the best knowledge of the Group, employees, customers and business partners are the key to have continuous sustainable development. We commit to be people oriented and build up good relationship with employees, and work together with our business partners to provide high quality products and services to achieve the goal of sustainable development and contribution to the society.

Environmental policy and performance

The Group paid high attention to environmental protection and energy conservation to enhance the capacity of sustainable development and undertake relative social responsibility.

Compliance with related law and regulations

As far as the Board and management are aware, the Group has complied all related laws and regulations in all material aspects which may have significant impact on the operation of the Group.

Remuneration policy

As at 31 March 2022, the total number of the Group's staff was approximately 250. The total staff costs (including directors' remuneration) amounted to approximately HK$27,347,000 for the year. The Group remunerates its employees (including directors and senior management) based on their performance, experience and prevailing industry practice. The Group provides retirement benefit for its employees in Hong Kong in form of mandatory provident fund and provides similar schemes for its employees in the PRC, Macau, Vietnam and Thailand.

Major customers and suppliers

In the year under review, sales to the Group's five largest customers accounted for 51% (2021: 50%) of the total sales for the year and sales to the largest customer included therein amounted to 15% (2021: 21%). Purchases from the Group's five largest suppliers accounted for less than 28% (2021: 39%) of the total purchases for the year and purchases to the largest supplier included therein amounted to 9% (2021: 15%).

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

Directors

The directors of the Company during the year were:

Executive directors:

Mr. Chu Ming Chuan
Ms. Liu Yuk Ming
Ms. Lam Ching Fun

Independent non-executive directors:

Mr. Chui Chi Yun Robert
Professor Fung Kwok Pui (resigned on 1 November 2021)
Mr. Hong Sijie
Ms. Amporn Lohathanulert (appointed on 1 November 2021)

According to articles 83(3) and 84(1) of the Company's articles of association, Ms. Amporn Lohathanulert and Ms. Liu Yuk Ming will retire by rotation at the forthcoming annual general meeting and all the retiring directors will be eligible and offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all the three independent non-executive directors and as at the date of this report still considers them to be independent.

Directors' and senior management's biographies

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 5 to 7 of the annual report.

Directors' service contracts

Each of the executive directors of the Company entered into a service contract with the Company for an initial term of three years commencing from 23 March 2009 and may only be terminated in accordance with the provisions of the service contract by either party giving to the other not less than three months' prior notice in writing at end of the initial term or at any time thereafter.

The Company has issued a letter of appointment to each of the independent non-executive directors of the Company for an initial term of one year commencing from 23 March 2022.

Directors' remuneration

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

Directors' interests in transactions, arrangements or contracts

Save as the transactions set out in the section "Continuing connected transactions" and in note 27(a) to the financial statements, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries and fellow subsidiaries was a party during the year.

Directors' interests and short positions in shares and underlying shares

At 31 March 2022, the interests and short positions of the directors in the share capital and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company:

	Number of shares held, capacity and nature of interest			
Name of director	**Directly beneficially owned**	**Through controlled corporation**	**Total**	**Percentage of the Company's issued share capital**
Mr. Chu Ming Chuan ("Mr. Chu") (note (a))	135,520,715	225,000,000	360,520,715	61.66%

Directors' interests and short positions in shares and underlying shares *(Continued)*

Long positions in shares and underlying shares of associated corporations:

Name of director	Name of associated corporation	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Mr. Chu	Art Rich Management Limited ("AR Management")	Directly beneficially owned	97%
	AR Management (note (b))	Deemed interest	3%

Notes:

(a) The entire issued share capital of AR Management is legally and beneficially owned as to 97% by Mr. Chu and 3% by Ms. Ng Nai Nar ("Mrs. Chu"). By virtue of the SFO, Mr. Chu is deemed to be interested in the 225,000,000 shares held by AR Management.

(b) AR Management is the holding company of the Company and is owned as to 97% by Mr. Chu and 3% by Mrs. Chu. Mr. Chu is also deemed to be interested in the shares of AR Management held by Mrs. Chu.

Save as disclosed above, as at 31 March 2022, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' rights to acquire shares

At no time during the year were rights to acquire benefits by means of acquisition of shares in the Company granted to any director or their respective spouses or minor children, or were such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Substantial shareholders' interests and short positions in shares and underlying shares

At 31 March 2022, the following interests and short positions of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Note	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issue share capital
Long positions:				
AR Management	(a)	Directly beneficially owned	225,000,000	38.48%
Mr. Chu		Directly beneficially owned	135,520,715	23.18%
	(a)	Through a controlled corporation	225,000,000	38.48%
			360,520,715	61.66%
Mrs. Chu	(a)	Through a controlled corporation	225,000,000	38.48%

Note:

(a) The entire issued share capital of AR Management is legally and beneficially owned as to 97% by Mr. Chu and 3% by Mrs. Chu. As spouse, Mr. Chu is deemed to be interested in the shares of AR Management in which Mrs. Chu is interested and Mrs. Chu is also deemed to be interested in the shares of AR Management in which Mr. Chu is interested.

Save as disclosed above, as at 31 March 2022, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

Continuing connected transactions

During the year, the Group had the following continuing connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(a) Lease from Alther Limited ("Alther") in relation to an office in Hong Kong

On 1 April 2020, Artwell Tapioca Limited ("Artwell Tapioca"), a subsidiary of the Company, and Alther, a company controlled by Mr. Chu, entered into a lease agreement, pursuant to which Alther (as landlord) agreed to lease a property located at Unit 612, 6th Floor, Houston Centre, 63 Mody Road, Tsimshatsui East, Kowloon, Hong Kong with a total gross floor area of approximately 120 sq. meter to Artwell Tapioca (as tenant), for business use for a period of one year from 1 April 2020 to 31 March 2021, at an annual rental of HK$574,000, and the lease was extended to 31 March 2022 at an annual rental of HK$574,000.

(b) Lease from Allied Surplus Properties Limited ("Allied Surplus') in relation to staff quarters in Hong Kong

On 1 July 2019, Artwell Tapioca and Allied Surplus entered into a lease agreement, pursuant to which Allied Surplus, a Company Controlled by Mrs. Chu, (as landlord) agreed to lease a property located at Flat A, 19/F., Aster Sky, The Cullinan I, 1 Austin Road West, Kowloon, Hong Kong (the "Property") with a total gross floor area of approximately 1,260 sq. feet to Artwell Tapioca (as tenant) as staff quarters for a period of one year from 1 July 2019 to 30 June 2020, at an annual rental of HK$696,000 and the lease was extended to 31 December 2021, at a monthly rental of HK$58,000.

Pursuant to the lease agreement entered into Artwell Tapioca and Allied Surplus dated 1 January 2022, Allied Surplus agreed to lease the Property to Artwell Tapioca as staff quarters for a period of one year from 1 January 2022 to 31 December 2022 at an annual rental of HK$696,000.

(c) Loans from Artwell Cotton Limited ("Artwell Cotton") for financing working capital

During the year ended 31 March 2022, Artwell Tapioca (as borrower) entered into loan agreements (on normal commercial terms or better and without the Group's assets as security) with Artwell Cotton (as lender), a company controlled by Mr. Chu, for financing working capital. As at 31 March 2022, the amount due to Artwell Cotton was HK$255,000,000 which was unsecured, interest bearing at rate of 1% and 1.25% over one-month Hong Kong Inter-Bank Offer Rate per annum and repayable on demand.

Continuing connected transactions *(Continued)*

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

In addition to the above, on 26 March 2008, Art Rich International Limited ("Art Rich"), a subsidiary of the Group, entered into a loan agreement and a share pledge agreement with Mr. Aja Saepaan ("Mr. Aja"), whose registered interests in Global Property Connection Co., Ltd. ("Global Property", a subsidiary of the Group) represent 51% of the total issued share capital of Global Property. Art Rich, pursuant to the loan agreement, had lent fund to Mr. Aja. As security for the repayment of his loan owed to Art Rich, Mr. Aja agreed to pledge his shares in Global Property in favour of Art Rich, by virtue of which Art Rich could enforce the share pledge in an event of default in the loan repayment. Further, pursuant to the loan agreement, upon demand of repayment, Art Rich has the right at its sole discretion to demand and effect the transfer of the shares so pledged by Mr. Aja to Art Rich or its designated person at a consideration equal to the loan amount.

Mr. Aja also entered into a letter of undertaking with Art Rich whereby Mr. Aja had undertaken, among other things, to assign and direct all dividends and special distribution paid and payable by Global Property in relation to his registered shares in Global Property, and all distribution of assets made or to be made by Global Property in relation to his registered shares in Global Property, solely to Art Rich.

Mr. Aja also appointed Art Rich as its proxy to receive notice of shareholders' meetings and to vote in all shareholders' meetings of Global Property for any proposed resolution.

Collectively, the loan agreement, the share pledge agreement, the undertaking and the proxy are referred hereinafter as the "Aja-Art Rich Arrangements".

The independent non-executive directors have reviewed the Aja-Art Rich Arrangements and confirmed that the Aja-Art Rich Arrangements have remained unchanged and that no dividends or other distributions have been made by Global Property to Mr. Aja during the year, which is fair and reasonable so far as the Group is concerned and in the interests of the shareholders as a whole.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this report, being the latest practicing date prior to the date of this report.

Competing business

None of the directors of the Company have an interest in a business which competes or may compete with the business of the Group.

Non-competition undertaking

Mr. Chu and AR Management, as covenanters (collectively, the "Covenanters"), have entered into a deed of non-competition in favour of the Company on 18 February 2009 (the "Non-competition Deed"), pursuant to which each of the Covenanters has irrevocably and unconditionally undertaken to and covenanted with the Company (for itself and for the benefit of the members of the Group) that during the continuation of the Non-competition Deed that each of the Covenanters shall not, and shall procure each of his/its associates and/or companies controlled by him/it, whether on his/its own account or in conjunction with or on behalf of any person, firm or company and whether directly or indirectly, not to carry on a business which is, to be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise), any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by the Group (including but not limited to the import and export, distribution and marketing of cassava and business ancillary to any of the foregoing in each case, to be more particularly described or contemplated herein) in Thailand, Hong Kong, Mainland China, Macau, Cambodia and any other country or jurisdiction to which the Group markets, sells, distributes, supplies or otherwise provides such products and/or in which any member of the Group carries on business mentioned above from time to time.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Chu Ming Chuan
Chairman
Hong Kong
15 July 2022

Corporate governance practices

The Company is committed to pursuing and maintaining good corporate governance practices to protect the interests of the Company's shareholders.

Throughout the year ended 31 March 2022, the Company has adopted the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the deviation from the Code as follows:

Under provision A.2.1 of the Code, the role of the Chairman and the Chief Executive Officer should be performed by separate individuals. Mr. Chu Ming Chuan is the Chairman who provides leadership for the Board. According to A.2.2 and A.2.3 of the Code, Mr. Chu Ming Chuan as the Chairman ensures that all directors are properly briefed on issued arising at board meetings, and receive adequate information, both complete and reliable, in a timely manner. The executive directors of the Company collectively oversees the overall management of the Group in each of their specialized executive fields, which fulfils the function of Chief Executive Officer in substance. Therefore, the Company currently has not appointed its Chief Executive Officer to avoid the duplication of duties.

Directors' securities transactions

The Company has adopted a code of conduct (the "Model Code") no less strict than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by the Directors.

Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 March 2022.

Board of directors

The Board is responsible for formulating the overall business strategies, monitoring the performance of the management, and overseeing the internal control of the Group. The management is responsible for the daily operations of the Group.

1. Board meetings

During the year ended 31 March 2022 and up to the date of this annual report, the Board of Directors has held four meetings up to the date of this annual report with all existing Directors attended in person or through other electronic means of communications. Notice of at least 14 days has been sent to all Directors for this regular board meeting.

Under provision A.1.1 of the CG Code, the Company will adopt the practice of holding board meetings regularly for at least four times a year at approximately quarterly intervals. Ad-hoc board meetings may also be held in addition to regular meetings when necessary. Notice of at least 14 days will be sent to all Directors of a regular board meeting. Reasonable notices will be given to all Directors for ad-hoc board meetings. Directors may participate either in person or through other electronic means of communications.

The Company has also adopted the practice that enables all Directors the opportunity to include matters in the agenda for regular board meetings. All Directors will be provided in advance with relevant materials relating to the agenda of the board meeting. All Directors, upon reasonable request, will be able to seek independent professional advice in appropriate circumstances, at the Company's expenses, and will be provided sufficient resources to discharge their duties.

Minutes of board meetings and meetings of committees are duly kept by the secretary to the Board and freely available for inspection by the directors. Such meeting minutes recorded opinions and suggestions raised by the directors in the meeting. The final versions of such minutes were sent to directors for signing and confirmation.

Transactions in which directors are deemed to be involved in conflict of interests or deemed to be materially interested in will not be dealt with by written resolution. The relevant director will be allowed to attend the meeting but may not express any opinion and will be required to abstain from voting.

Board of directors *(Continued)*

2. Composition of the board

The Board currently comprises a combination of executive Director and independent non-executive Directors. In compliance with Rule 3.10(1) of the Listing Rules, the Board has three independent non-executive Directors as at 31 March 2022. The Board considers that all the independent non-executive Directors play an important role in the Board, with their appropriate and extensive academic and professional expertise, to provide the Board with professional advice as well as to protect the interests of shareholders of the Company.

The Company has received written annual confirmation of independence from the independent non-executive Directors pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence criteria set out in Rule 3.13 of the Listing Rules.

As at 31 March 2022, the Board was consisted of the following six directors:

Executive Directors:
Mr. Chu Ming Chuan *(Chairman)*
Ms. Liu Yuk Ming
Ms. Lam Ching Fun

Independent non-executive Directors:
Mr. Chui Chi Yun Robert
Mr. Hong Sijie
Ms. Amporn Lohathanulert (appointed on 1 November 2021)

Note: Professor Fung Kwok Pui was resigned as the Company's independent non-executive director with effect from 1 November 2021.

The biographical details of the Directors and relationship between members of the Board are set out in the Directors and Senior Management section on pages 5 to 7 of this annual report.

3. Chairman and chief executive officer

Under provision A.2.1 of the CG Code, the role of the Chairman and the Chief Executive Officer should be performed by separate individuals. Mr. Chu Ming Chuan is the Chairman who provides leadership for the Board. According to A.2.2 and A.2.3 of the CG Code, Mr. Chu Ming Chuan as the Chairman ensures that all directors are properly briefed on issues arising at board meetings, and receive adequate information, both complete and reliable, in a timely manner. The executive Directors of the Company collectively oversee the overall management of the Group in each of their specialised executive fields, which fulfils the function of Chief Executive Officer in substance. Therefore, the Company currently has not appointed its Chief Executive Officer to avoid the duplication of duties.

4. Appointments, re-election and removal of directors

All of appointments of Executive Directors are subject to retirement and reelection in accordance with the Articles of Association of the Company.

All of the independent non-executive Directors were appointed for a term of one year from 23 March 2022, and are subject to retirement and reelection in accordance with the Articles of Association of the Company.

Directors' training and professional development

During the year, the Directors are provided with monthly updates on the Group's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

All Directors have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business or to the Directors' duties.

Permitted indemnity provision

The articles of associations provides that the directors shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts.

Directors' and officers' liabilities insurance

The Company has arranged appropriate insurance cover for liabilities in respect of legal actions against Directors and officers of the Company arising out of corporate activities under provision A.1.8 of the CG Code.

Board committees

The Board has established three board committees, namely Audit Committee, Remuneration Committee, and Nomination Committee.

1. Audit committee

The Company has established the Audit Committee on 18 February 2009 in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The term of reference of the Audit Committee was published on the Group's website.

For the year ended 31 March 2022, the Audit Committee has three members, namely Professor Fung Kwok Pui (resigned on 1 November 2021), Mr. Hong Sijie, Ms. Amporn Lohathanulert (appointed on 1 November 2021) and Mr. Chui Chi Yun Robert, all being independent non-executive Directors. Mr. Chui Chi Yun Robert is the chairman of the Audit Committee.

The Audit Committee has held three meetings during the year and up to the date of this annual report with all members of the committee attended. At the meetings, the committee has, inter alia, reviewed the consolidated financial statements of the Group for the six months ended 30 September 2021 and for the two years ended 31 March 2021 and 2022, respectively, together with the Group's accounting policies and practices as well as the effectiveness of the Group's internal control systems.

2. Remuneration committee

The Company has established the Remuneration Committee on 18 February 2009 in compliance with the Listing Rules. The primary duties of the Remuneration Committee are, amongst other things, to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management and to make recommendation to the Board on the Group's policy and structure for all remuneration of Directors and senior management. The term of reference of the Remuneration Committee was published on the Group's website.

For the year ended 31 March 2022, the Remuneration Committee has three members, namely Professor Fung Kwok Pui (resigned on 1 November 2021), Mr. Hong Sijie, Ms. Amporn Lohathanulert (appointed on 1 November 2021) and Mr. Chui Chi Yun Robert, all being independent non-executive Directors. Mr. Chui Chi Yun Robert is currently the chairman of the Remuneration Committee.

During the year ended 31 March 2022, there was one meeting held by the Remuneration Committee with all members of the committee attended.

During the year under review, the Remuneration Committee has assessed performance of the directors and reviewed and determined their remuneration packages. The remuneration of Directors comprises basic salary, pensions and discretionary bonus. Details of the amount of emoluments of Directors for the year ended 31 March 2022 are set out in note 8 to the financial statements.

Board committees *(Continued)*

3. Nomination committee

The Company has established the Nomination Committee on 18 February 2009 in compliance with the Listing Rules. The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors and succession planning for Directors. For the year ended 31 March 2022, the Nomination Committee has three members, namely Professor Fung Kwok Pui (resigned on 1 November 2021), Mr. Hong Sijie, Ms. Amporn Lohathanulert (appointed on 1 November 2021) and Mr. Chui Chi Yun Robert, all being independent non-executive Directors. Professor Fung Kwok Pui was the chairman of the Nomination Committee and Mr. Hong Sijie is the chairman of the Nomination Committee since 1 November 2021. The term of reference of the Nomination Committee was published on the Group's website.

During the year ended 31 March 2022, there was one meeting held by the Nomination Committee with all members of the committee attended.

During the year, the work performed by the Nomination Committee included the followings:

- the recommendation of the retiring directors for re-election at the annual general meeting;
- the review of composition of the Board; and
- the assessment of independence of the independent Non-executive Directors.

The Board had adopted the Board Diversity Policy which sets the approach to achieve and maintain diversity of the Board to enhance quality of its performance. The Policy aims to achieve diversity through the consideration of number of factors including but not limited to skills, regional and industry experience, background, age, race, gender and other qualities. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments are based on merit, in the content of the talents, skills and experience, and taking into account diversity.

The Nomination Committee will report annually on the composition of the Board under diversified perspective, and monitor the implementation of this policy to ensure its effectiveness. It will discuss any revisions that may be required and recommend such revisions to the Board for consideration and approval.

Board diversity policy

The Nomination Committee is also responsible to review the Board diversity policy. The Board diversity policy ensures the Nomination Committee nominates and appoints candidates on merit basis to enhance the effectiveness of the Board so to maintain high standards of corporate governance. The Company sees diversity at the Board level as an essential element in maintaining a competitive advantage. The Company aims to ensure that Board appointments will be made on the basis of a range of diversity factors, including gender, age, cultural background, educational background, industry experience and professional experience. Selection of candidates to join the Board will be, in part, dependent on the pool of available candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and the contribution the chosen candidate will bring to the Board, having regard for the benefits of diversity on the Board.

Corporate governance functions

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

1. To develop and review the Group's policies and practices on corporate governance and make recommendations;
2. To review and monitor the training and continuous professional development of directors and senior management;
3. To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;
4. To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and
5. To review the Group's compliance with the Code and disclosure requirements in the Corporate Governance Report.

Accountability and audit

Financial reporting

The Directors acknowledge their responsibility to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and in presenting the interim and annual financial statements, and announcements to shareholders in a timely manner. The Directors are responsible for ensuring that the Group maintains accounting records which disclose with reasonable accuracy the financial position of the Group and which enable the preparation of financial statements in accordance with the disclosure requirements of the Hong Kong Companies Ordinance ("Companies Ordinance"), the Hong Kong Financial Reporting Standards ("HKFRSs") and all applicable disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 March 2022, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate HKFRSs which are pertinent to its operations and relevant to the financial statements, made judgements and estimates that are prudent and reasonable.

The Board is committed to providing a balanced, clear and comprehensible assessment of the financial performance and prospects of the Group in all the disclosures made to the stakeholders and the regulatory authorities.

Timely release of interim and annual results announcements reflects the Board's commitment to provide transparent and up-to-date disclosures of the results of the Group.

The Board, assisted by the Audit Committee, oversees the financial reporting process and the quality of the financial reporting of the Group. The Audit Committee reviews and monitors the integrity of the Group's annual and interim financial statements. It also reviews the appropriateness of the Group's accounting policies and the changes to these policies as well as ensures these financial statements comply with accounting standards and regulatory requirements.

The responsibilities of the external auditors with respect to financial reporting are set out in the Independent Auditors' Report attached to the Company's Annual Report.

For the year ended 31 March 2022, the total fee paid/payable to the external auditors of the Company, Ernst & Young, in respect of audit services is set out below:

	For the year ended 31 March 2022 HK$'000
Audit services	
Annual audit services	**1,200**

The Audit Committee is responsible to recommend to the Board on matters related to the appointment, reappointment and removal of the external auditors, which is subject to the approval from the Board and the shareholder at the general meetings of the Company.

Company secretary

Company Secretary: Mr. Shum Shing Kei (fellow member of the Hong Kong Institute of Certified Public Accountants). During the year ended 31 March 2022, Mr. Shum has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

Internal control

The Board is responsible to maintain sound internal control system and review its effectiveness in the Company. The internal control procedures and practices have been designed to safeguard the assets of the Company, ensure maintenance of proper accounting records, and ensure compliance with applicable laws, rules and regulations.

For the year ended 31 March 2022, the Board has conducted annual review of (i) all material controls of the Company, including financial, operational and compliance controls and risk management functions; and (ii) the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget. Therefore the Board considers that the Company's internal control system is adequate and effective to provide reasonable assurance against misstatements or losses, and is in accordance with the code provisions on internal control of the CG Code.

Shareholder rights

General meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, their duly appointed delegates are available to answer questions at the shareholders' meetings. Auditor of the Company is also invited to attend the Company's annual general meeting ("AGM") and is available to assist the directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and contents of the Independent Auditor's Report. Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

During the year ended 31 March 2022, the Company held an AGM and an extraordinary general meeting ("EGM") with all directors attended. Notice of AGM or EGM together with related papers are sent to the shareholders at least 20 clear business days before the meeting, setting out details of each proposed resolution, voting procedures and other relevant information. All votes of shareholders at the general meeting will be decided by poll. The Chairman will demand that all resolutions put to the vote at the general meetings will be taken by poll and will explain such rights and procedures during the AGM before voting on the resolutions. An independent scrutineer will be appointed to count the votes and the poll results will be posted on the websites of the Company and the Stock Exchange after the general meeting.

Shareholders of the Company can make a requisition to convene an EGM pursuant to Article 58 of the Company's Articles of Association. The procedures for the shareholders to convene an EGM are as follows:

1. One or more shareholders ("Requisitionist") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.

2. Such requisition shall be made in writing to the directors or the company secretary of the Company at all of the following addresses:

   Head office of the Company

   Address: Room 612-613, 6/F., Houston Centre, 63 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong
   Attention: Company Secretary

   Registered office of the Company

   Address: Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
   Attention: Company Secretary

3. The EGM shall be held within two months after the deposit of such requisition.

4. If the directors fail to proceed to convene such meeting within 21 days of such deposit, the Requisitionist himself may do so in the same manner, and all reasonable expenses incurred by the Requisitionist as a result of the failure of the directors shall be reimbursed to the Requisitionist by the Company.

Dividend policy

The Company adopted the Dividend Policy whereby the Board is committed to maintaining an optimal capital structure. This is pursued to deliver returns to shareholders and ensure that adequate capital resources are available for business growth. Subject to business conditions, the Board aims to deliver a sustainable dividend that is in line with the earnings improvements and long-term growth of the Company.

Investors relations

The Board and senior management recognize their responsibility to represent the interests of all shareholders and to maximize shareholder's value and have made the following commitments to the Group:

- continuing effort to maintain long-term stability and growth in shareholder value and return on investment;
- responsible planning, establishment and operation of the Group's core businesses;
- responsible management of the Group's investment and business risks; and
- true, fair and detailed disclosure of the financial position and operating performance of the Group.

The Group believes that shareholders' rights should be well respected and protected. The Group endeavors to maintain good communications with shareholders on its performance through interim reports, annual reports, general meetings and public disclosure on the Company's website, so that they may make an informed assessment of their investments and exercise their rights as shareholders. The Group also encourages shareholders' participation through general meetings or other mean.

Independent Auditor's Report

EY 安永

To the shareholders of Asia Cassava Resources Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Asia Cassava Resources Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 26 to 88, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	**How our audit addressed the key audit matter**
Estimation of fair values of investment properties	
Investment properties are stated at fair value. The carrying amount of investment properties as at 31 March 2022 was approximately HK$625.7 million, representing approximately 47% of total non-current assets and 75% of net assets. Significant judgements and assumptions are required to determine the fair value of the investment properties. To support management's determination of the fair value, the Group engaged external valuers to perform valuations on the investment properties at the end of the reporting period. The significant accounting judgements and estimates and disclosures about the fair value of investment properties are disclosed in notes 3 and 13 to the financial statements.	Our audit procedures included, among others, (i) involving our internal valuation specialists to assist us to evaluate the assumptions with reference to the market data and methodologies used in the valuations; and (ii) assessing other inputs and assumptions adopted in the valuation. We also evaluated the objectivity, independence and competency of the external valuers. We then assessed the Group's disclosures of investment properties.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's responsibilities for the audit of the consolidated financial statements *(Continued)*

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Ka Wing.

Ernst & Young
Certified Public Accountants
Hong Kong
15 July 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2022

	Notes	**2022 HK$'000**	2021 HK$'000
REVENUE	5	**3,585,019**	2,715,508
Cost of sales		**(3,147,116)**	(2,450,865)
Gross profit		**437,903**	264,643
Other income	5	**11,822**	5,450
Fair value changes on investment properties, net	13	**(14,244)**	(94,424)
Other operating expenses		**(337)**	(4,794)
Selling and distribution expenses		**(281,253)**	(149,084)
General and administrative expenses		**(82,403)**	(61,702)
Finance costs	6	**(13,142)**	(12,885)
PROFIT/(LOSS) BEFORE TAX	7	**58,346**	(52,796)
Income tax	10	**(23,856)**	4,300
PROFIT/(LOSS) FOR THE YEAR		**34,490**	(48,496)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**653**	11,326
Debt investments at fair value through other comprehensive income:			
Changes in fair value		**267**	88
		920	11,414
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income/(loss):			
Changes in fair value		**75**	(10,792)
Loss on disposal		**(3,604)**	–
Income tax effect		**449**	2,179
		(3,080)	(8,613)
Gains on property revaluation		**1,687**	1,262
Income tax effect		**(285)**	(960)
		1,402	302
		(1,678)	(8,311)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**(758)**	3,103
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**33,732**	(45,393)
Profit/(loss) for the year attributable to:			
Owners of the Company		**44,972**	(7,129)
Non-controlling interest		**(10,482)**	(41,367)
		34,490	(48,496)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**44,214**	(4,026)
Non-controlling interest		**(10,482)**	(41,367)
		33,732	(45,393)
EARNINGS/(LOSS) PER SHARE	11		
Basic and diluted		**HK7.69 cents**	(HK1.22 cents)

Consolidated Statement of Financial Position

31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**598,902**	93,851
Investment properties	13	**625,679**	1,153,225
Right-of-use assets	14(a)	**36,042**	40,011
Equity investments at fair value through other comprehensive income	15	**38,895**	44,899
Prepayments, deposits and other receivables	18	**21,682**	21,284
Club membership		**2,240**	2,240
Deferred tax assets	23	**2,616**	2,847
Total non-current assets		**1,326,056**	1,358,357
CURRENT ASSETS			
Inventories	16	**869,181**	693,127
Trade and bills receivables	17	**548,509**	489,431
Prepayments, deposits and other receivables	18	**63,442**	51,266
Equity investments at fair value through other comprehensive income	15	**1,648**	–
Debt investments at fair value through other comprehensive income	15	**1,297**	1,030
Financial assets at fair value through profit or loss	19	**5,977**	6,825
Restricted bank balance	20	**4,092**	4,209
Cash and cash equivalents	20	**100,579**	66,150
Total current assets		**1,594,725**	1,312,038
CURRENT LIABILITIES			
Trade and other payables and accruals	21	**288,417**	300,305
Interest-bearing bank borrowings	22	**1,017,442**	1,235,772
Lease liabilities	14(b)	**38**	–
Tax payables		**66,660**	42,725
Total current liabilities		**1,372,557**	1,578,802
NET CURRENT ASSETS/(LIABILITIES)		**222,168**	(266,764)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,548,224**	1,091,593
NON-CURRENT LIABILITIES			
Deferred tax liabilities	23	**13,342**	11,756
Amount due to a non-controlling interest of a subsidiary	27(c)	**281,927**	279,052
Interest-bearing bank borrowings	22	**420,000**	–
Lease liabilities	14(b)	**45**	–
Total non-current liabilities		**715,314**	290,808
Net assets		**832,910**	800,785
EQUITY			
Equity attributable to owners of the Company			
Share capital	24	**58,473**	58,473
Reserves	25	**813,691**	771,084
		872,164	829,557
Non-controlling interest		**(39,254)**	(28,772)
		832,910	800,785

Chu Ming Chuan
Director

Liu Yuk Ming
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium* HK$'000	Contributed surplus* HK$'000 (note (i))	Merger reserve* HK$'000 (note (ii))	Legal reserve* HK$'000 (note (iii))	Asset revaluation reserve* HK$'000	Exchange fluctuation reserve* HK$'000	Retained profits* HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 April 2021	58,473	424,931	8,229	(249,726)	46	36,569	(6,943)	557,978	829,557	(28,772)	800,785
Profit for the year	–	–	–	–	–	–	–	44,972	44,972	(10,482)	34,490
Other comprehensive income/(loss) for the year:											
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	(197)	–	–	(197)	–	(197)
Loss on disposal of equity investment at fair value through other comprehensive income, net of tax	–	–	–	–	–	(2,883)	–	–	(2,883)	–	(2,883)
Gains on property revaluation, net of tax	–	–	–	–	–	1,402	–	–	1,402	–	1,402
Change in fair value of debt investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	267	–	–	267	–	267
Exchange differences related to foreign operations	–	–	–	–	–	–	653	–	653	–	653
Total comprehensive income/(loss) for the year	–	–	–	–	–	(1,411)	653	44,972	44,214	(10,482)	33,732
Release of reserve upon disposal of equity investment at fair value through other comprehensive income	–	–	–	–	–	6,320	108	(6,428)	–	–	–
Release of deferred tax asset upon disposal of equity investment at fair value through other comprehensive income	–	–	–	–	–	–	–	(1,607)	(1,607)	–	(1,607)
At 31 March 2022	58,473	424,931	8,229	(249,726)	46	41,478	(6,182)	594,915	872,164	(39,254)	832,910

Consolidated Statement of Changes in Equity

Year ended 31 March 2022

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium* HK$'000	Contributed surplus* HK$'000 (note (i))	Merger reserve* HK$'000 (note (ii))	Legal reserve* HK$'000 (note (iii))	Asset revaluation reserve* HK$'000	Exchange fluctuation reserve* HK$'000	Retained profits* HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 April 2020	58,473	424,931	8,229	(249,726)	46	44,792	(18,269)	565,107	833,583	12,595	846,178
Loss for the year	–	–	–	–	–	–	–	(7,129)	(7,129)	(41,367)	(48,496)
Other comprehensive income/(loss) for the year:											
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	(8,613)	–	–	(8,613)	–	(8,613)
Gains on property revaluation, net of tax	–	–	–	–	–	302	–	–	302	–	302
Change in fair value of debt investments at fair value through other comprehensive income, net of tax	–	–	–	–	–	88	–	–	88	–	88
Exchange differences related to foreign operations	–	–	–	–	–	–	11,326	–	11,326	–	11,326
Total comprehensive income/(loss) for the year	–	–	–	–	–	(8,223)	11,326	(7,129)	(4,026)	(41,367)	(45,393)
At 31 March 2021	58,473	424,931	8,229	(249,726)	46	36,569	(6,943)	557,978	829,557	(28,772)	800,785

Notes:

(i) The Group's contributed surplus represents the excess of the nominal value of the shares of the subsidiaries acquired pursuant to a group reorganisation (the "Group Reorganisation") prior to the listing of the Company's shares over the nominal value of the Company's shares issued in exchange therefor.

(ii) The merger reserve represents (1) the excess of the consideration paid over the net asset value of the subsidiaries acquired pursuant to the Group Reorganisation in the prior year and (2) the difference between the consideration paid and the net asset value of the acquiree arising from the business combinations under common control.

(iii) In accordance with the provisions of the Macau Commercial Code, the Group's subsidiary incorporated in Macau is required to transfer 25% of the annual net profit to the legal reserve before the appropriation of profits to dividends until the reserve equals half of the capital. This reserve is not distributable to the respective shareholders.

* These reserve accounts comprise the consolidated reserves of HK$813,691,000 (2021: HK$771,084,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**58,346**	(52,796)
Adjustments for:			
Interest income	5	**(54)**	(164)
Change in fair value of investment properties	13	**14,244**	94,424
Impairment of prepayments, deposits and other receivables	7	**–**	3,616
Impairment of trade receivables	7	**897**	–
Fair value changes on financial assets at fair value through profit or loss, net	7	**383**	(652)
Dividend received from financial assets at fair value through profit or loss		**(86)**	(97)
Finance costs	6	**13,142**	12,885
Depreciation of items of property, plant and equipment	7	**14,763**	4,847
Depreciation of right-of-use assets	7	**4,139**	2,196
		105,774	64,259
Increase in inventories		**(176,054)**	(434,896)
Increase in trade and bills receivables		**(59,975)**	(88,811)
Increase in prepayments, deposits and other receivables		**(11,280)**	(28,659)
Increase/(decrease) in trade and other payables and accruals		**(11,888)**	274,880
Cash used in operations		**(153,423)**	(213,227)
Interest received		**54**	164
Interest on lease liabilities	26(a)	**(4)**	(15)
Net cash flows used in operating activities		**(153,373)**	(213,078)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment	12	**(4,076)**	(3,358)
Proceeds from disposal of items of property, plant and equipment		**977**	702
Dividend income		**86**	97
Redemption of debt investments at fair value through other comprehensive income		**–**	7,800
Return of investment on other unlisted fund investments		**–**	1,000
Decrease/(increase) in restricted bank balance		**117**	(3,003)
Net cash flows from/(used in) investing activities		**(2,896)**	3,238
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**2,149,267**	1,987,346
Repayment of bank loans		**(1,947,597)**	(1,897,990)
Interest paid for interest-bearing bank borrowings		**(11,427)**	(12,553)
Interest paid for loans from a related company		**(1,711)**	(317)
Principal portion of lease payments		**(43)**	(731)
Increase in an amount due to a non-controlling interest of a subsidiary		**2,875**	6,049
Net cash flows from financing activities		**191,364**	81,804
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**35,095**	(128,036)
Cash and cash equivalents at beginning of year		**66,150**	196,722
Effect of foreign exchange rate changes, net		**(666)**	(2,536)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**100,579**	66,150
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the consolidated statement of cash flows	20	**100,579**	66,150

1. Corporate and Group Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 8 May 2008. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Company is located at Units 612-3 and 617, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 23 March 2009.

The principal activities of the Group are the procurement of dried cassava chips in Southeast Asian countries and the sale of dried cassava chips in Mainland China and Thailand, hotel and serviced apartment operations in Mainland China and Hong Kong and property investment.

In the opinion of the directors, the immediate and ultimate holding company of the Company is Art Rich Management Limited, which was incorporated in the British Virgin Islands.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Artwell Tapioca Limited	Hong Kong	HK$10,000	–	100	Trading of dried cassava chips
Artsun International Macao	Macau	MOP100,000	–	100	Trading of dried cassava chips
Artwell Tapioca (Vietnam) Company Limited	Vietnam	US$50,000	–	100	Procurement and sale of dried cassava chips
Rizhao Yushun Cassava Co., Ltd.*	People's Republic of China/Mainland China	RMB20,127,312	–	100	Trading of dried cassava chips and collection of debts
Alush (Thailand) Co., Ltd.	Thailand	THB15,000,000	–	100	Dormant
Global Property Connection Co., Ltd.	Thailand	THB250,000	–	100	Procurement and sale of dried cassava chips
Tapioca Inter Corporation Co., Limited	Thailand	THB10,000,000	–	100	Procurement and sale of dried cassava chips
Good Luck Trading Co., Limited	Thailand	THB10,000,000	–	100	Dormant (2021: Sales of dried cassava chips)
Art Ocean Development Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Holding of trademarks
Art Rich International Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding
All High Holding Limited	British Virgin Islands/ Hong Kong	US$1	–	100	Investment holding and provision of shipping agency services
Alternative View Investments Limited	British Virgin Islands/ Hong Kong	US$100	100	–	Investment holding and property investment

1. Corporate and Group Information *(Continued)*

Information about subsidiaries *(Continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Artwell Enterprises Limited	Hong Kong	HK$15,000,000	–	100	Investment holding and property investment
Artwell Properties Limited	Hong Kong	HK$100	–	100	Property investment
Fine Success Enterprise Limited	Hong Kong	HK$10	–	100	Property investment
Wide Triumph Investment Limited	Hong Kong	HK$10,000	–	100	Property investment
All Praise Limited	Hong Kong	HK$1	–	100	Tendering of dried cassava chips and property investment
Winsure International Investment Limited	Hong Kong	HK$2	–	100	Tendering of dried cassava chips and property investment
Globe Shipping Limited	Hong Kong	HK$1	–	100	Inactive
Asiafame Enterprises Limited	Hong Kong	HK$100	–	90	Investment holding
Oriental Pioneer Limited	Hong Kong	HK$2	–	100	Investment holding
Rizhao Artwell International Hotel Limited*	People's Republic of China/Mainland China	US$700,000	–	100	Operation of a hotel, a restaurant and the ancillary entertainment facilities
Admiral Colour Limited	Hong Kong	US$1	–	100	Investment holding
Profit Sky Corporation Limited	Hong Kong	HK$10	–	60	Investment holding
338 Apartment (BVI) Limited	British Virgin Islands/Hong Kong	US$1	–	60	Property investment
Good Surplus Capital Investment Limited	Hong Kong	HK$1	–	60	Operation of serviced apartment
Crown Up (Hong Kong) Limited	Hong Kong	HK$1	–	60	Property investment

* Rizhao Yushun Cassava Co., Ltd. and Rizhao Artwell International Hotel Limited are registered as wholly-foreign-owned enterprises under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain buildings classified as property, plant and equipment, certain financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

As at 31 March 2022, the Group had certain interest-bearing bank borrowings denominated in Hong Kong dollars and foreign currencies based on the Hong Kong Interbank Offered Rate ("HIBOR") and United States dollars based on the London Interbank Offered Rate ("LIBOR"). The Group expected that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group's HIBOR-based borrowings. For other LIBOR-based borrowings, since the interest rates of these instruments were not replaced by RFRs during the year, the amendments did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply the above mentioned practical expedient upon the modification of these instruments provided that the "economically equivalent" criterion is met. Additional information about the transition and the associated risks is disclosed in note 31(iv) to the financial statements.

(b) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. In April 2021, the HKICPA issued another amendment to HKFRS *16 Covid-19-Related Rent Concessions beyond 30 June 2021* to extend the availability of the practical expedient for any reduction in lease payments that affects only payments originally due on or before 30 June 2022 (the "2021 Amendment"). The 2021 Amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. The amendments did not have any significant impact on the financial statements.

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
HKFRS 17	*Insurance Contracts*[2]
Amendments to HKFRS 17	*Insurance Contracts*[2, 5]
Amendments to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information*[2]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[2, 4]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to HKAS 8	*Definition of Accounting Estimates*[2]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to HKAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[1]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Annual Improvements to HKFRSs 2018-2020	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16 and HKAS 41[1]

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 No mandatory effective date yet determined but available for adoption

4 As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion

5 As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 April 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards *(Continued)*

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 1 *Disclosure of Accounting Policies* require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. Amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2023 and earlier application is permitted. Since the guidance provided in the amendments to HKFRS Practice Statement 2 is non-mandatory, an effective date for these amendments is not necessary. The Group is currently assessing the impact of the amendments on the Group's accounting policy disclosures.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 12 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset and a deferred tax liability for temporary differences arising from these transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and shall be applied to transactions related to leases and decommissioning obligations at the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to the opening balance of retained profits or other component of equity as appropriate at that date. In addition, the amendments shall be applied prospectively to transactions other than leases and decommissioning obligations. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 Issued but not yet Effective Hong Kong Financial Reporting Standards *(Continued)*

Annual Improvements to HKFRSs 2018-2020 sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.

- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

2.4 Summary of Significant Accounting Policies

Fair value measurement

The Group measures its investment properties, certain financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and certain buildings classified as property, plant and equipment at fair value through the asset revaluation reserve at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 Summary of Significant Accounting Policies *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, deferred tax assets, items of property, plant and equipment at fair value through the asset revaluation reserve and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to parent of the Group.

2.4 Summary of Significant Accounting Policies *(Continued)*

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to profit or loss. Any subsequent revaluation surplus is credited to profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Hotel properties/serviced apartment	2%
Buildings	2% to 5%
Furniture and fixtures	10% to $33^1/_3$%
Leasehold improvements	Shorter of the lease terms and 20%
Machinery and equipment	10% to 25%
Motor vehicles	20% to 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 Summary of Significant Accounting Policies *(Continued)*

Investment properties

Investment properties are interests in land and buildings (including the leasehold property held as a right-of-use asset) which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Intangible assets (other than goodwill)

Club membership

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The club membership was classified as an intangible asset with an indefinite useful life upon acquisition and at the end of the reporting period.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

2.4 Summary of Significant Accounting Policies *(Continued)*

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Prepaid land lease payments	24 years
Leasehold land	Over the lease term
Buildings	1 to 2 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use assets meets the definition of an investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policy for "Investment properties".

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of offices and warehouses (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases is recognised as an expense on a straight-line basis over the lease term.

2.4 Summary of Significant Accounting Policies *(Continued)*

Leases *(Continued)*

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases, net of any incentives received from the lessor, are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 Summary of Significant Accounting Policies *(Continued)*

Investments and other financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is transferred to retained profits.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

2.4 Summary of Significant Accounting Policies *(Continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 Summary of Significant Accounting Policies *(Continued)*

Impairment of financial assets *(Continued)*

General approach *(Continued)*

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include financial liabilities included in trade and other payables and accruals, lease liabilities, interest-bearing bank borrowings and amount due to a non-controlling interest of a subsidiary.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 Summary of Significant Accounting Policies *(Continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 Summary of Significant Accounting Policies *(Continued)*

Income tax *(Continued)*

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

2.4 Summary of Significant Accounting Policies *(Continued)*

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Hotel room and serviced apartment revenue

Hotel room and serviced apartment revenue is recognised over the scheduled period because the customer simultaneously receives and consumes the benefits provided by the Group.

Food and beverage income

Food and beverage income is recognised at the point in time when the services are rendered.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Logistics service income is recognised at the point in time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer simultaneously receives and consumes the benefits provided by the Group.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 Summary of Significant Accounting Policies *(Continued)*

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group operates a defined contribution scheme for those employees in Thailand who are eligible and have elected to participate in the scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the schemes. When an employee leaves the scheme prior to his/her interest in the Group's employer contributions vesting fully, the ongoing contributions payable by the Group may be reduced by the relevant amount of forfeited contributions.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The employees of the Group's subsidiary which operates in Macau are required to participate in a central pension scheme operated by the Macau government. The Group's subsidiary which operates in Macau is required to contribute a fixed amount of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

2.4 Summary of Significant Accounting Policies *(Continued)*

Employee benefits *(Continued)*

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period, and their profits or losses are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

(ii) Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(iii) Income taxes and withholding taxes

The Group is subject to income taxes and withholding taxes in numerous jurisdictions in connection with the Group's sale of dried cassava chips. Judgement is required in determining the Group's provision for income taxes and withholding taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax in the periods in which such determination is made.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Estimation of fair value of investment properties and buildings

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; and

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

As at 31 March 2022, the carrying amounts of investment properties and buildings of the Group were HK$625,679,000 (2021: HK$1,153,225,000) and HK$30,802,000 (2021: HK$31,770,000), respectively.

Further details, including the key assumptions used for fair value measurement, are given in notes 12 and 13 to the financial statements.

3. Significant Accounting Judgements and Estimates *(Continued)*

Estimation uncertainty *(Continued)*

(ii) Net realisable value assessment of inventories

Management reviews the condition of inventories of the Group at the end of each reporting period and makes provision for inventory items. Management also estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. Management reassesses the estimation at the end of each reporting period. The carrying amount of inventories as at 31 March 2022 was HK$869,181,000 (2021: HK$693,127,000).

(iii) Impairment assessment of hotel properties

Significant management judgement is involved in determining the impairment loss on the hotel properties. This takes into account factors that include, but are not limited to, open market prices of comparable properties of similar size, characteristics and location.

Management engaged an external valuer to support its estimation of the impairment assessment of the hotel properties. The carrying amount of the hotel properties is included in note 12 to the financial statements.

(iv) Provision for expected credit losses on trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the trading sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables is disclosed in notes 17 and 18 to the financial statements, respectively.

(v) Fair value of financial instruments

The fair values of listed financial instruments are based on quoted market prices, while the fair values of unlisted financial instruments have been estimated by the most appropriate asset-based valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Further details are included in notes 15 and 19 to the financial statements.

4. Segment Information

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the procurement and sale of dried cassava chips segment engages in the procurement and sale of dried cassava chips;

(b) the property investment segment invests in office space and industrial properties for their rental income potential; and

(c) the hotel and serviced apartment operations segment engages in hotel and serviced apartment operations in Mainland China and Hong Kong.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, certain other operating expenses, non-lease-related finance costs, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, restricted bank balance, equity investment at fair value through other comprehensive income, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, club membership, deferred tax assets, other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payables, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Procurement and sale of dried cassava chips HK$'000	Property investment HK$'000	Hotel and serviced apartment operations HK$'000	Total HK$'000
Year ended 31 March 2022				
Segment revenue:				
Sales to external customers	3,556,152	–	–	3,556,152
Hotel room and serviced apartment revenue, and food and beverage income	–	–	22,515	22,515
Gross rental income	–	6,352	–	6,352
Total	3,556,152	6,352	22,515	3,585,019
Segment results	91,547	(25,401)	3,888	70,034
Interest and unallocated gains				11,822
Corporate and other unallocated expenses				(10,368)
Finance costs				(13,142)
Profit before tax				58,346
Segment assets	1,515,418	1,171,884	74,314	2,761,616
Corporate and other unallocated assets				159,165
Total assets				2,920,781
Segment liabilities	1,103,705	889,267	6,415	1,999,387
Corporate and other unallocated liabilities				88,484
Total liabilities				2,087,871
Other segment information:				
Depreciation of items of property, plant and equipment	2,965	9,799	1,999	14,763
Depreciation of right-of-use assets	44	4,052	43	4,139
Capital expenditure	3,256	–	–	3,256
Fair value losses on investment properties	–	(14,244)	–	(14,244)

4. Segment Information *(Continued)*

	Procurement and sale of dried cassava chips HK$'000	Property investment HK$'000	Hotel operations HK$'000	Total HK$'000
Year ended 31 March 2021				
Segment revenue:				
Sales to external customers	2,689,053	–	–	2,689,053
Hotel room revenue, and food and beverage income	–	–	18,630	18,630
Gross rental income	–	7,825	–	7,825
Total	2,689,053	7,825	18,630	2,715,508
Segment results	57,386	(93,968)	(478)	(37,060)
Interest and unallocated gains				5,450
Corporate and other unallocated expenses				(8,316)
Finance costs				(12,870)
Loss before tax				(52,796)
Segment assets	1,249,977	1,195,457	66,308	2,511,742
Corporate and other unallocated assets				158,653
Total assets				2,670,395
Segment liabilities	863,536	888,638	42,069	1,794,243
Corporate and other unallocated liabilities				75,367
Total liabilities				1,869,610
Other segment information:				
Depreciation of items of property, plant and equipment	2,694	296	1,857	4,847
Depreciation of right-of-use assets	709	1,437	50	2,196
Capital expenditure	3,358	–	–	3,358
Fair value losses on investment properties	–	(94,424)	–	(94,424)

Geographical information

(a) Revenue from external customers

	2022 HK$'000	2021 HK$'000
Mainland China	**3,572,607**	2,707,683
Hong Kong	**12,412**	7,825
	3,585,019	2,715,508

The revenue information above is based on the locations of the customers.

4. Segment Information *(Continued)*

Geographical information *(Continued)*

(b) Non-current assets

	2022 HK$'000	2021 HK$'000
Hong Kong	**1,193,951**	1,219,609
Mainland China	**65,000**	65,123
Thailand	**21,396**	23,639
	1,280,347	1,308,371

The information of the non-current assets above is based on the locations of assets and excludes financial instruments and deferred tax assets.

Information about major customers

For the year ended 31 March 2022, revenue from a customer of the procurement and sale of dried cassava chips segment, amounting to HK$544,532,000, individually accounted for over 10% of the Group's total revenue.

For the year ended 31 March 2021, revenue from a customer of the procurement and sale of dried cassava chips segment, amounting to HK$564,250,000, individually accounted for over 10% of the Group's total revenue.

5. Revenue and Other Income

An analysis of revenue is as follows:

	2022 HK$'000	2021 HK$'000
Revenue from contracts with customers		
Sales of dried cassava chips and other goods	**3,556,152**	2,689,053
Hotel room and serviced apartment revenue, and food and beverage income	**22,515**	18,630
Revenue from other sources		
Gross rental income from investment property operating leases	**6,352**	7,825
	3,585,019	2,715,508

5. Revenue and Other Income *(Continued)*

Revenue from contracts with customers

(i) Disaggregated revenue information

	Sale of dried cassava chips and other goods HK$'000	**Hotel room and serviced apartment revenue, and food and beverage income HK$'000**	**Total HK$'000**
For the year ended 31 March 2022			
Sale of goods	**3,556,152**	**–**	**3,556,152**
Hotel room and serviced apartment revenue, and food and beverage income	**–**	**22,515**	**22,515**
	3,556,152	**22,515**	**3,578,667**
Geographical markets			
Mainland China	**3,556,152**	**16,455**	**3,572,607**
Hong Kong	**–**	**6,060**	**6,060**
	3,556,152	**22,515**	**3,578,667**
Timing of revenue recognition			
Goods transferred at a point in time	**3,556,152**	**10,957**	**3,567,109**
Services transferred over time	**–**	**11,558**	**11,558**

	Sale of dried cassava chips and other goods HK$'000	Hotel room revenue, and food and beverage income HK$'000	Total HK$'000
For the year ended 31 March 2021			
Sale of goods	2,689,053	–	2,689,053
Hotel room revenue, and food and beverage income	–	18,630	18,630
	2,689,053	18,630	2,707,683
Geographical market			
Mainland China	2,689,053	18,630	2,707,683
Timing of revenue recognition			
Goods transferred at a point in time	2,689,053	14,736	2,703,789
Services transferred over time	–	3,894	3,894

There were no intersegment adjustments and eliminations noted during the years ended 31 March 2022 and 2021.

5. Revenue and Other Income *(Continued)*

Revenue from contracts with customers *(Continued)*

(i) Disaggregated revenue information *(Continued)*

	Sale of dried cassava chips and other goods HK$'000	**Hotel room and serviced apartment revenue, and food and beverage income HK$'000**	**Total HK$'000**
31 March 2022			
Total revenue from contracts with customers	**3,556,152**	**22,515**	**3,578,667**
31 March 2021			
Total revenue from contracts with customers	2,689,053	18,630	2,707,683

The following table shows the amounts of revenue recognised in the current reporting period that were included in contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2022 HK$'000	2021 HK$'000
Revenue recognised that were included in contract liabilities at the beginning of the reporting period:		
Sales of dried cassava chips and other goods	**6,179**	649
Hotel room revenue, and food and beverage income	**3,390**	2,215
	9,569	2,864

5. Revenue and Other Income *(Continued)*

Revenue from contracts with customers *(Continued)*

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery, except for new customers, where payment in advance is normally required or a credit review is performed before any credit term is granted.

Hotel room and serviced apartment revenue, and food and beverage income

For hotel room revenue, the performance obligation is satisfied over time as the customer simultaneously receives and consumes the services provided by the Group.

For food and beverage services, the performance obligation is satisfied upon delivery of the food and beverage.

Gross rental income

Gross rental income is recognised on a time proportion basis over the lease term.

An analysis of other income is as follows:

	2022	2021
	HK$'000	HK$'000
Other income		
Logistics service income	**8,918**	–
Bank interest income	**54**	164
Others	**2,850**	5,286
	11,822	5,450

6. Finance Costs

An analysis of finance costs is as follows:

	2022	2021
	HK$'000	HK$'000
Interest on bank loans	**11,427**	12,553
Interest on other loan	**1,711**	317
Interest on lease liabilities	**4**	15
	13,142	12,885

7. Profit/(Loss) Before Tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2022 HK$'000	2021 HK$'000
Cost of inventories sold	**3,147,116**	2,450,865
Depreciation of items of property, plant and equipment (note 12)	**14,763**	4,847
Depreciation of right-of-use assets (note 14(a))	**4,139**	2,196
Auditor's remuneration	**1,831**	1,778
Employee benefit expenses (including directors' remuneration (note 8)):		
Wages and salaries	**26,074**	25,848
Pension scheme contributions*	**1,273**	893
	27,347	26,741
Rental income on investment properties	**(6,352)**	(7,825)
Direct operating expense on investment properties	**4,758**	744
Lease payments not included in the measurement of lease liabilities (note 14(c))	**12,648**	7,855
Foreign exchange loss, net	**3,037**	11,174
Impairment of prepayments, deposits and other receivables	**–**	3,616
Impairment of trade receivables	**897**	–
Fair value losses/(gains) on financial assets at fair value through profit or loss	**383**	(652)

* As at 31 March 2022, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2021: Nil).

8. Directors' and Chief Executive's Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2022 HK$'000	2021 HK$'000
Fees	**390**	352
Other emoluments:		
Salaries, allowances and benefits in kind	**2,693**	2,741
Pension scheme contributions	**54**	54
	2,747	2,795
	3,137	3,147

8. Directors' and Chief Executive's Remuneration *(Continued)*

Year ended 31 March 2022

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Executive directors:				
Chu Ming Chuan*	–	1,500	18	1,518
Liu Yuk Ming	–	651	18	669
Lam Ching Fun	–	542	18	560
	–	2,693	54	2,747
Independent non-executive directors:				
Chui Chi Yun Robert	158	–	–	158
Hong Sijie	74	–	–	74
Fung Kwok Pui (resigned on 1 November 2021)	92	–	–	92
Amporn Lohathanulert (appointed on 1 November 2021)	66	–	–	66
	390	–	–	390
	390	2,693	54	3,137

Year ended 31 March 2021

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Executive directors:				
Chu Ming Chuan*	–	1,550	18	1,568
Liu Yuk Ming	–	650	18	668
Lam Ching Fun	–	541	18	559
	–	2,741	54	2,795
Independent non-executive directors:				
Fung Kwok Pui	158	–	–	158
Chui Chi Yun Robert	159	–	–	159
Hong Sijie (appointed on 30 September 2020)	35	–	–	35
Yue Man Yiu Matthew (resigned on 30 September 2020)	–	–	–	–
Zhu Taiyu (resigned on 30 September 2020)	–	–	–	–
	352	–	–	352
	352	2,741	54	3,147

* Chief executive

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2021: Nil).

9. Five Highest Paid Employees

The five highest paid employees during the year included two (2021: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2021: three) highest paid employees who are neither a director nor the chief executive of the Company are as follows:

	2022 **HK$'000**	2021 HK$'000
Salaries, allowances and benefits in kind	**3,987**	4,473
Pension scheme contributions	**54**	54
	4,041	4,527

The remuneration of the non-director and non-chief executive highest paid employees is within the following bands:

	2022 **Number of** **individuals**	2021 Number of individuals
HK$1,000,001 – HK$1,500,000	**3**	2
HK$1,500,001 – HK$2,000,000	**–**	1
	3	3

10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2022 **HK$'000**	2021 HK$'000
Current – Hong Kong		
Charge for the year	**7,999**	3,103
Overprovision in prior years	**(901)**	(10,063)
Current – Macau		
Charge for the year	**10,258**	–
Underprovision in prior years	**3,132**	–
Current – Thailand	**3,349**	2,211
Deferred (note 23)	**19**	449
Total tax expense/(credit) for the year	**23,856**	(4,300)

A reconciliation of the tax charge/(credit) applicable to profit/(loss) before tax at the statutory rates for the countries/jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax for the year at the Group's effective rate is as follows:

	2022 **HK$'000**	2021 HK$'000
Profit/(loss) before tax	**58,346**	(52,796)
Tax at the statutory tax rate of 16.5% (2021: 16.5%)	**9,627**	(8,711)
Different tax rates for other countries/jurisdictions	**10,654**	(577)
Adjustments in respect of current tax of previous periods	**2,231**	(10,063)
Income not subject to tax	**(5,218)**	(8,333)
Expenses not deductible for tax	**8,348**	20,339
Tax losses not recognised	**2**	621
Tax losses utilised	**(157)**	(434)
Others	**(1,631)**	2,858
Income tax charge/(credit) at the Group's effective tax rate	**23,856**	(4,300)

11. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of The Company

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 584,726,715 (2021: 584,726,715) in issue during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2022 and 2021 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during these years.

12. Property, Plant and Equipment

	Hotel properties and serviced apartment HK$'000	Freehold land HK$'000	Buildings HK$'000	Furniture, fixtures and leasehold improvements HK$'000	Machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2021:							
Cost or valuation	53,716	7,959	31,770	28,751	6,935	20,379	149,510
Accumulated depreciation	(20,249)	–	–	(11,755)	(6,019)	(17,636)	(55,659)
Net carrying amount	33,467	7,959	31,770	16,996	916	2,743	93,851
At 31 March 2021, net of accumulated depreciation	33,467	7,959	31,770	16,996	916	2,743	93,851
Additions	–	820	–	35	1,335	1,886	4,076
Transfer from investment property	513,000	–	–	–	–	–	513,000
Disposal	–	–	(931)	–	–	(46)	(977)
Depreciation provided during the year	(10,810)	–	(1,724)	(735)	(219)	(1,275)	(14,763)
Revaluation	–	–	1,687	–	–	–	1,687
Exchange realignment	1,410	–	–	600	–	18	2,028
At 31 March 2022, net of accumulated depreciation	537,067	8,779	30,802	16,896	2,032	3,326	598,902
At 31 March 2022:							
Cost or valuation	568,979	8,779	30,802	29,802	8,304	20,315	666,981
Accumulated depreciation	(31,912)	–	–	(12,906)	(6,272)	(16,989)	(68,079)
Net carrying amount	537,067	8,779	30,802	16,896	2,032	3,326	598,902
Analysis of cost or valuation:							
At cost	568,979	8,779	–	29,802	8,304	20,315	636,179
Valuation at 31 March 2022	–	–	30,802	–	–	–	30,802
	568,979	8,779	30,802	29,802	8,304	20,315	666,981

12. Property, Plant and Equipment *(Continued)*

	Hotel properties and serviced apartment HK$'000	Freehold land HK$'000	Buildings HK$'000	Furniture, fixtures and leasehold improvements HK$'000	Machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2020:							
Cost or valuation	49,688	7,744	29,838	26,567	6,538	19,072	139,447
Accumulated depreciation	(17,554)	–	–	(10,351)	(5,682)	(16,474)	(50,061)
Net carrying amount	32,134	7,744	29,838	16,216	856	2,598	89,386
At 31 March 2020, net of accumulated depreciation	32,134	7,744	29,838	16,216	856	2,598	89,386
Additions	–	–	1,486	–	32	1,840	3,358
Disposal	–	–	–	–	–	(703)	(703)
Depreciation provided during the year	(1,272)	–	(1,761)	(700)	(58)	(1,056)	(4,847)
Revaluation	–	–	1,262	–	–	–	1,262
Exchange realignment	2,605	215	945	1,480	86	64	5,395
At 31 March 2021, net of accumulated depreciation	33,467	7,959	31,770	16,996	916	2,743	93,851
At 31 March 2021:							
Cost or valuation	53,716	7,959	31,770	28,751	6,935	20,379	149,510
Accumulated depreciation	(20,249)	–	–	(11,755)	(6,019)	(17,636)	(55,659)
Net carrying amount	33,467	7,959	31,770	16,996	916	2,743	93,851
Analysis of cost or valuation:							
At cost	53,716	7,959	–	28,751	6,935	20,379	117,740
Valuation at 31 March 2021	–	–	31,770	–	–	–	31,770
	53,716	7,959	31,770	28,751	6,935	20,379	149,510

As at 31 March 2022, the Group's buildings were revalued individually by Asset Appraisal Limited, independent professionally qualified valuers, at an aggregate of open market value of HK$3,824,000 (2021: HK$4,828,000) and depreciated replacement cost of HK$26,978,000 (2021: HK$26,942,000) based on their existing use.

Had the Group's buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK$21,244,000 (2021: buildings: HK$22,863,000).

As at 31 March 2022, the Group's buildings, and hotel properties and serviced apartment of approximately HK$1,170,000 (2021: HK$1,070,000) and HK$503,515,000 (2021: Nil), respectively, were pledged to secure bank loans granted to the Group (note 22(i)).

12. Property, Plant and Equipment *(Continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the buildings:

	Fair value measurement as at 31 March 2022 using			
	Quoted prices in markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Recurring fair value measurement for:				
Buildings	**–**	**–**	**30,802**	**30,802**

	Fair value measurement as at 31 March 2021 using			
	Quoted prices in markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Buildings	–	–	31,770	31,770

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2021: Nil).

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of buildings for own use:

Description	**Valuation technique**	**Fair value at 31 March 2022 HK$'000**	**Significant unobservable inputs**	**Range**
Commercial building situated in Thailand	Direct comparison method (2021: Direct comparison method)	3,256 (2021: 3,342)	Open market price per square metre (2021: Open market price per square metre)	HK$13,965 to HK$16,398 (2021: HK$9,636 to HK$20,031
Residential property situated in the PRC	Depreciated replacement cost approach (2021: Depreciated replacement cost approach)	1,000 (2021: 780)	Construction cost per square metre (2021: Construction cost per square metre)	HK$5,179 (2021: HK$3,908)
Industrial building situated in Thailand	Depreciated replacement cost approach (2021: Depreciated replacement cost approach)	22,568 (2021: 22,872)	Construction cost per square metre (2021: Construction cost per square metre)	HK$840 to HK$1,368 (2021: HK$898 to HK$1,442)
Commercial building situated in Hong Kong	Depreciated replacement cost approach (2021: Depreciated replacement cost approach)	3,410 (2021: 3,290)	Construction cost per square foot (2021: Open market price per square foot)	HK$2,109 (2021: HK$1,844)
Residential property situated in Thailand	Direct comparison method (2021: Direct comparison method)	568 (2021: 1,486)	Open market price per square metre (2021: Open market price per square metre)	HK$5,188 to HK$8,720 (2021: HK$6,297 to HK$9,043)

12. Property, Plant and Equipment *(Continued)*

Fair value hierarchy *(Continued)*

As at 31 March 2022, the valuations of buildings were based on the direct comparison method and depreciated replacement cost approach by referring to comparable market transactions and the cost to reproduce or replace in a new condition the properties in the locality, with an allowance of accrued depreciation as evidenced by the observed condition or obsolescence percent, whether including those arising from physical, functional or economic causes. The depreciated replacement cost approach generally furnishes the most reliable indication of value for properties in the absence of a known market based on comparable sales.

A significant increase/(decrease) in the price and construction cost per square metre/foot in isolation would result in a significantly higher/(lower) fair value of the buildings.

13. Investment Properties

	HK$'000
Carrying amount at 1 April 2020	1,247,417
Fair value adjustment	(94,424)
Exchange realignment	232
Carrying amount at 31 March 2021 and 1 April 2021	1,153,225
Transfer to property, plant and equipment	(513,000)
Fair value adjustment	(14,244)
Exchange realignment	(302)
Carrying amount at 31 March 2022	625,679

The Group's investment properties consist of six (2021: six) commercial properties and one (2021: one) car parking space in Hong Kong, one (2021: one) industrial property in Mainland China and one (2021: one) warehouse in Thailand.

The directors of the Company have determined that the investment properties consist of two classes of assets, i.e., commercial and industrial, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 March 2022 based on valuations performed by Asset Appraisal Limited, independent professionally qualified valuers, at HK$625,679,000 (2021: HK$1,153,225,000). Each year, the Group's management and the chief financial officer decide, after the approval from the audit committee, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 14 to the financial statements.

At 31 March 2022, the Group's investment properties with a total carrying value of HK$564,500,000 (2021: HK$1,091,200,000) were pledged to secure bank loans granted to the Group (note 22(ii)). Further particulars of the Group's investment properties are set out on page 89 and page 90.

13. Investment Properties *(Continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 March 2022 using			
	Quoted prices in markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Recurring fair value measurement for:				
Commercial properties	**–**	**–**	**606,600**	**606,600**
Industrial properties	**–**	**–**	**19,079**	**19,079**
	–	**–**	**625,679**	**625,679**

	Fair value measurement as at 31 March 2021 using			
	Quoted prices in markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Commercial properties	–	–	1,134,400	1,134,400
Industrial properties	–	–	18,825	18,825
	–	–	1,153,225	1,153,225

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2021: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties HK$'000	**Industrial properties** HK$'000
Carrying amount at 1 April 2020	1,229,100	18,317
Exchange realignment	–	232
Fair value adjustment recognised in profit or loss	(94,700)	276
Carrying amount at 31 March 2021 and 1 April 2021	1,134,400	18,825
Transfer to property, plant and equipment	(513,000)	–
Exchange realignment	–	(302)
Fair value adjustment recognised in profit or loss	(14,800)	556
Carrying amount at 31 March 2022	606,600	19,079

13. Investment Properties *(Continued)*

Fair value hierarchy *(Continued)*

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range (weighted average) 2022	2021
Commercial properties	Direct comparison method (2021: Direct comparison method)	Open market price per square foot (2021: Open market price per square foot)	**HK$10,000 to HK$13,500**	HK$10,000 to HK$14,000
Industrial property	Direct comparison method (2021: Direct comparison method)	Open market price per square foot (2021: Open market price per square foot)	**HK$606 to HK$742**	HK$628 to HK$711
Industrial property	Depreciated replacement cost approach (2021: Depreciated replacement cost approach)	Construction cost (per square metre) (2021: Construction cost (per square metre))	**HK$965**	HK$1,027

As at 31 March 2022, the valuations of investment properties were based on the direct comparison method and depreciated replacement cost approach by referring to comparable market transactions and the cost to reproduce or replace in a new condition the properties in the locality, with an allowance of accrued depreciation as evidenced by the observed condition or obsolescence percent, whether including those arising from physical, functional or economic causes. The depreciated replacement cost approach generally furnishes the most reliable indication of value for properties in the absence of a known market based on comparable sales.

A significant increase/(decrease) in the price per square foot in isolation would result in a significantly higher/(lower) fair value of the investment properties.

A significant increase/(decrease) in the construction cost per square metre in isolation would result in a significantly higher/(lower) fair value of the investment properties.

14. Leases

The Group as a lessee

The Group has lease contracts for various items of office premises and warehouses used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 38 years, and no ongoing payments will be made under the terms of these land leases. Leases of office premises and warehouses generally have lease terms between one and two years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options and variable lease payments, which are further disclosed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Prepaid land lease payments HK$'000	Leasehold land HK$'000	Buildings HK$'000	Total HK$'000
As at 1 April 2020	1,045	37,950	709	39,704
Depreciation charge	(50)	(1,437)	(709)	(2,196)
Exchange realignment	86	2,417	–	2,503
As at 31 March 2021 and 1 April 2021	1,081	38,930	–	40,011
Addition	–	–	125	125
Depreciation charge	(43)	(4,052)	(44)	(4,139)
Exchange realignment	45	–	–	45
As at 31 March 2022	1,083	34,878	81	36,042

As at 31 March 2022, the Group's leasehold land with a carrying value of approximately HK$12,327,000 (2021: HK$15,330,000) was pledged to secure general bank loans granted to the Group (note 22(i)).

14. Leases *(Continued)*

The Group as a lessee *(Continued)*

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2022 HK$'000	2021 HK$'000
Carrying amount at 1 April	**–**	731
Additions	**126**	–
Accretion of interest recognised during the year	**4**	15
Payments	**(47)**	(746)
Carrying amount at 31 March	**83**	–
Analysed into:		
Current portion	**38**	–
Non-current portion	**45**	–

The maturity analysis of lease liabilities is disclosed in note 31 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2022 HK$'000	2021 HK$'000
Interest on lease liabilities	**4**	15
Depreciation charge of right-of-use assets	**4,139**	2,196
Expense relating to short-term leases	**5,661**	3,507
Variable lease payments not included in the measurement of lease liabilities	**6,987**	4,348
Total amount recognised in profit or loss	**16,791**	10,066

(d) The total cash outflow for leases is disclosed in note 26(b) to the financial statements.

14. Leases *(Continued)*

The Group as a lessee *(Continued)*

(e) The Group has lease contracts for warehouses located in Thailand that contain variable payments based on the inventory level stored. Management's objective is to align the lease expense with the units stored and revenue earned. The following provides information on the Group's variable lease payments:

	Fixed payments HK$'000	Variable payments HK$'000	Total HK$'000
2022			
Variable rent only	–	6,987	6,987
2021			
Variable rent only	–	4,348	4,348

The Group as a lessor

The Group leases its investment properties (note 13) consisting of six commercial properties and one car parking space in Hong Kong, one industrial property in Mainland China and one warehouse in Thailand under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was HK$6,352,000 (2021: HK$7,825,000), details of which are included in note 5 to the financial statements.

At 31 March 2022, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2022 HK$'000	2021 HK$'000
Within one year	**5,862**	3,281
After one year but within two years	**982**	2,895
	6,844	6,176

15. Debt and Equity Investments at Fair Value Through Other Comprehensive Income

	Notes	2022 HK$'000	2021 HK$'000
Debt investments at fair value through other comprehensive income			
Listed debt securities	(i)	**1,297**	1,030
Equity investments at fair value through other comprehensive income			
Unlisted equity investments at fair value			
Changting China Newtown Plaza Development Co., Ltd.	(ii)	**38,895**	33,766
臨沂雅禾新置業有限公司(“臨沂雅禾”)	(iii)	**1,648**	11,133
		40,543	44,899
Less: current portion		**(1,648)**	–
Non-current portion		**38,895**	44,899

Other than the equity investment held for sale, the above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

Notes:

(i) As at 31 March 2022 and 2021, the Group held a bond with face value of US$800,000 issued by a company listed on The Stock Exchange of Hong Kong Limited. This bond bear interest at a rate of 4.7% per annum.

During the year ended 31 March 2022, an aggregate fair value gain of HK$267,000 (2021: HK$88,000) was recognised in other comprehensive income.

(ii) It represented an investment in equity interest in Changting China Newtown Plaza Development Co., Ltd. (“Changting”), which was established in January 2013 and was engaged in the property development business in Changting, Fujian, Mainland China.

During the year ended 31 March 2022, an aggregate fair value gain of HK$5.1 million (2021: fair value loss of HK$0.4 million) was recognised in other comprehensive income.

(iii) It represented an investment of 臨沂雅禾, which is registered in the PRC and engaged in real estate and property investment.

During the year ended 31 March 2022, certain portion of the investment was sold at a consideration of HK$1.3 million with a loss on disposal of HK$3.6 million and an aggregate fair value loss of HK$5.1 million (2021: HK$10.4 million) was recognised in other comprehensive income.

16. Inventories

	2022 HK$'000	2021 HK$'000
Dried cassava chips held for resale	**868,727**	692,547
Food and beverage and others	**454**	580
	869,181	693,127

17. Trade and Bills Receivables

	2022 HK$'000	2021 HK$'000
Trade receivables	**15,192**	17,774
Bills receivables	**325,517**	269,537
Bills receivables discounted to the banks with recourse	**217,931**	210,980
	558,640	498,291
Impairment	**(10,131)**	(8,860)
	548,509	489,431

It is the Group's policy that customers who wish to trade with the Group normally need to provide the Group with irrecoverable letters of credit issued by reputable banks, with terms within 90 days to 180 days at sight, on credit with a credit period of one to three months or by cash on delivery. Credit limits are set for individual customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. At 31 March 2022 and 2021, the Group was not exposed to concentration of credit risk.

An ageing analysis of the Group's trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2022 HK$'000	2021 HK$'000
Within 30 days	**505,492**	321,233
31 to 60 days	**38,623**	119,521
61 to 90 days	**228**	44,967
Over 90 days	**4,166**	3,710
	548,509	489,431

Bills receivables of HK$217,931,000 as at 31 March 2022 (2021: HK$210,980,000) were discounted to the banks with recourse as mentioned in note 22(iii).

The movements in the loss allowance for impairment of trade receivables are as follows:

	2022 HK$'000	2021 HK$'000
At beginning of year	**8,860**	8,196
Impairment losses	**897**	–
Exchange realignment	**374**	664
At end of year	**10,131**	8,860

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product/service type, customer type and rating, and coverage by letters of credit). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than 90 days and are not subject to enforcement activity.

17. Trade and Bills Receivables *(Continued)*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2022

		Past due		
	Current	**Within 3 months**	**Over 9 months**	**Total**
Expected credit loss rate	**–**	**–**	**100%**	**66.7%**
Gross carrying amount (HK$'000)	**–**	**5,061**	**10,131**	**15,192**
Expected credit losses (HK$'000)	**–**	**–**	**10,131**	**10,131**

As at 31 March 2021

		Past due		
	Current	Within 3 months	Over 9 months	Total
Expected credit loss rate	–	–	100%	50%
Gross carrying amount (HK$'000)	–	8,914	8,860	17,774
Expected credit losses (HK$'000)	–	–	8,860	8,860

18. Prepayments, Deposits and Other Receivables

	2022 HK$'000	2021 HK$'000
Prepayments	**39,961**	35,838
Deposits and other receivables	**57,978**	49,527
Less: Impairment allowance	**(12,815)**	(12,815)
	85,124	72,550
Less: Prepayments and other receivables classified as non-current assets	**(21,682)**	(21,284)
Current portion	**63,442**	51,266

The recoverability of the deposits and other receivables was assessed with reference to the credit status of the debtors individually, and an impairment allowance of HK$12,815,000 (2021: HK$16,431,000) was provided as at 31 March 2022. For the remaining balances of deposits and other receivables, the respective ECL is considered as minimal based on factors including, inter alia, historical data, guarantee and forward-looking information.

The movements in the loss allowance for impairment of prepayments, deposits and other receivables are as follows:

	2022 HK$'000	2021 HK$'000
At beginning of year	**12,815**	12,815
Impairment losses	**–**	–
At end of year	**12,815**	12,815

19. Financial Assets at Fair Value Through Profit or Loss

	2022 HK$'000	2021 HK$'000
Listed equity securities, at fair value	**4,814**	5,325
Other unlisted fund investments, at fair value	**1,163**	1,500
	5,977	6,825

The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading. The above unlisted fund investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

20. Cash and Cash Equivalents and Restricted Bank Balance

	2022 HK$'000	2021 HK$'000
Cash and cash equivalents	**100,579**	66,150
Restricted bank balance	**4,092**	4,209

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to HK$6,725,000 (2021: HK$6,616,000), out of which an amount of HK$6,662,000 (2021: HK$6,553,000) is not freely convertible into other currencies. The Group is permitted to exchange such amount of RMB for other currencies through banks authorised to conduct foreign exchange business under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances, pledged deposits and restricted bank balance are deposited with creditworthy banks with no recent history of default.

21. Trade and Other Payables and Accruals

	Notes	2022 HK$'000	2021 HK$'000
Trade payables		**7,758**	41,390
Other payables		**7,287**	4,249
Contract liabilities	(i)	**6,172**	14,350
Accrued liabilities		**5,042**	6,053
Due to a director	27(b)	**4,811**	6,964
Loan from a related company	(ii)	**255,000**	224,000
Rental deposits received		**2,347**	3,299
		288,417	300,305

Based on the invoice date, the trade payables as at the end of the reporting period would mature within one month (2021: one month). Trade and other payables are non-interest-bearing and have an average term of three months.

Notes:

(i) Details of contract liabilities are as follows:

	31 March 2022 HK$'000	31 March 2021 HK$'000	1 April 2020 HK$'000
Contract liabilities from the sale of goods	**5,304**	11,500	3,612
Contract liabilities from hotel accommodation services	**868**	2,850	2,215
	6,172	14,350	5,827

Contract liabilities include short-term advances received to deliver goods and provide hotel accommodation services. The decrease in contract liabilities in 2022 was mainly due to recognition of revenue during the year ended 31 March 2022. The increase in contract liabilities in 2021 was mainly due to the increase in short-term advances received from customers in relation to the sale of goods and hotel accommodation services at the end of the year.

(ii) The amount due is unsecured, interest-bearing at 1% and 1.25% per annum, respectively, over one-month Hong Kong Interbank Offered Rate per annum and is repayable on demand.

22. Interest-Bearing Bank Borrowings

	Effective interest rate (%)	Maturity	2022 HK$'000	Effective interest rate (%)	Maturity	2021 HK$'000
Current						
Bank loans - secured	**1.13 – 2.45**	**On demand**	**1,009,442**	0.81 - 1.46	On demand	1,235,772
Bank loans - secured	**HIBOR+1.0**	**2023**	**8,000**			
			1,017,442			1,235,772
Non-current						
Bank loans - secured	**HIBOR+1.0**	**2024-2026**	**420,000**			–

22. Interest-Bearing Bank Borrowings *(Continued)*

	2022 HK$'000	2021 HK$'000
Analysed into bank borrowings repayable:		
Within one year or on demand	**1,017,442**	1,235,772
In the second year	**8,000**	–
In the third to fifth years, inclusive	**412,000**	–
	1,437,442	1,235,772
Less: Amount classified as current portion	**(1,017,442)**	(1,235,772)
Amount classified as non-current portion	**420,000**	–

Notes:

For the purpose of the above analysis, the Group's bank loans in the amount of HK$1,235,772,000 at 31 March 2021 containing a repayment on demand clause are included within current interest-bearing bank borrowings and analysed into bank loans repayable within one year or on demand. Notwithstanding the above repayment on demand clause, the directors do not believe that the bank loans will be called in their entirety within 12 months, and they consider that the bank loans will be repaid in accordance with the maturity dates as set out in the respective agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the bank loans, their maturity terms at 31 March 2021 are HK$807,772,000 in 2022, HK$8,000,000 in 2023, HK$8,000,000 in 2024, HK$8,000,000 in 2025, and HK$404,000,000 in 2026.

The Group's bank borrowings are secured by:

(i) legal charges over the Group's leasehold land, hotel properties and serviced apartment and buildings situated in Hong Kong with a carrying value of HK$12,327,000, HK$503,515,000 and HK$1,170,000 (2021: leasehold land and buildings of HK$15,330,000 and HK$1,070,000) (notes 14(a) and 12), respectively;

(ii) legal charges over the Group's investment properties situated in Hong Kong with a carrying value of HK$564,500,000 (2021: HK$1,091,200,000) (note 13); and

(iii) bills receivables of the Group amounting to HK$217,931,000 (2021: HK$210,980,000) discounted to the banks with recourse (note 17).

23. Deferred Tax

Deferred tax assets

	Impairment of trade receivable HK$'000	**Other** HK$'000	**Total** HK$'000
At 1 April 2020	503	–	503
Credited to profit or loss	–	2,151	2,151
Exchange realignment	40	153	193
At 31 March 2021 and 1 April 2021	543	2,304	2,847
Deferred tax credited to other comprehensive income during the year	–	1,743	1,743
Transfer to retained profits	–	(1,607)	(1,607)
Exchange realignment	23	(390)	(367)
At 31 March 2022	566	2,050	2,616

23. Deferred Tax *(Continued)*

Deferred tax liabilities

	Fair value adjustments of equity investments at fair value through other comprehensive income HK$'000	Fair value gain on financial assets at fair value through profit or loss HK$'000	Revaluation of properties HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Total HK$'000
At 1 April 2020	6,057	200	4,707	1,562	12,526
Deferred tax charged to profit or loss during the year (note 10)	–	–	–	449	449
Deferred tax charged/(credited) to other comprehensive income during the year	(2,179)	–	960	–	(1,219)
At 31 March 2021 and 1 April 2021	3,878	200	5,667	2,011	11,756
Deferred tax charged to profit or loss during the year (note 10)	–	–	–	19	19
Deferred tax charged/(credited) to other comprehensive income during the year	1,282	–	285	–	1,567
At 31 March 2022	5,160	200	5,952	2,030	13,342

The Group has tax losses arising in Hong Kong of HK$36,016,000 (2021: HK$36,559,000) and in Thailand of HK$55,226,000 (2021: HK$55,550,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2022, there was no significant unrecognised deferred tax liability (2021: Nil) for taxes that would be payable on the unremitted earnings of the Group's subsidiaries. There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

24. Share Capital

	2022 HK$'000	2021 HK$'000
Authorised: 2,000,000,000 ordinary shares of HK$0.1 each	**200,000**	200,000
Issued and fully paid: 584,726,715 ordinary shares of HK$0.1 each	**58,473**	58,473

25. 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 on pages 29 to 30 of the financial statements.

26. Notes to The Consolidated Statement of Cash Flows

(a) Changes in liabilities arising from financing activities

	Lease liabilities HK$'000	**Interest-bearing bank borrowings** HK$'000	**Amount due to a non-controlling interest of a subsidiary** HK$'000
At 1 April 2020	731	1,146,416	273,003
Changes from financing cash flows	(731)	89,356	6,049
Interest expense	15	12,553	–
Interest paid for interest-bearing bank borrowings	–	(12,553)	–
Interest paid classified as operating cash flows	(15)	–	–
At 31 March 2021	–	1,235,772	279,052
Addition	126	–	–
Changes from financing cash flows	(43)	201,670	2,875
Interest expense	4	11,427	–
Interest paid for interest-bearing bank borrowings	–	(11,427)	–
Interest paid classified as operating cash flows	(4)	–	–
At 31 March 2022	83	1,437,442	281,927

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2022 **HK$'000**	2021 HK$'000
Within operating activities	**12,652**	7,870
Within financing activities	**43**	731
	12,695	8,601

27. Related Party Transactions

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2022 HK$'000	2021 HK$'000
Rental expenses to related companies*	(i)	**1,270**	1,478
Interest expenses to related company*	(ii)	**1,711**	317
		2,981	1,795

* Mr. Chu Ming Chuan, a director of the Company, is the controlling shareholder of these related companies.

Notes:

(i) The rental expenses were determined based on the prevailing market rent.
(ii) The interest expenses were determined based on the prevailing market interest rate.

(b) As at 31 March 2022, details of the Group's balance due to a director, Mr. Chu Ming Chuan, amounting to HK$4,811,000 (2021: HK$6,964,000) was disclosed in note 21 and the balance was unsecured and interest-free and had no fixed terms of repayment.

(c) An amount due to a non-controlling interest of a subsidiary was unsecured, interest-free and not repayable within one year from the end of the reporting period.

(d) Compensation of key management personnel of the Group:

	2022 HK$'000	2021 HK$'000
Short term employee benefits	**2,693**	2,741
Post-employment benefits	**54**	54
Total compensation paid to key management personnel	**2,747**	2,795

28. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

31 March 2022

		Financial assets at fair value through other comprehensive income				
	Financial assets at fair value through profit or loss HK$'000	**Bills receivables discounted to the banks with recourse HK$'000**	**Debt investments HK$'000**	**Equity investments HK$'000**	**Financial assets at amortised cost HK$'000**	**Total HK$'000**
Equity investment at fair value through other comprehensive income	**–**	**–**	**–**	**40,543**	**–**	**40,543**
Debt investments at fair value through other comprehensive income	**–**	**–**	**1,297**	**–**	**–**	**1,297**
Trade and bills receivables	**–**	**217,931**	**–**	**–**	**330,578**	**548,509**
Financial assets included in prepayments, deposits and other receivables	**–**	**–**	**–**	**–**	**45,163**	**45,163**
Financial assets at fair value through profit or loss	**5,977**	**–**	**–**	**–**	**–**	**5,977**
Restricted bank balance	**–**	**–**	**–**	**–**	**4,092**	**4,092**
Cash and cash equivalents	**–**	**–**	**–**	**–**	**100,579**	**100,579**
	5,977	**217,931**	**1,297**	**40,543**	**480,412**	**746,160**

31 March 2021

		Financial assets at fair value through other comprehensive income				
	Financial assets at fair value through profit or loss HK$'000	Bills receivables discounted to the banks with recourse HK$'000	Debt investments HK$'000	Equity investments HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Equity investments at fair value through other comprehensive income	–	–	–	44,899	–	44,899
Debt investments at fair value through other comprehensive income	–	–	1,030	–	–	1,030
Trade and bills receivables	–	210,980	–	–	278,451	489,431
Financial assets included in prepayments, deposits and other receivables	–	–	–	–	36,712	36,712
Financial assets at fair value through profit or loss	6,825	–	–	–	–	6,825
Restricted bank balance	–	–	–	–	4,209	4,209
Cash and cash equivalents	–	–	–	–	66,150	66,150
	6,825	210,980	1,030	44,899	385,522	649,256

Financial liabilities

All of the Group's financial liabilities as at 31 March 2022 and 2021, including financial liabilities included in trade and other payables and accruals, interest-bearing bank borrowings, lease liabilities and an amount due to a non-controlling interest of a subsidiary, are categorised as financial liabilities at amortised cost.

29. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and cash equivalents, restricted bank balance, financial assets included in trade and bills receivables, deposits and other receivables, financial liabilities included in trade and other payables and accruals, interest-bearing bank borrowings and lease liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of an amount due to a non-controlling interest of a subsidiary has been calculated by discounting the expected cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for an amount due to a non-controlling interest of a subsidiary as at 31 March 2022 were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 March 2022

	Fair value measurement using			
	Quoted prices in markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Equity investments at fair value through other comprehensive income	**1,648**	**–**	**38,895**	**40,543**
Debt investments at fair value through other comprehensive income	**–**	**1,297**	**–**	**1,297**
Financial assets at fair value through profit or loss	**4,814**	**1,163**	**–**	**5,977**
Bills receivables	**–**	**217,931**	**–**	**217,931**
	6,462	**220,391**	**38,895**	**265,748**

As at 31 March 2021

	Fair value measurement using			
	Quoted prices in markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Equity investments at fair value through other comprehensive income	–	–	44,899	44,899
Debt investments at fair value through other comprehensive income	–	1,030	–	1,030
Financial assets at fair value through profit or loss	5,325	1,500	–	6,825
Bills receivables	–	210,980	–	210,980
	5,325	213,510	44,899	263,734

29. Fair Value and Fair Value Hierarchy of Financial Instruments *(Continued)*

As at 31 March 2022 and 31 March 2021, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, bill receivables and an amount due from a director were classified under fair value measurement using significant observable inputs within Level 2. The valuations of the Group's debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and an amount due from a director as at 31 March 2022 and 31 March 2021 were determined based on quoted prices, fair values of underlying assets and liabilities, and present values with the discount rates used and adjusted for counterparty/own credit risk, respectively.

During the year, certain equity investment with fair value measurements within Level 3 was sold at a consideration of HK$1,294,000, for the remaining portion of the investment, the quoted price of the sold portion was adopted to determine the fair value, and therefore transferred out of Level 3. Other than the above stated, there were no transfers of fair value measurements between Level 1 and Level 2 and no other transfers into or out of Level 3 for both financial assets and financial liabilities (2021: Nil).

The movements in fair value measurements within Level 3 during the year are as follows:

	HK$'000
Equity investments at fair value through other comprehensive income:	
At 1 April 2020	**54,078**
Total loss recognised in other comprehensive income	**(10,792)**
Exchange difference	**1,613**
At 31 March 2021 and 1 April 2021	**44,899**
Disposal	**(4,693)**
Total gain recognised in other comprehensive income	**75**
Transfer out of Level 3	**(1,648)**
Exchange difference	**262**
At 31 March 2022	**38,895**

Set out below is a summary of the valuation technique used and the key inputs to the valuation of equity investments:

	Valuation technique	**Significant unobservable inputs**	**Range 2022**	**Range 2021**
Equity investments	Asset-based and direct comparison method	Open market price per unit rate for car parks	HK$148,000	HK$95,000 to HK$142,000
		Open market price per square metre for commercial buildings	HK$16,280 to HK$27,130	HK$11,700 to HK$29,410
		Open market price per square metre for residential buildings	HK$13,560	HK$8,310 to HK$10,650
		Open market price per square metre for undeveloped land	HK$1,310	HK$820 to HK$1,390

A significant increase/(decrease) in the price per square metre or unit rate in isolation would result in a significantly higher/(lower) fair value of the equity investments.

30. Transferred Financial Assets That are not Derecognised in Their Entirety

As part of its normal business, the Group has entered into bills receivables factoring arrangement (the "Arrangement") and transferred certain trade receivables to a bank. Under the Arrangement, the Group may be required to reimburse the bank for loss of interest if any trade debtors have late payment. Since the bills receivables factored to banks are with recourse, the factored bills receivables did not meet the criteria of derecognition. Therefore, the bills receivables and the corresponding bank loans granted on the discounted bills receivables are reflected in the financial statements. The carrying amount of the bills receivables transferred under the Arrangement that have not been settled as at 31 March 2022 was HK$217,931,000 (2021: HK$210,980,000).

31. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as bills receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Foreign currency risk

The Group has no significant foreign currency risk because its business is principally conducted in Hong Kong, Thailand and Mainland China and most of the transactions are denominated in the entities' functional currencies in the respective countries.

(ii) Credit risk

The Group trades only with creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. All customers who wish to trade with the Group normally need to provide the Group with irrecoverable letters of credit issued by reputable banks, on credit with a credit period for one to three months or by cash on delivery. Credit limits are set for individual customers. As such, the Group's exposure to bad debts is not significant.

31. Financial Risk Management Objectives and Policies *(Continued)*

(ii) Credit risk *(Continued)*

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2022

	12-months ECLs	**Lifetime ECLs**			
	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Simplified approach HK$'000**	**Total HK$'000**
Trade receivables*	**–**	**–**	**–**	**15,192**	**15,192**
Bills receivables					
– Not yet past due	**543,448**	**–**	**–**	**–**	**543,448**
Financial assets included in prepayments, deposits and other receivables					
– Normal**	**45,163**	**–**	**–**	**–**	**45,163**
– Doubtful **	**–**	**–**	**12,815**	**–**	**12,815**
Restricted bank balance					
– Not yet past due	**4,092**	**–**	**–**	**–**	**4,092**
Cash and cash equivalents					
– Not yet past due	**100,579**	**–**	**–**	**–**	**100,579**
	693,282	**–**	**12,815**	**15,192**	**721,289**

As at 31 March 2021

	12-months ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Trade receivables*	–	–	–	17,774	17,774
Bills receivables					
– Not yet past due	480,517	–	–	–	480,517
Financial assets included in prepayments, deposits and other receivables					
– Normal**	36,712	–	–	–	36,712
– Doubtful **	–	–	12,815	–	12,815
Restricted bank balance					
– Not yet past due	4,209	–	–	–	4,209
Cash and cash equivalents					
– Not yet past due	66,150	–	–	–	66,150
	587,588	–	12,815	17,774	618,177

* For trade receivables to which the Group applies the simplified approach for impairment, information is disclosed in note 17 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

31. Financial Risk Management Objectives and Policies *(Continued)*

(iii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group has no specific policy to deal with the cash flow interest rate risk. However, management monitors the exposure and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in the Hong Kong dollar interest rate, with all other variables held constant, of the Group's profit/loss before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in interest rate %	Increase/ (decrease) in profit/loss before tax HK$'000	Increase/ (decrease) in equity* HK$'000
Year ended 31 March 2022			
Hong Kong dollar	**1%**	**(12,003)**	**–**
Hong Kong dollar	**(1%)**	**12,003**	**–**
Year ended 31 March 2021			
Hong Kong dollar	1%	10,319	–
Hong Kong dollar	(1%)	(10,319)	–

* Excluding retained profits

(iv) Interest rate benchmark reform

As at 31 March 2022, the Group had certain interest-bearing bank borrowings denominated in United States dollars. The interest rates of these instruments are based on the LIBOR with a tenor of one month months, which will cease to be published after 30 June 2023.

Replacement of the benchmark rates of these instruments from LIBOR to an RFR has yet to commence but it is expected that there will be renegotiations of terms in the future. During the transition, the Group is exposed to the following risks:

– Parties to the contract may not reach agreement in a timely manner as any changes to the contractual terms require the agreement of all parties to the contract

– Additional time may be needed for the parties to the contract to reach agreement as they may renegotiate terms which are not part of the interest rate benchmark reform (e.g., changing the credit spread of the bank borrowings due to changes in credit risk of the Group)

– The existing fallback clause included in the instruments may not be adequate to facilitate a transition to a suitable RFR

The Group will continue to monitor the development of the reform and take proactive measures for a smooth transition.

31. Financial Risk Management Objectives and Policies *(Continued)*

(iv) Interest rate benchmark reform *(Continued)*

The information about financial instruments based on an interbank offered rate that has yet to transit to an alternative benchmark rate is as follows:

As at 31 March 2022

	Non-derivative financial liabilities carrying value HK$'000
Interest-bearing bank borrowings – United States dollar LIBOR	**560,786**

As at 31 March 2021

	Non-derivative financial liabilities carrying value HK$'000
Interest-bearing bank borrowings – United States dollar LIBOR	395,279

31. Financial Risk Management Objectives and Policies *(Continued)*

(v) Liquidity risk

The Group monitors its risk to a shortage of funds by considering the maturity of both its financial assets and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings to meet its working capital requirements.

The tables below summarise the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted payments.

31 March 2022	**On demand HK$'000**	**Within one year HK$'000**	**Over one year HK$'000**	**Total HK$'000**
Interest-bearing bank borrowings	**1,017,442**	**8,000**	**412,000**	**1,437,442**
Trade and other payables and accruals	**–**	**288,417**	**–**	**288,417**
Amount due to a non-controlling interest of a subsidiary	**–**	**–**	**281,927**	**281,927**
Lease liabilities	**–**	**47**	**39**	**86**
	1,017,442	**296,464**	**693,966**	**2,007,872**
31 March 2021				
Interest-bearing bank borrowings*	1,235,772	–	–	1,235,772
Trade and other payables and accruals	–	300,305	–	300,305
Amount due to a non-controlling interest of a subsidiary	–	–	279,052	279,052
	1,235,772	300,305	279,052	1,815,129

* Included in interest-bearing bank borrowings are bank loans of HK$1,235,772,000 in 2021 containing a repayment on demand clause, giving the lender the unconditional right to call the loan at any time, and therefore, for the purpose of the above maturity profile, these amounts are classified as "On demand". Notwithstanding the above repayment on demand clause, the directors do not believe that the bank loans will be called in their entirety within 12 months, and they consider that the bank loans will be repaid in accordance with the maturity dates as set out in the respective agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the bank loans, their maturity terms at 31 March 2021 are HK$814,553,000 in 2022, HK$14,200,000 in 2023, HK$14,083,000 in 2024, HK$13,967,000 in 2025, HK$407,441,000 in 2026.

(vi) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business. The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend paid to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives or procedures for managing capital during the year.

The Group monitors capital on the basis of the net debt-to-equity ratio. The net debt represents interest-bearing bank borrowings, less cash and cash equivalents. The debt-to-equity ratios as at the end of the reporting periods were as follows:

	2022 HK$'000	2021 HK$'000
Interest-bearing bank borrowings	**1,437,442**	1,235,772
Less: Cash and cash equivalents	**(100,579)**	(66,150)
Net debt	**1,336,863**	1,169,622
Total equity attributable to owners of the Company	**872,164**	829,557
Debt-to-equity ratio	**1.53**	1.41

32. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2022 HK$'000	2021 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	**94,475**	94,475
CURRENT ASSETS		
Amounts due from subsidiaries	**492,558**	493,168
Prepayments	**149**	149
Cash and bank balances	**60**	61
Total current assets	**492,767**	493,378
CURRENT LIABILITIES		
Amounts due to subsidiaries	**20,429**	20,429
Other payables	**413**	661
Total current liabilities	**20,842**	21,090
NET CURRENT ASSETS	**471,925**	472,288
Net assets	**566,400**	566,763
EQUITY		
Share capital	**58,473**	58,473
Reserves (note)	**507,927**	508,290
Total equity	**566,400**	566,763

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK$'000	Contributed surplus HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2020	424,931	84,475	(142)	509,264
Loss for the year	–	–	(974)	(974)
At 31 March 2021 and 1 April 2021	424,931	84,475	(1,116)	508,290
Loss for the year	–	–	(363)	(363)
At 31 March 2022	424,931	84,475	(1,479)	507,927

The Company's contributed surplus represents the excess of the fair value of the net assets of the subsidiaries, acquired by the Company pursuant to a group reorganisation prior to the listing of the Company's shares, over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Law of the Cayman Islands, a company may make distributions to its shareholders out of the contributed surplus in certain circumstances.

33. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 15 July 2022.

Particulars of Properties Held by Companies

Location	Use	Tenure	Attributable interest of the Group
Unit No. 1 on 7th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Unit No. 2 on 7th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Unit 12 on 12th Floor Seapower Tower, Concordia Plaza No.1 Science Museum Road, Kowloon, Hong Kong	Office building	Medium term lease	100%
Unit 2 on 5th Floor Tower A, Mandarin Plaza No.14 Science Museum Road, Kowloon, Hong Kong	Office building	Medium term lease	100%
Unit No. 9 on 6th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Unit No. 13 on 6th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Unit No. 17 on 6th Floor Houston Centre, 63 Mody Road, Kowloon, Hong Kong	Office building	Long term lease	100%
Car park space No. 74, Basement floor of Peninsula Centre, No.67 Mody Road, Kowloon	Car park	Long term lease	100%
Car park space No. P6 and P7, Basement floor of South Seas Centre, No.75 Mody Road, Kowloon	Car park	Long term lease	100%

Particulars of Properties Held by Companies

Location	Use	Tenure	Attributable interest of the Group
Car park space No. LB032, Concordia Plaza, No.1 Science Museum Road, Kowloon	Car park	Medium term lease	100%
Car park space No. LB032, Concordia Plaza, No.1 Science Museum Road, Kowloon	Car park	Medium term lease	100%
A factory complex (excluding Unit 1, 2nd Floor, Block 1) No.22 Dongshen Road, E-gong Ling Pinghu Town, Longgang District, Shenzhen City, Guangdong Province, the PRC	Industrial building	Medium term lease	100%
A building on Chachoengsao Sattahip Road, (Highway No. 331) Nong Pru Sub District, Phanutnikom District, Chonburi Province, Thailand	Warehouse	Freehold	100%
No.21/34 Thai Wah Tower, 11/F, Bangkok, Thailand	Office building	Freehold	100%
Type E House, Eastern side of Block 6#, Yu Jing Shan Shu, Jinan City, Shandong Province, the PRC	Staff quarter	Medium term lease	100%
A building at 338 Queen's Road Central, Sheung Wan, Hong Kong	Commercial building with a hotel licence	Long term lease	60%
A building on 67/150 Moo 4, Tha Tamnak Sub-district, Nakhon Chai Si District, Nakhon Pathom Province, Thailand	Residential building	Freehold	100%

Summary of Financial Information

Summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements as appropriate, is set out below.

Results

	Year ended 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**3,585,019**	2,715,508	1,423,852	1,620,187	2,268,949
PROFIT/(LOSS) BEFORE TAX	**58,346**	(52,796)	(65,086)	60,857	32,431
Tax credit/(expense)	**(23,856)**	4,300	5,062	3,497	724
Profit/(loss) for the year	**34,490**	(48,496)	(60,024)	64,354	33,155

Assets and Liabilities

	As at 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**2,920,781**	2,670,395	2,351,557	2,332,110	1,715,646
Total liabilities	**(2,087,871)**	(1,869,610)	(1,505,379)	(1,418,958)	(869,231)
	832,910	800,785	846,178	913,152	846,415

Corporate Information

Directors

Executive Directors

Mr. Chu Ming Chuan
Ms. Liu Yuk Ming
Ms. Lam Ching Fun

Independent Non-executive Directors

Mr. Chui Chi Yun Robert
Professor Fung Kwok Pui (Resigned on 1 November 2021)
Mr. Hong Sijie
Ms. Amporn Lohathanulert (Appointed on 1 November 2021)

Authorised Representatives

Mr. Chu Ming Chuan
Mr. Shum Shing Kei

Company Secretary

Mr. Shum Shing Kei

Audit Committee

Mr. Chui Chi Yun Robert (Chairman)
Professor Fung Kwok Pui (Resigned on 1 November 2021)
Mr. Hong Sijie
Ms. Amporn Lohathanulert (Appointed on 1 November 2021)

Remuneration Committee

Mr. Chui Chi Yun Robert (Chairman)
Professor Fung Kwok Pui (Resigned on 1 November 2021)
Mr. Hong Sijie
Ms. Amporn Lohathanulert (Appointed on 1 November 2021)

Nomination Committee

Mr. Chui Chi Yun Robert
Professor Fung Kwok Pui (Resigned on 1 November 2021)
Mr. Hong Sijie (Chairman)
Ms. Amporn Lohathanulert (Appointed on 1 November 2021)

Website Address

www.asiacassava.com

Principal Bankers

Bank of China (Hong Kong) Ltd.
Bank of Communications (Hong Kong) Limited
Hang Seng Bank Limited
United Overseas Bank Limited, Hong Kong Branch
Bangkok Bank Public Company Ltd.
Agricultural Bank of China Limited, Rizhao Branch

Principal Share Registrar and Transfer Office in Cayman Islands

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Wanchai
Hong Kong

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business

Units 612–3 and 617
Houston Centre
63 Mody Road
Tsim Sha Tsui East
Kowloon
Hong Kong

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Stock Code

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