INTERNATIONAL BUSINESS SETTLEMENT HOLDINGS LIMITED
國際商業結算控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00147)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the "Board" or the "Directors") of International Business Settlement Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2025 (the "current year"), together with the comparative figures for the year ended 31 March 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	**2025** **HK$'000**	2024 *HK$'000*
Continuing operations:			
Revenue	*3*	**186,195**	173,689
Cost of sales and services		**(217,426)**	(137,173)
Gross (loss) profit		**(31,231)**	36,516
Other income, gains and losses	*5*	**13,232**	9,383
Administrative and other expenses		**(22,338)**	(19,151)
Share of losses of an associate		**(3,974)**	(6,513)
Impairment loss of property, plant and equipment		**(70,600)**	–
Impairment loss of properties held for sale		**(51,851)**	(13,198)
Impairment loss of trade and other receivables		**(148,426)**	(2,330)
Finance costs	*6*	**(56,223)**	(56,668)
Loss before taxation		**(371,411)**	(51,961)
Income tax expenses	*7*	**(15,940)**	(9,366)

	Note	2025 HK$'000	2024 HK$'000
Loss for the year from continuing operations	*8*	**(387,351)**	(61,327)
Discontinued operations:			
Loss for the year from discontinued operations		**–**	(63,813)
Loss for the year		**(387,351)**	(125,140)
Loss for the year attributable to owners of the Company:			
– from continuing operations		**(228,747)**	(50,580)
– from discontinued operations		**–**	(9,088)
		(228,747)	(59,668)
Loss for the year attributable to non-controlling interests:			
– from continuing operations		**(158,604)**	(10,747)
– from discontinued operations		**–**	(54,725)
		(158,604)	(65,472)
Loss for the year		**(387,351)**	(125,140)
Other comprehensive (expense) income for the year			
Item that may be reclassified subsequently to profit or loss:			
Share of other comprehensive expense of an associate		**(608)**	–
Exchange differences arising on translation of financial statements of foreign operations		**1,798**	1,555
		1,190	1,555
Total comprehensive expense for the year		**(386,161)**	(123,585)

	Note	2025 HK$'000	2024 HK$'000
Total comprehensive expense for the year attributable to owners of the Company:			
– from continuing operations		**(227,875)**	(46,357)
– from discontinued operations		**–**	(11,902)
		(227,875)	(58,259)
Total comprehensive expense for the year attributable to non-controlling interests:			
– from continuing operations		**(158,286)**	(8,927)
– from discontinued operations		**–**	(56,399)
		(158,286)	(65,326)
		(386,161)	(123,585)
Loss per share – basic and diluted *(HK cents)*			
– from continuing operations	*9*	**(1.13)**	(0.25)
– from discontinued operations	*9*	**–**	(0.04)
		(1.13)	(0.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**178,737**	353,615
Intangible assets		**–**	–
Goodwill	*10*	**2,228**	–
Interest in an associate		**103,751**	108,333
Deferred tax assets		**61,599**	68,981
Amount due from an associate		**31,744**	31,089
		378,059	562,018
CURRENT ASSETS			
Loan receivables	*11*	**–**	–
Properties held for sale	*12*	**809,717**	926,706
Trade and other receivables	*13*	**41,933**	142,483
Factoring receivables	*14*	**–**	–
Restricted bank deposits		**648**	440
Bank balances and cash		**315,413**	334,518
		1,167,711	1,404,147
CURRENT LIABILITIES			
Trade and other payables	*15*	**751,459**	678,402
Borrowings	*16*	**531,038**	512,586
Amount due to non-controlling interests		**51,254**	51,905
Amount due to ultimate holding company		**1,612**	1,624
Amount due to an associate		**–**	3,580
Tax liabilities		**31,706**	31,891
Contract liabilities	*17*	**5,956**	84,254
Lease liabilities		**2,864**	3,526
		1,375,889	1,367,768
NET CURRENT (LIABILITIES) ASSETS		**(208,178)**	36,379
TOTAL ASSETS LESS CURRENT LIABILITIES		**169,881**	598,397

	Note	**2025**	2024
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Borrowings	*16*	**–**	21,572
Lease liabilities		**486**	269
		486	21,841
NET ASSETS		**169,395**	576,556
CAPITAL AND RESERVES			
Share capital		**20,319**	20,319
Reserves		**282,659**	510,534
Equity attributable to owners of the Company		**302,978**	530,853
Non-controlling interests		**(133,583)**	45,703
TOTAL EQUITY		**169,395**	576,556

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

International Business Settlement Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The immediate and ultimate holding company is Long Grand Limited, a company incorporated in the British Virgin Islands (the "BVI"), which is wholly owned by Mr. Yam Yu. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Unit 3103, 31/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong. The Company is an investment holding company.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the property development, hotel business, property management, computer equipment business and financing business. Except for computer equipment business, all activities are mainly carried out in the People's Republic of China (the "PRC").

The consolidated annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2025 but are extracted from these consolidated financial statements.

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$208,178,000 while its bank balances and cash amounted to HK$315,413,000 as at 31 March 2025. The Directors are of the opinion that taking into account of the good relationship between the relevant banks, other lenders and the Company, enhancing the Group's ability on negotiating extension agreements, or seeking new long-term debts to replace existing short-term debts, when needed as well as internally generated funds of the Group, the Group has sufficient working capital for its present requirements for the next twelve months from 31 March 2025. In addition, up to the date of the consolidated financial statements authorised for issue, the Group's borrowings amounting to HK$377,736,000 currently included in current liabilities at 31 March 2025 have been renewed by a lender to extend the maturity date by twelve months. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. ADOPTION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*
Amendments to HKAS 1	*Non-current Liabilities with Covenants*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

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

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[3]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature – Dependent Electricity*[3]
Amendments to HKFRS Accounting Standards	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[3]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

3. REVENUE

The principal activities of the Group are (1) property development; (2) hotel business; (3) property management business; (4) computer equipment business; and (5) financing business.

During the year ended 31 March 2024, the Group decided to abandon the international business settlement segment and disposed of the contact lens business segment.

During the year ended 31 March 2025, the Group acquired the property management segment.

An analysis of the Group's revenue for the both years from continuing operations is as follows:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Sales of properties	**78,233**	42,259
Provision of property management services	**1,100**	–
Revenue from computer equipment business		
– Leasing and relevant services of computer equipment	**75,780**	131,430
– Trading of computer equipment	**31,082**	–
	106,862	131,430
	186,195	173,689
Timing of revenue recognition		
Goods transferred at a point in time	**109,315**	42,259
Services transferred over time	**76,880**	131,430
	186,195	173,689

4. SEGMENT REPORTING

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

Property development	Developing and selling of commercial and residential properties and car parking spaces, including undertaking of primary land development activities, in the PRC.
Hotel business	Hotel development and provision of hotel management services in the PRC.
Property management	Provision of property management services in the PRC.
Computer equipment business	Providing encrypted distributed storage space in Hong Kong through leasing of servers and rendering ancillary services and trading of computer equipment.
Financing business	Provision of finance through money lending services and factoring services.

Following the newly acquired property management segment in the current reporting period and the discontinued operation of international business settlement segment and contact lens business segment during the year ended 31 March 2024, the CODM considered that the property development segment, hotel business segment, property management segment, computer equipment business segment and financing business segment are the main businesses lines and reportable and operating segments of the Group.

(a) Segment revenue and results

For the year ended 31 March 2025

Continuing operations

	Property development *HK$'000*	**Hotel business** *HK$'000*	**Property management** *HK$'000*	**Computer equipment business** *HK$'000*	**Financing business** *HK$'000*	**Total** *HK$'000*
Revenue						
External sales and segment revenue	**78,233**	**–**	**1,100**	**106,862**	**–**	**186,195**
Segment loss	**(130,114)**	**–**	**(194)**	**(227,471)**	**(2)**	**(357,781)**
Unallocated corporate expense, net						**(25,857)**
Bank interest income						**12,227**
Loss before taxation						**(371,411)**

For the year ended 31 March 2024

Continuing operations

	Property development *HK$'000*	Hotel business *HK$'000*	Computer equipment business *HK$'000*	Financing business *HK$'000*	Total *HK$'000*
Revenue					
External sales and segment revenue	42,259	–	131,430	–	173,689
Segment (loss) profit	(62,110)	–	26,633	151	(35,326)
Unallocated corporate expense, net					(28,598)
Bank interest income					11,963
Loss before taxation					(51,961)

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

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

(b) Segment assets and liabilities

	2025	2024
	HK$'000	*HK$'000*
Segment assets		
Continuing operations		
Property development	**835,441**	990,274
Hotel business	**180,696**	180,696
Property management	**6,780**	–
Computer equipment business	**50,800**	297,975
Financing business	**8**	8
Total segment assets	**1,073,725**	1,468,953
Assets relating to discontinued operations	**–**	4,198
Unallocated assets		
Bank balances and cash	**312,610**	334,518
Other assets	**159,435**	158,496
Total unallocated assets	**472,045**	493,014
Consolidated total assets	**1,545,770**	1,966,165
Segment liabilities		
Continuing operations		
Property development	**(1,181,795)**	(1,201,882)
Hotel business	**(124,521)**	(125,253)
Property management	**(6,944)**	–
Computer equipment business	**(4,928)**	(945)
Financing business	**(23)**	(22)
Total segment liabilities	**(1,318,211)**	(1,328,102)
Liabilities relating to discontinued operations	**–**	(29,011)
Unallocated liabilities		
Other liabilities	**(58,164)**	(32,496)
Consolidated total liabilities	**(1,376,375)**	(1,389,609)

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

- all assets are allocated to operating segments other than bank balances and cash, assets relating to discontinued operations and those not attributable to respective segments; and

- all liabilities are allocated to operating segments other than liabilities relating to discontinued operations and those not attributable to respective segments.

(c) Other segment information

(i) Amounts included in the measure of segment profit or loss or segment assets:

For the year ended 31 March 2025

Continuing operations

	Property development HK$'000	Hotel business HK$'000	Property management HK$'000	Computer equipment business HK$'000	Financing business HK$'000	Reportable segments' total HK$'000	Unallocated HK$'000	Total HK$'000
Additions to non-current assets *(Note)*	–	–	–	–	–	–	5,063	5,063
Depreciation of property plant and equipment	(96)	–	(1)	(106,260)	–	(106,357)	(2,317)	(108,674)
Impairment loss of trade and other receivables	(446)	–	(399)	(146,204)	–	(147,049)	(1,377)	(148,426)
Reversal of impairment loss of amount due from an associate	–	–	–	–	–	–	13	13
Impairment loss of property, plant and equipment	–	(39,332)	–	(31,268)	–	(70,600)	–	(70,600)
Impairment loss of property held for sale	(51,851)	–	–	–	–	(51,851)	–	(51,851)
Finance costs	(55,044)	–	(3)	–	–	(55,047)	(1,176)	(56,223)
Income tax expenses	(6,636)	–	–	(9,304)	–	(15,940)	–	(15,940)

For the year ended 31 March 2024

Continuing operations

	Property development HK$'000	Hotel business HK$'000	Computer equipment business HK$'000	Financing business HK$'000	Reportable segments' total HK$'000	Unallocated HK$'000	Total HK$'000
Additions to non-current assets *(Note)*	–	–	80,100	–	80,100	–	80,100
Depreciation of property plant and equipment	(99)	–	(88,734)	–	(88,833)	(6)	(88,839)
Impairment loss of trade and other receivables	(232)	–	(344)	–	(576)	(1,754)	(2,330)
Impairment loss of amount due from an associate	–	–	–	–	–	(548)	(548)
Impairment loss of properties held for sale	(13,198)	–	–	–	(13,198)	–	(13,198)
Finance costs	(55,821)	–	–	–	(55,821)	(847)	(56,668)
Income tax expenses	(3,528)	–	(5,838)	–	(9,366)	–	(9,366)

Note: Non-current assets excluded financial instruments, deferred tax assets and those relating to discontinued operations.

(ii) Information about geographical areas

The following table provides an analysis of the Group's revenue from continuing operations from external customers and non-current assets other than interest in an associate, amount due from an associate, prepayment and deferred tax assets ("Specified non-current assets").

	Revenue from external customers (by customer location)		**Specified non-current assets (by physical location)**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**106,862**	131,430	**37,708**	172,469
PRC (domicile)	**79,333**	42,259	**143,257**	181,146
	186,195	173,689	**180,965**	353,615

(iii) Information about major customers

Revenue from one customer (2024: one customer) of the Group's computer equipment business segment accounted to approximately HK$56,880,000 (2024: HK$117,588,000), which represent 10% or more of the Group's revenue.

5. OTHER INCOME, GAINS AND LOSSES

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Bank interest income	**12,354**	11,963
Loan interest income from an associate	**881**	672
Exchange loss, net	**(16)**	(9)
Reversal of impairment loss (impairment loss) on amount due from an associate	**13**	(548)
Others	**–**	(2,695)
	13,232	9,383

6. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Interest on		
– borrowings	**55,691**	56,493
– lease liabilities	**532**	175
	56,223	56,668

7. INCOME TAX EXPENSES

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Current tax in PRC		
Land Appreciation Tax ("LAT")	**8,848**	4,703
Deferred tax	**7,092**	4,663
	15,940	9,366

No provision for Hong Kong Profits Tax is made in the consolidated financial statements as the Group does not derive assessable profits from Hong Kong for both years.

The PRC EIT is calculated on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Group's PRC subsidiaries during the year ended 31 March 2025 is 25% (2024: 25%).

8. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2025	2024
	HK$'000	*HK$'000*
Continuing operations		
Directors' emoluments	**3,178**	3,178
Other staff salaries, wages and allowances	**10,821**	8,147
Other staff retirement scheme contributions	**322**	263
Total staff costs	**14,321**	11,588
Cost of inventories recognised as expenses	**60,340**	32,997
Auditor's remuneration	**1,800**	1,800
Depreciation of property, plant and equipment	**108,674**	88,839

9. LOSS PER SHARE

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

	2025	2024
Loss (in HK$'000)		
Loss for the year attributable to owners of the Company for the purposes of basic loss per share		
– Continuing operations	**(228,747)**	(50,580)
– Discontinued operations	**–**	(9,088)
	(228,747)	(59,668)

	2025	2024
Number of shares		
Weighted average number of ordinary shares in issue	**20,319,072,320**	20,319,072,320

	2025	2024
Basic loss per share (HK cents)		
– Continuing operations	**(1.13)**	(0.25)
– Discontinued operations	**–**	(0.04)
	(1.13)	(0.29)

Diluted loss per share is the same as the basic loss per share as there were no dilutive potential ordinary shares in issue for both years.

10. GOODWILL

	HK$'000
At carrying value:	
As at 1 April 2024	–
Arising on acquisition of a subsidiary *(Note 19)*	2,228
As at 31 March 2025	2,228

For the purpose of impairment assessment, goodwill set out above has been allocated to cash generating unit ("CGU") relating to the property management services.

	Segment	*HK$'000*
The CGUs were identified as follows:		
Residential Theme Park (Fuzhou) Property Management Co., Ltd.	Property Management	2,228

The recoverable amount of this CGU has been determined based on a value in use calculation prepared by management. The calculation uses cash flow projections based on financial budgets approved by management for the next five years. Cash flow beyond the five-year period are extrapolated using a growth rate of 0%. A pre-tax discount rate of 11.8% is used for this CGU.

Assumptions were used in the value in use calculation of this CGU. The following describes each key assumption on which management had based its cash flow projections to undertake impairment testing of goodwill:

Budgeted revenue – The basis used to determine the value assigned to the budgeted revenue was the revenue achieved in the year immediately before the budget year.

Discount rate – The discount rate used was before tax and reflected specific risks relating to this CGU.

In the opinion of the directors of the Company, any reasonably possible change in any of the above assumptions would not cause the carrying amount of this CGU to exceed its recoverable amount.

11. LOAN RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Loan receivables	**124,633**	125,366
Interest receivables	**6,515**	6,553
	131,148	131,919
Less: Loss allowance *(Note (b))*		
Stage 3	**(131,148)**	(131,919)
Carrying amount of loan receivables	**–**	–

As at 31 March 2025 and 2024, all loan receivables were secured by collaterals.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interests at rate approximately 6% to 15% (2024: 6% to 15%) per annum.

The Group's management considers that the fair values of loan receivables are not materially different from their carrying amounts.

(a) Ageing analysis

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

	2025	2024
	HK$'000	*HK$'000*
Over 5 years	**131,148**	131,919

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

	2025	2024
	HK$'000	*HK$'000*
Over 4 years	**131,148**	131,919

(b) Movement in impairment losses

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

	Stage 3 Lifetime ECL credit impaired
	HK$'000
At 1 April 2023	139,789
Exchange adjustments	(7,870)
At 31 March 2024 and 1 April 2024	131,919
Exchange adjustments	(771)
At 31 March 2025	**131,148**

For the year ended 31 March 2025 and 2024, no increase of loss allowance was charged to profit or loss as an impairment.

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

12. PROPERTIES HELD FOR SALE

	2025	2024
	HK$'000	*HK$'000*
Completed properties held for sale	**809,717**	926,706

The management of the Group had engaged an independent qualified professional valuer to carry out valuation on the properties held for sale by market comparison approach. An impairment loss on completed properties held for sale of HK$51,851,000 has been recognised for the year ended 31 March 2025 (2024: HK$13,198,000).

13. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables	**146,611**	73,955
Less: Loss allowance	**(146,383)**	(320)
	228	73,635
Other receivables and prepayments:		
Other deposits	**9,232**	6,118
Other tax prepayment	**–**	626
Other receivables	**19,299**	16,958
Consideration receivables	**16,608**	16,608
Other prepayments	**2,589**	32,199
Less: Loss allowance	**(6,023)**	(3,661)
	41,933	142,483

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

(a) Ageing analysis of trade receivables

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

	2025	2024
	HK$'000	*HK$'000*
0 – 90 days	**–**	73,519
1 – 2 years	**228**	116
	228	73,635

(b) Movement in impairment losses of trade receivables

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

	2025	2024
	HK$'000	*HK$'000*
At 1 April	**320**	308
Impairment loss charged to profit or loss	**146,063**	320
Disposal of a subsidiary	**–**	(295)
Exchange adjustments	**–**	(13)
At 31 March	**146,383**	320

(c) Movement in loss allowance of other receivables of the Group during the year are as follows:

	2025	2024
	HK$'000	*HK$'000*
At 1 April	**3,661**	1,660
Impairment loss charged to profit or loss	**2,363**	2,010
Exchange adjustments	**(1)**	(9)
At 31 March	**6,023**	3,661

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

14. FACTORING RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Factoring receivables	**62,193**	62,559
Interest receivables	**2,233**	2,247
	64,426	64,806
Less: Loss allowance *(Note (b))*		
Stage 3	**(64,426)**	(64,806)
Current portion included under current assets	**–**	–

As at 31 March 2025 and 2024, all factoring receivables were secured by accounts receivable of the debtors with interest rate of 6.5% (2024: 6.5%). The Group has recourse right on the debts in the event of default. However, the collaterals are not permitted to be sold or re-pledged by the Group.

(a) Ageing analysis

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

	2025	2024
	HK$'000	*HK$'000*
Over 5 years	**64,426**	64,806

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

	2025	2024
	HK$'000	*HK$'000*
Over 4 years	**64,426**	64,806

(b) Movement in impairment losses

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

	Stage 3 Lifetime ECL credit impaired
	HK$'000
At 1 April 2023	68,672
Exchange adjustments	(3,866)
At 31 March 2024 and 1 April 2024	64,806
Exchange adjustments	(380)
At 31 March 2025	**64,426**

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

15. TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables *(Note)*	**5,266**	–
Accrued construction costs to contractors	**154,933**	155,843
Interest payables	**290,079**	236,537
Other payables	**83,079**	75,545
Other tax payables	**218,102**	210,477
	751,459	678,402

Note:

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

	2025	2024
	HK$'000	*HK$'000*
0 – 90 days	**5,258**	–
Over 365 days	**8**	–
	5,266	–

16. BORROWINGS

	2025	2024
	HK$'000	*HK$'000*
Borrowings, secured *(Note (a))*	**124,521**	125,253
Borrowings, unsecured *(Note (b))*	**406,517**	408,905
	531,038	534,158
Carrying amount of borrowings repayable:		
Within one year	**531,038**	512,586
More than one year, but not exceeding two years	**–**	21,572
	531,038	534,158
Less: amounts shown under current liabilities	**(531,038)**	(512,586)
Amounts shown under non-current liabilities	**–**	21,572

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

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

	2025	2024
Effective interest rates	**3% – 18%**	3% – 18%

Notes:

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

	Carrying amounts of assets pledged
	HK$'000
At 31 March 2025	
Property, plant and equipment	**65,567**
At 31 March 2024	
Property, plant and equipment	65,952

As at 31 March 2025, hotel rooms under construction in progress (included in property, plant and equipment) of HK$65,567,000 (2024: HK$65,952,000) are pledged as security for the Group's borrowings of HK$124,521,000 (2024: HK$125,253,000) at a fixed rate of 6.5% per annum.

(b) As at 31 March 2025, the Group's unsecured borrowings represent:

(i) Unsecured borrowings of HK$7,335,000 (2024: HK$7,378,000) provided by independent third parties with interest at a fixed rate of 18% per annum;

(ii) Unsecured borrowings of HK$21,446,000 (2024: HK$21,572,000) provided by Radiant Path Global Limited, a related party of non-controlling owner of the Company's subsidiary, with interest at a fixed rate of 3% per annum; and

(iii) Unsecured borrowings of HK$377,736,000 (2024: HK$379,955,000) provided by 廣西正和實業集團有限公司 (Guangxi Zhenghe Industrial Co., Ltd*), the former related party of Liuzhou Zhenghe with interest at a fixed rate of 12% per annum.

17. CONTRACT LIABILITIES

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

	2025	2024
	HK$'000	*HK$'000*
Contract liabilities arising from property development business	**5,956**	84,254

	2025	2024
	HK$'000	*HK$'000*
At 1 April	**84,254**	133,511
Revenue recognised for the balances included in the contract liabilities at the beginning of the year	**(78,233)**	(42,259)
Exchange adjustments	**(65)**	(6,998)
At 31 March	**5,956**	84,254

As at 31 March 2025 and 2024, the amount of sales deposits received expected to be recognised as revenue after one year is nil.

18. CONTINGENT LIABILITIES

	2025	2024
	HK$'000	*HK$'000*
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	**449,670**	452,342

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

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

19. ACQUISITION OF A SUBSIDIARY

On 14 March 2025, the Group acquired 100% of the issued share capital of Residential Theme Park (Fuzhou) Property Management Co., Ltd. from an independent third party for consideration of RMB5,000,000 (equivalent to approximately HK$5,332,000). This acquisition has been accounted for using the acquisition method. The amount of goodwill arising as a result of the acquisition was approximately HK$2,228,000. Residential Theme Park (Fuzhou) Property Management Co., Ltd. is engaged in property management in the PRC.

The acquisition has been completed on 14 March 2025.

	HK$'000
Consideration	
Consideration payable	5,332

	HK$'000
Fair value of assets and liabilities recognized at the date of acquisition:	
Property, plant and equipment	175
Trade and other receivables	2,813
Bank balances and cash	1,433
Trade and other payables	(1,317)
Total fair value of identifiable net assets acquired	3,104

Goodwill arising on acquisition

	HK$'000
Consideration payable	5,332
Less: net assets acquired	(3,104)
Goodwill arising on acquisition *(Note 10)*	2,228

FINAL DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 March 2025 (2024: nil).

OVERALL RESULTS

Key performance indicator (Financial Ratio)

		Year ended 31 March	
	Notes	**2025**	2024
Revenue *(HK$'000)*		**186,195**	173,689
Gross (loss)/profit *(HK$'000)*		**(31,231)**	36,516
Gross (loss)/profit margin *(%)*	*(i)*	**(16.8%)**	21.0%
Loss for the year *(HK$'000)*		**(387,351)**	(61,327)
Loss per share *(HK cent)*		**(1.13)**	(0.25)
Net asset value per share *(HK cents)*	*(ii)*	**0.83**	2.84

Notes:

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

(ii) Net asset value per share is calculated based on the number of 20,319,072,320 ordinary shares issued as at 31 March 2025 (2024: 20,319,072,320 ordinary shares).

The revenue of the Group for the current year is approximately HK$186,195,000 (2024: HK$173,689,000) which comprise HK$106,862,000 (2024: HK$131,430,000) from the leasing and trading of computer equipment, HK$78,233,000 (2024: HK$42,259,000) from the sales of properties and HK$1,100,000 (2024: nil) from newly setup property management segment.

An overall gross loss of approximately HK$31,231,000 was recorded for the current year, while a gross profit of approximately HK$36,516,000 was recorded in the previous financial year. The significant change was primarily due to the poor performance of the leasing and trading of computer equipment segment. During the year, the leasing income recognized was not able to cover the cost of services, which includes the depreciation, data centre rental and others, and a gross loss was resulted.

The Group incurred substantial losses of approximately HK$387,351,000 for the current year (2024: HK$61,327,000). The significant increase in loss is mainly attributable to (i) impairment loss on trade receivable amounted to HK$146,063,000 for the rental income from the leasing of computer equipment; (ii) impairment loss on the computer equipment held for leasing amounted to HK$31,268,000; and (iii) impairment losses on the construction in progress included in property, plant and equipment and properties held for sale amounted to HK$39,332,000 and HK$51,851,000 respectively as a result of the poor property market conditions in the PRC.

The basic and diluted loss per share was approximately HK$1.13 cents for the current year (2024: HK$0.25 cents).

REVIEW OF OPERATIONS AND PROSPECT

Liuzhou Zhenghe (property development and hotel business segment)

Zhenghe City is a mix-used complex project located at No. 102, Xinliu Avenue, Liudong New District, Liuzhou, Guangxi Zhuang Autonomous Region, the PRC, which offers a wide range of properties, including villas, townhouses, commercial buildings, office buildings, hotels and high-rise apartments developed by 柳州正和樺桂置業集團有限公司 (Liuzhou Zhenghe Huagui Real Estate Group Company Limited*) ("Liuzhou Zhenghe").

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

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

	Site area *(sq.m)*	Approximate gross floor area *(sq.m)*	Saleable area remaining unsold *(Note 2)* *(sq.m)*	Properties held for self-operating/ own use *(sq.m)*
Phase I:				
Zone A	76,000	97,000	12,000	–
Zone B	94,000	130,000	10,000	–
Zone C	61,000	258,000	98,000	–
	231,000	485,000	120,000	–
Phase II:				
Zone D	71,000	191,000	44,000	–
Zone E	30,000	140,000	80,000	31,000
Zone F	41,000	182,000	35,000	–
	142,000	513,000	159,000	31,000
Total:	373,000	998,000	279,000	31,000

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

Note 2: Representing saleable gross floor area under development and saleable gross floor area of completed properties that were unsold as at 31 March 2025.

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

	Property type	Development Status
Phase I:		
Zone A	Villas and high-rise apartment buildings with retail outlets, farmers market and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Farmers market attached with a total saleable area of approximately 12,000 square meters are held for sale.

	Property type	Development Status
Zone B	Villas and high-rise apartment buildings with retail outlets and car parking spaces	The construction works were completed and most of the residential units were sold in the past financial years. Remaining unsold saleable area are retail outlets and car parking spaces with approximately 10,000 square meters which are held for sale.
Zone C	Residential and commercial complexes and studio/office buildings with retail outlets and car parking spaces	There are 7 blocks of residential and commercial complexes and 3 blocks of studio/office buildings in this zone. The construction works of these buildings were completed. Most of units in first 9 completed blocks were sold in past financial years. The remaining 1 block of studio/office building were completed and acceptance certificates of completion were granted in 2023 and have been gradually delivered to customers and recognized as revenue over the past two years. Approximately 15,000 square meters of unsold saleable area associated with this studio/office building remain available for sale as at 31 March 2025. Besides, retail outlets and car parking spaces attached to these buildings with saleable area of approximately 83,000 square meters in this zone are also held for sale.

	Property type	Development Status
Phase II:		
Zone D1	Villas	The construction works of the villas in this zone were completed and sold to the customers and revenue was recognised in the past financial years.
Zone D1	High-rise apartment buildings with retail outlets and car parking spaces	There are 5 blocks of high-rise apartment buildings in this zone. The construction works of these 5 blocks of high-rise apartment buildings were completed and most of the units were sold in the past financial years. Car parking spaces and few remaining retail shops with a total saleable area of approximately 44,000 square meters in this zone are held for sale.
Zone D2	Villas	The construction works of 36 villas are completed and were sold in the past financial years.
Zone E	Hotel and high-rise apartment buildings with retail outlets and car parking spaces	The construction works of high-rise apartment buildings were completed and most of the units were sold in the past financial years. Retail outlets and car parking spaces attached to this apartment building with a saleable area of approximately 26,000 and 54,000 square meters respectively are held for sale. The substantial construction works of the hotel building were completed and the pre-sale permit was granted. The acceptance certificate of completion is expected to be obtained in 2025. The Group intends to operate the hotel directly instead of holding it for sale. Therefore, constructing area of approximately 31,000 square meters of the hotel building are recorded in property, plant, and equipment.

	Property type	Development Status
Zone F	Residential and commercial complexes with retail outlets and car parking spaces	There are 6 blocks of residential and commercial complexes in this zone. The construction works of 6 blocks of residential and commercial complexes were completed and most of the units together with the attached retail outlets were sold in the past financial years. Remaining unsold saleable area mainly included retail outlets and car parking spaces attached to this complex with a saleable area of approximately 8,000 and 27,000 square meters respectively.

(i) For property development segment in Liuzhou Zhenghe, an area of approximately 11,000 (2024: 6,000) square meters was sold during the year. A segment revenue of approximately HK$78,233,000 (2024: HK$42,259,000) was recorded for the current year and a gross profit of HK$17,893,000 (2024: HK$9,261,000) was generated.

A segment loss of approximately HK$130,114,000 was recorded for the current year (2024: HK$62,110,000). Segment loss recorded was mainly due to (i) impairment loss on construction in progress included in property, plant and equipment of HK$39,332,000, and properties held for sale of HK$51,851,000 as a result of the poor property market conditions in the PRC; and (ii) finance costs of HK$55,047,000 cannot be capitalized which were charged as expense during the year as most of the building construction works in Liuzhou Zhenghe were completed.

An external expert was engaged to assess the fair value of the properties development project as at 31 March 2025. For those properties which had completed the construction work and were held for sale, a market comparison method by making reference to comparable sales transactions as available in the relevant market was used. For those properties still under construction, the value was derived by using a market comparison method with the assumption that the construction works of the properties would have been completed at the date of valuation and taking into account the expected construction costs and other development costs that will be expended to complete the development. An impairment loss amounted to HK$51,851,000 for properties held for sale is recognized for the year ended 31 March 2025 as the net realisable value is lower than carrying amount.

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

(ii) The hotel business is located in Zone E1 of Zhenghe City with gross floor area of approximately 31,000 square meters. The substantial construction works of the hotel building were completed but acceptance certificate of completion has not yet been obtained. In 2018, the Group entered into a franchising agreement with a well-known international hotel franchisee to operate the hotel under the franchising requested standards. However, the franchise agreement was lapsed as the acceptance certificate of completion was not granted within the contract period. No revenue will be generated until commencement of operation of the hotel. An external expert was engaged to assess the fair value of the hotel building as at 31 March 2025. An impairment loss of HK$39,332,000 was recognized for the year ended 31 March 2025, as the net realizable value fell below the carrying amount due to unfavorable conditions in the real estate market in the PRC.

Property management business

The Group is principally engaged in, among others, property development. After spending years in the property development sector in the PRC, the Group has been exploring opportunities to expand its business scope by tapping into other property related activities.

During the year, a joint venture was established in Hong Kong with limited liability and owned as to 51% by the Group and 49% by Mr. Chan Pak Shu ("Mr. Chan"), who has over 10 years of experience in property management in the PRC and has extensive network of contacts in the property management sector in the PRC. On 24 February 2025, a sale and purchase agreement was entered into to acquire 100% equity interests of Residential Theme Park (Fuzhou) Property Management Co., Ltd.*（居住主題公園（福州）物業管理有限公司）(the "Target Company"), at consideration of RMB5,000,000 through the aforesaid joint venture. The Target Company is a company incorporated in the PRC and is principally engaged in property management and contracting operation rights on property management projects. For details of the transaction, please see announcement of the Company dated 24 February 2025.

The Board believes that the aforesaid acquisition provides the Group with a good opportunity to leverage on its property development expertise to expand its business scope into property management in the PRC, to diversify the revenue stream of the Group and bring stable and sustainable growth in revenue to the Group in the long run.

The revenue generated from the new property management segment in the current year is minimal with a total amount of approximately HK$1,100,000 and the segment loss was HK$194,000. The segment loss was mainly due to an impairment losses of HK$399,000 recognized for other receivables under expected credit loss model.

As at 31 March 2025, the total gross floor area managed by the Group encompass 492,000 sq.m of residential space and 19,000 sq.m of commercial space in Fuzhou. Moving forward, the Group plans to allocate more resources to expand this segment to obtain more property management services contracts in order to provide a steady revenue stream to the Group.

Leasing and trading of computer equipment

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

In 2022, the Group started a business in leasing of data storage equipment to customers who provide virtual data storage space for end-users in return for Filecoin and trading of data storage equipment. As at 31 March 2025, the Group holds 1,410 set of servers in total for leasing to customers. The leasing fees of data storage equipment payable to the Group consist of a fixed rent plus a variable rent with reference to the average market price of Filecoin quoted on different cryptocurrency exchanges with specific formula.

Before entering the leasing contract with the customers, the Group has conducted due diligence on the potential customers including but not limited to performing company search with the relevant companies registry, and our non-executive director, Mr. Liu Yu, who has extensive years of experience in the cryptocurrency sector, had also met with the beneficial owner of the potential customers to understand their background, experience and knowledge in the cryptocurrency markets so as to assess whether the potential customers are familiar with the operation involved.

Unfortunately, the market price of Filecoin has been dropping in recent years. The customers requested the Group to extend the payment period of their outstanding rent and eventually the customer decided not to renew the leasing contract after the tenor as the value of the Filecoin has dropped to a level that cannot cover their operating costs.

The Group started the leasing business in 2022 and the payment record before 2024 was relatively healthy. In 2024, the customers started to request the Group to extend the payment period of their outstanding rent in view of the low market price of Filecoin and the customers have agreed to settle the outstanding rent once the Filecoin was sold at a better price in the future. In view of the healthy payment record in the past and to maintain a good relationship, the extension request was accepted by the Group and no provision on impairment was made in 2023/2024 annual report.

The price of Filecoin was volatile in 2024 and was in a downward trend. According to the customers, the price of Filecoin is expected to rise back to its historical highest price of approximately USD200 eventually in view of the recent favorable market sentiment for the cryptocurrency and requested us to further extend the outstanding rental repayment period. Considering that the customers are still the Group's clients and with a view to maintain a good relationship, no enforcement or legal actions have been taken.

In December 2024, one of the customers decided not to renew its leasing contract but agreed to settle the outstanding rental once the Filecoin in her possession is sold. The Group immediately issued letter to request for immediate settlement of the outstanding rent. In addition, the Group has engaged legal adviser to issue demand letters to the customer. So far, the Group has received only minimal settlement amount from this customer on or before 31 March 2025. The Group will continue to take actions to recover the outstanding rental amount from this customer.

Impairment of rental receivables

The Group adopted the model of expected credit loss ("ECL") under HKFRS 9 Financial Instrument ("HKFRS 9") in determining the amount of the impairment on the rental receivables. HKFRS 9 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition summarized below:

Stage 1: As soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognized in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. For financial assets, interest revenue is calculated on the gross carrying amount (i.e. without adjustment for expected credit losses).

Stage 2: If the credit risk increases significantly and the resulting credit quality is not considered to be low credit risk, full lifetime expected credit losses are recognized. Lifetime expected credit losses are only recognized if the credit risk increases significantly from when the entity originates or purchases the financial instrument. The calculation of interest revenue on financial assets remains the same as for stage 1.

Stage 3: If the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortized cost (i.e. the gross carrying amount adjusted for the loss allowance). Financial assets in this stage will generally be individually assessed. Lifetime expected credit losses are still recognized on these financial assets.

As the customers failed to pay any of the receivables due a year ago and without any future repayment schedule, the ECL was measured on a lifetime basis (Stage 3).

The Board is of the view that the impairments are fair and reasonable.

The Company has engaged Valtech Valuation Advisory Limited to issue valuation report on the impairment. The model of ECL under HKFRS 9 was used by the valuer as the valuation methodology. The formula of calculating the ECL is as follows:

ECL = EAD x PD x LGD x Discount Factor
"EAD" being exposure at default;
"PD" being probability of default;
"LGD" being loss given default; and
"Discount Factor" being factor to discount the expected credit loss to present value.

Key assumption applied for the valuation includes categorising the rental receivables as Stage 3. For impairment of rental receivables, as the customers failed to pay any of the receivables as at the valuation date and without any future repayment schedule, PD is set to be 100%.

For impairment of rental receivables, as the latest financial information of the customers is not available, assessment on LGD based on borrowers' financial status is impossible. The Company's internal impairment policy states that receivables overdue for over a year and without any repayment are assumed to be fully impaired. Valuer has made reference to the Company's internal impairment policy and other qualitative analyses, concluding that the LGD ranges from 97.2% to 100%, depending on the counterparties, as minimal recovery is expected from the rental receivables for the financial year ended 31 March 2025. Given that the rental receivables are overdue, a discount factor of 1 has been applied.

The rental receivables was fully impaired and carrying amount was nil for the year.

Impairment of computer equipment

The directors of the Company considered that there were impairment indicators on the data storage equipment for leasing as certain data storage equipment has been idle for more than 6 months since their last tenor ended as a result of the downward trend of the price of Filecoin. Accordingly, the Directors conducted a review on impairment assessment on the relevant data storage equipment with the help of professional valuer. The fair value less costs of disposal was compared to the value in use which is calculated by using the cash flow projections covering the remaining useful life of the data storage equipment at pre-tax discount rate of 27.4% at a zero growth. The fair value less costs of disposal is higher than the value in use and as a result, an impairment loss of HK$31,268,000 was recognized.

For the current year, the revenue generated from leasing of data storage equipment was approximately HK$106,862,000 (2023: HK$131,430,000) and the segment loss for the year was HK$227,471,000 (2024: profit of HK$26,633,000). The significant increment of the loss was mainly due to (i) decrease in revenue recognized in the current year which cannot cover the operating costs; (ii) provision of impairment loss on the rental receivables amounted to HK$146,063,000; and (iii) provision of impairment loss on the data storage equipment amounted to HK$31,268,000.

In order to maintain the data storage equipment in good condition, the data storage equipment needs to be stored in data center in where provide a clean and dust-free environment with proper control of temperature and humidity even the data storage equipment is not leased out. Otherwise the useful life of the data storage equipment will be significant affected. In order to minimize the maintaining costs, the management will negotiate with potential new customers through adjustment on the fixed monthly rental and the variable rental rate. The management will also explore other opportunity by selling the idle data storage equipment to reduce the cost.

Other Operations

Contact lens business

The contact lens business in Fuzhou was disposed of in 2023 and became a 34% associated company. With the help of the new investor, operations are gradually improving. The loss incurred by contact lens business segment for the current year was significantly reduced from HK$79,665,000 in 2024 to HK$11,686,000. The loss shared by the Group for the current year amounted to HK$3,974,000 (2024: HK$6,513,000).

Financing business

The Group adopted a prudent and careful strategy to operate its financing business and no new loan has been lent during the current year. Although all long overdue loans have been fully impaired in the previous years, we kept arranging staff to visit the pledged plantation site in Shanghai regularly and performed stock take of the collaterals to make sure the collaterals are in good condition. We will continue to monitor the situation and explore any possible actions to recover the loans.

UPDATE ON THE PROGRESS OF THE PROPOSED NEW PROJECTS

Termination of digital currencies business

In March 2024, the Group announced to establish a joint venture company in Lao People's Democratic Republic ("Laos") with an independent third party to engage mainly in mining and trading of digital currencies. Pursuant to the joint venture agreement, the joint venture will be owned as to 51% by the Group and 49% by the independent third party and the paid-in capital of the joint venture is set at USD2,000,000.

In March 2025, a termination agreement was agreed and executed by both parties as certain major cooperation terms cannot be reached and concluded. According to the termination agreement, neither party holds any responsibilities or liabilities toward the other. No payment of the capital had been made by the Group.

Digital logistics services business

In March 2024, the Group announced its plan to establish a joint venture in Fuzhou which shall be principally engaged in provision of full range of digital logistics services to logistics companies, cargo owners and drivers with the use of digital intelligence application platform. According to the agreement, a wholly owned subsidiary of the Company entered into a joint venture agreement with two independent parties, pursuant to which a joint venture company ("Fuzhou JV") shall be established in Fuzhou City, the PRC, with the proposed registered capital of RMB1 million to be contributed in cash according to their shareholding. The Fuzhou JV shall be owned as to 50% by a wholly owned PRC subsidiary of the Group, with remaining 40% and 10% held by two other PRC citizens.

Due to the restrictions on foreign investments in this business operation under the PRC laws, the Group intends to adopt a VIE (Variable Interest Entity) structure arrangement to confer the Group to get 60% of the economic benefits in total and control of Fuzhou JV so that it becomes a subsidiary of the Group and its financial results shall be consolidated into the consolidated financial statements of the Group.

During the current year, the Fuzhou JV has been established and is currently in the process of applying for the necessary licenses and negotiating the major operation terms with the joint venture partners. Up till now, no payment of the capital of the Fuzhou JV has been made by the Group. The Company will make further announcements regarding the VIE structure as appropriate and in accordance with the requirements of the Listing Rules.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 March 2025 and up to the date of this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in note 19 to the consolidated financial statements, there was no material acquisitions and disposal of subsidiaries and associated companies during the current year.

EVENTS AFTER REPORTING DATE

There were no major subsequent events since the year end date and up to the date of this announcement.

FINANCIAL REVIEW

Finance position, liquidity and gearing

As at 31 March 2025, the total assets and liabilities of the Group were approximately HK$1,545,770,000 (31 March 2024: HK$1,966,165,000) and approximately HK$1,376,375,000 (31 March 2024: HK$1,389,609,000) respectively. The Group recorded a total equity of approximately HK$169,395,000 as at 31 March 2025 (31 March 2024: HK$576,556,000).

The Group recorded net current liabilities of approximately HK$208,178,000 as at 31 March 2025 (31 March 2024: net current assets of approximately HK$36,379,000). This reversal was attributed to an impairment loss of HK$146,063,000 on trade receivables in leasing computer equipment segment and impairment losses on properties held for sale of HK$51,851,000 due to unfavorable property market conditions in the PRC. The bank balances and cash as at 31 March 2025 was approximately HK$315,413,000 (31 March 2024: HK$334,518,000), of which most were denominated in US dollars, Hong Kong dollars and Renminbi.

The Group's current ratio (defined as current assets divided by current liabilities) was 0.85 (31 March 2024: 1.03).

As at 31 March 2025, the Group had total borrowing amounting to approximately HK$583,904,000 (31 March 2024: HK$591,267,000), all denominated in Renminbi and due within one year (2024: 96% is due within one year, while 4% is due in more than one year but not exceeding two years). The breakdown is as follows:

(i) Secured borrowings amounting to approximately HK$124,521,000 (31 March 2024: HK$125,253,000) with fixed interest rate of 6.5%;

(ii) Unsecured borrowings amounting to approximately HK$406,517,000 (31 March 2024: HK$408,905,000) with fixed interest rate ranges from 3% to 18%; and

(iii) Interest free loan due to non-controlling interests, ultimate holding company and associate amounting to approximately HK$51,254,000 (31 March 2024: HK$51,905,000), HK$1,612,000 (31 March 2024: HK$1,624,000) and nil (31 March 2024: HK$3,580,000) respectively.

The gearing ratio, as a ratio of total borrowings to total equity, as at 31 March 2025 was 3.45 (31 March 2024: 1.03).

Financial resources

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

Share capital

As at 31 March 2025, the Company had 20,319,072,320 shares of ordinary shares in issue and the total equity of the Group was approximately HK$169,395,000.

Charges on assets

As at 31 March 2025, certain property, plant and equipment with carrying amount of approximately HK$65,567,000 (31 March 2024: HK$65,952,000), were pledged to secure certain borrowings granted to the Group.

Contingent liabilities

The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is any default of the mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage loans together with accrued interests thereon and any penalty owed by the defaulted purchaser to banks and the Group is then entitled to take over the legal title of the related properties. The guarantee period commences from the dates of granting the relevant mortgage loans and ends after the buyer obtains the individual property ownership certificate. As at 31 March 2025, the guarantee given to banks for the above-mentioned mortgage facilities amounted to approximately HK$449,670,000 (31 March 2024: HK$452,342,000).

Foreign exchange exposure

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

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2025, the Group had approximately 100 employees (2024: 73). The employees' salaries are reviewed and adjusted annually based on their performance and experience. The Group's employee benefits include performance bonus, medical insurance, mandatory provident fund scheme, local municipal government retirement scheme and education subsidy to encourage continuous professional development of staff.

MODEL CODE FOR DIRECTOR'S DEALING IN SECURITIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, the Company received confirmation from all of the Directors that they had complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions throughout the current year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's securities during the year ended 31 March 2025.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2025 except for certain deviations as specified and explained below with considered reasons for such deviations.

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

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

(b) Code provision C.2.7 stipulates that the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other directors. Since the Company has not appointed a new Chairman and no meeting was held between the Chairman and the non-executive Directors (including independent non-executive Directors) without the executive Directors present during the year ended 31 March 2025.

(c) Code provision F.2.2 stipulates that the Chairman should attend the annual general meeting. The Company does not at present have any officer with the title Chairman. However, one of the Directors present at the annual general meeting held on 29 August 2024 was elected as chairman thereof to ensure an effective communication with the shareholders thereat.

(d) Code provision C.6.3 stipulates that the company secretary should report to the Chairman and/or the CEO. As the Company did not officially appoint a Chairman or a CEO, the company secretary reported to the executive Directors during the year.

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

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee of the Company comprised of three independent non-executive Directors, namely, Mr. Yap Yung (the chairman), Ms. Chen Lanran and Mr. Wong Kin Ping. The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2025 and discussed with the management the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters of the Group.

SCOPE OF WORK OF MESSRS. CL PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, CL Partners CPA Limited ("CL Partners"), to the amounts set out in the Group's audited consolidated financial statements of the Group for the year as approved by the Board on 27 June 2025. The work performed by CL Partners in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CL Partners CPA Limited on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND DISPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.147hk.com. The 2024/2025 annual report containing all information required by the Listing Rules will be disseminated to the Company's shareholders and available on the above websites in due course.

APPRECIATION

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

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

Hong Kong, 27 June 2025

* *The English name is for identification purpose only*

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