PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保德國際發展企業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

* *For identification purpose only*

2022
ANNUAL REPORT

CONTENTS

Definitions and Glossary

In this annual report, the following expressions have the following meanings unless otherwise specified:

"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"Company"	PT International Development Corporation Limited
"Current Year"	the year ended 31st March, 2022
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC" and "China"	the People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	shareholders of the Company
"HK$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"%"	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Ching Man Chun, Louis
(Chairman and Managing Director)
Ms. Xu Wei
Mr. Yeung Kim Ting
Mr. Heinrich Grabner

Independent Non-executive Directors

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

AUDIT COMMITTEE

Mr. Wong Yee Shuen, Wilson *(Chairman)*
Mr. Yam Kwong Chun
Mr. Lam Yik Tung

REMUNERATION COMMITTEE

Mr. Lam Yik Tung *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

CORPORATE GOVERNANCE COMMITTEE

Mr. Ching Man Chun, Louis *(Chairman)*
Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

COMPANY SECRETARY

Ms. Lo Yuen Mei

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

LEGAL ADVISORS

Vincent T.K. Cheung, Yap & Co.
Michael Li & Co.
Conyers Dill & Pearman (Bermuda)

PRINCIPAL BANKERS

Bank of Communications Co., Ltd., Hong Kong Branch
DBS Bank (HK) Limited
Fubon Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Nonghyup Bank
The Hong Kong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

11th Floor
Centre Point
181–185 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Chairman's Statement

The COVID-19 pandemic is running into its third year. Within the reporting period many parts of the world opened up to tourism and business travellers only to be met with a fourth wave of COVID-19 rising in many countries in the West. In Asia, in the first half of the reporting period, only Singapore began to open up in the summer of 2021, most other countries remain closed and business travel and interactions continued to be difficult. All businesses units of the Group continued to be negatively affected. With travel restrictions implemented globally, especially the continued quarantine measures by the HKSAR government, many of the Group's business initiatives have seen a much slower rollout. Most of the Group's business activities and international meetings moved to virtual platforms, which is not ideal.

The Group's overall financial performance was worse than that of last period. This was due to the absence of the one-off gain arising from the disposal of the Group's associate in the same period last year; and an unrealised fair value loss of the Group's investment in AFC Mercury Fund for the Current Period and generally worsening economic conditions globally. The reopening of some of the economies brought about a massive logistics and shipping shortage which continued to cause massive disruptions into the Group's operations. China's COVID-19 outbreak which forced the shutdown of Shanghai and many other areas put our Chinese business to almost a standstill at the end of the reporting period. With all these headwinds the management will continue to monitor the situation and the credit exposures in commodities markets.

Having completed the acquisition of Thousand Vantage Investment Limited, it is now one of the new revenue contributors to the Group. The Group continues to believe the energy sector will continue to be an import sector for the Chinese economy as evidenced by recent high price of oil. As China emerges out of the COVID-19 pandemic and economic activities recovers, the stable supply of energy, especially in the petroleum space, will continue to be paramount for the PRC. The Group looks forward to becoming a bigger player in oil terminal and storage sector in Southern China.

Cupral, the Group's new subsidiary in the UK, we see this urban mining business as major source in the future of copper and aluminium supply. However, due to the outbreak of COVID-19, we first saw several months' delay in the commissioning of its metal recycling plant, mainly due to transport issues of plant equipment around Europe. After commissioning, the plant began productions of copper granules with only one shift, while the staff familiarised themselves with the machines and plant, we began scaling up towards the end of the reporting period. However, due to the sharp rise and demand in the copper market, copper scraps began hard to secure, and payment terms and margins have begun to become less favourable. We began to take orders for our high grade processed copper granules even selling them to top tier Chinese names which is a strong testament for our brand-new business. However, the constant delay in shipping between the UK and China, coupled with high copper materials prices have all but completely eroded our profit margins. Having installed a state-of-the-art metals recycling plant and committed to ESG, the Group believes that Cupral will see much better prospects should pricing, demand and logistics begins to normalise.

With a disappointing start to 2022, the Group is looking to take an even more conservative approach in coming year. Considering the difficulties in travel and logistics, and uncertainties due to inflation and interest cost, the Group will refocus its main efforts towards its projects in China where it is easier to manage and control.

Ching Man Chun, Louis
Chairman and Manging Director

Hong Kong, 29th June, 2022

Management Discussion and Analysis

BUSINESS REVIEW

Review of Financial Performance

During the year ended 31st March, 2022, the Group, pursuant to its long-term strategy of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the Group's invested companies, continued to strategically invest or hold significant interests, both directly or indirectly, in a portfolio of listed companies in Hong Kong, United States and Korea and also high-potential private companies and funds, through equity instruments and debt financing, financial assets and securities, and engaged in trading of commodities, metal recycling, petrochemical storage business, port and port-related services, provision of management services, financial institute business and loan financing services.

For the Current Year, the Group reported a loss of HK$158,417,000 attributable to the owners of the Company (2021: profit of HK$167,056,000) and basic loss per share of HK7.85 cents (2021: basic earnings per share of HK8.28 cents). The current year loss was mainly due to the fair value loss of financial instruments, in particular, the Group's investment in AFC Mercury Fund.

Commodities Trading

During the Current Year, the Group, through its subsidiaries, continued its trading business which focuses on the trading of commodities including metals, chemical and energy products. The business generated a segment revenue of HK$844,337,000 (2021: HK$1,462,355,000) and a segment loss of HK$7,388,000 (2021: segment profit of HK$3,418,000). The loss was mainly due to decrease in fair values of derivative financial instruments, freight and storage charges incurred for uncompleted trades. The decrease in revenue was mainly due to the supply chains issues including delays in warehouse loadout, vessels delayed, high freight cost and longer than expected shipping days. The management has been monitoring the situation and the credit exposures in commodities markets via a conservative approach to allow additional tolerance in freight cost, shipment schedule, delivery time, etc.

The metal business remains one of the main sources of income for the Group. Our trading profile enhanced with increasing sales to end users in Asia. Revenue from chemical and energy business increased and now accounts for 42% of total trading revenue in the Current Year. However, the supply shortage, vessels shortage, long delivery lead time and expensive freight cost are the main operational concern for the trading business.

Metal Recycling

On 16th April, 2021, several independent third-party individuals and the Group entered into an investment and shareholders' agreement in relation to the subscription of 24,999,050 ordinary shares in aggregate in Cupral at a total subscription amount of British Pound Sterling ("**GBP**") 2,500,000 (equivalent to approximately HK$27,000,000) (the "**Cupral Subscription**"). During the Current Year, the Cupral Subscription was completed, the Group has been allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to approximately HK$24,300,000), which represents 90% of the enlarged issued share capital of Cupral.

During the Current Year, the Group's Metal Recycling business recorded a revenue of HK$43,480,000 (including inter-segment sales) and a segment loss of HK$25,588,000.

BUSINESS REVIEW (continued)

Metal Recycling (continued)

The Group is working to develop the green metals market for the end users to help in reducing their carbon emissions. The Group invested in a recycling plant in the UK, which is managed by a highly experienced team in the UK, and is designed to upgrade both copper and aluminium scraps to high purity for the export to Asia and China.

The business segment commenced operations in January 2022 and produced over 500 metric tonnes ("**MT**") of copper granules during the Current Year.

The plant has been tested and is capable of working at the nameplate capacity output rate of 2MT per hour of copper granules for up to 2 shifts per day.

Gross margins achieved have been compressed since the plant started versus the expected margins at the time of investment, due to the change in market dynamics, primarily in the supply chain. This has increased the level of throughput necessary to reach a breakeven position compared with initial expectation.

The management team in the UK have also explored opportunities in the scrap aluminium sector and invested in some equipment to allow upgrading of scrap to a small extent. Further research and development is required to increase potential returns from aluminium upgrading and the UK management team are working with a consortium of industry participants to develop this opportunity.

Long-term Strategic Investments

During the Current Year, the Group's long-term investment recorded a revenue of HK$2,005,000 (2021: HK$4,000,000) and a segment loss of HK$67,179,000 (2021: segment profit of HK$44,804,000). The segment revenue and the segment loss for the Current Year was mainly attributed to the preference shares dividend from Thousand Vantage and the unrealised loss from the AFC Mercury Fund, respectively.

Management Discussion and Analysis

BUSINESS REVIEW (continued)

Thousand Vantage

Thousand Vantage is an investment holding company. Its subsidiaries are principally engaged in the provision of petrochemical port and storage services as well as port-related services through operation of a terminal at Yingling Terminal Operation Area of Qinzhou Port, in Guangxi, the PRC.

In April 2018, the Group, through its subsidiary, entered into a subscription agreement with Thousand Vantage pursuant to which the Group as a subscriber, agreed to subscribe and Thousand Vantage as an issuer, agreed to allot and issue 100 preference shares at a total subscription price of HK$200,000,000. The preference shares confer the Group the right to receive cumulative fixed preferential dividend at a rate of 2% per annum of the subscription price up to the redemption date of 16th April, 2020. The preference shares are guaranteed by the then sole shareholder of Thousand Vantage who has executed a share charge in favour of the Group relating to all shares of Thousand Vantage.

During the Current Year, dividends arising on the preference shares amounting to HK$2,005,000 (2021: HK$4,000,000) are recognised in profit or loss as interest income from investments (included in revenue).

Pursuant to such subscription agreement entered into in April 2018, Thousand Vantage shall redeem the preference shares on 16th April, 2020 and at an aggregate sum of subscription price and all accrued and unpaid dividends through and including the date of payment ("**Redemption Price**"). The Guarantor granted to the Group an exclusive right during the period commencing from the date of the issue of the preference shares up to the full payment of the Redemption Price, as may be extended by agreement between the parties from time to time to purchase all or part of the issued ordinary shares of and all or part of shareholder's loan due by Thousand Vantage or to subscribe for new ordinary shares in Thousand Vantage.

Management Discussion and Analysis

BUSINESS REVIEW (continued)

Thousand Vantage (continued)

On 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the preference shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022. Save for this, other principal terms of the preference shares remain the same.

As part of the Group's management role in Thousand Vantage Group and with an aim to strengthening its overall business performance, the Group has been conducting a detailed review on the business operation and financial position of Thousand Vantage Group so as to formulate business and financing plans and strategies for Thousand Vantage Group's future business development. Since the subscription of preference shares, the Group assigned three senior officers to 廣西廣明碼頭倉儲有限公司 Guangxi Guangming Warehouse Storage Limited*, a PRC company in which Thousand Vantage has a 75% equity interest (the "**PRC Subsidiary**"), whom took up the positions of legal representative, general manager and head of finance department respectively and participated in the business operation of the PRC Subsidiary. Moreover, the Group was able to formalise our management role in Thousand Vantage Group pursuant to the Management Agreement entered into between the Group and Thousand Vantage on 9th November, 2020, under which Thousand Vantage agreed to appoint the Group on an exclusive basis to provide advisory, management and administrative services to Thousand Vantage and its subsidiaries. Through this appointment, the Group is entitled to management fee remuneration, subject to earlier termination as stipulated in the Management Agreement.

* *For identification purposes only*

BUSINESS REVIEW (continued)

Thousand Vantage (continued)

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor (the "**Subscription**") to subscribe for 668,571,429 new ordinary shares (the "**Subscription Shares**") of Thousand Vantage at a subscription price (the "**Subscription Price**"), being the redemption amount (the "**Redemption Amount**") which is the aggregate sum of the subscription price for the preference shares of HK$200,000,000 and all the accrued and unpaid dividends on the preference shares up to the date of completion.

The Subscription Price shall be paid on completion by way of offsetting against the Redemption Amount payable by Thousand Vantage for redemption of the preference shares issued by Thousand Vantage to the Group on 16th April, 2018. Upon completion of the Subscription, the Group will hold approximately 65% of all the issued shares of Thousand Vantage as enlarged by the Subscription Shares, and all preference shares issued by Thousand Vantage shall have been fully redeemed.

The Subscription was completed on 11th October, 2021. Upon completion of the Subscription, the Group obtained control over the Thousand Vantage Group through its 65% equity interests in Thousand Vantage and the Management Agreement was terminated. Details of the Subscription are disclosed in the Company's Announcement dated 29th March, 2021, the Company's Circular dated 17th September, 2021 and the Company's Announcement dated 11th October, 2021.

The Subscription has been accounted for as acquisition of business using the acquisition method.

AFC Mercury Fund

AFC Mercury Fund principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited. STX Corporation Limited (stock code: 011810) is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and shipping and logistics. The shares of the AFC Mercury Fund held by the Group represent approximately 29.71% of the issued share capital of the AFC Mercury Fund as at 31st March, 2022.

Management Discussion and Analysis

BUSINESS REVIEW (continued)

AFC Mercury Fund (continued)

In June 2018, the Group, through its subsidiary, entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares in AFC Mercury Fund, as a limited partner, at an aggregate consideration of US$20,000,000 (equivalent to approximately HK$156,000,000).

During the Current Year, an unrealised fair value loss of HK$66,264,000 (2021: fair value gain of HK$56,935,000) was made.

CEC Asia Media

CEC Asia Media Group L.P. ("**CEC Fund**") was organised primarily to invest, directly or indirectly, in Global K Centre Limited and Lionheart Entertainment Asia Limited and other strategical investment in relation to media, artist and beauty training academy based in South Korea. The shares of the CEC Fund held by the Group represent 20% of the issued share capital of the CEC Fund.

In December 2018, the Group, through its subsidiary, entered into a subscription agreement with the CEC Fund pursuant to which the Group agreed to subscribe for shares in CEC Fund, as a limited partner, at an aggregate consideration of US$2,000,000 (equivalent to approximately HK$15,600,000).

Fair value loss of nil (2021: HK$11,673,000) was recognised in profit or loss. CEC Fund has nil fair value as at 31st March, 2022 (2021: nil) as the directors of the Company determine that such investment is unable to generate future cash flows to the Group due to significant financial difficulties of CEC Fund in recent months causing suspension of business operations and even possible cessation of business in the foreseeable future.

Petrochemical

Jiangsu Hong Mao (江蘇宏貿倉儲) (owned as to 90% by the Group)

The Group invested in Yangtze Prosperity Development (HK) Limited ("**YPD (HK)**") through the capitalisation of a loan in 2019. YPD (HK) is incorporated in Hong Kong as an investment holding company which in turn owns the entire equity interest in 江蘇宏貿倉儲有限公司, which has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating petrochemical storage and related facilities thereon.

Such investment reinforces the Group's commitment towards sustainable development and it will broaden the income stream of the Group in the near future. This business segment has not commenced operation as at 31st March, 2022.

Thousand Vantage (owned as to 65% by the Group)

For the period from the acquisition date of 11th October 2021 to 31st March 2022, Thousand Vantage Group contributed a revenue of HK$34,990,000 and a loss of HK$18,248,000.

Management Discussion and Analysis

BUSINESS REVIEW (continued)

Financial Institute Business

For the Current Year, the Group's financial institute business reported a segment revenue of HK$1,163,000 (2021: HK$1,862,000) and a segment loss of HK$6,933,000 (2021: HK$6,503,000).

The Group established Helios Asset Management (HK) Limited, which is principally engaged in assets management and advisory business in Hong Kong and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) Type 4 licence (Advising on Securities) and Type 9 licence (Asset Management) from the Securities and Futures Commission. To further develop its financial institute business, the Group extended its reach to different facets of the financial services sector in order to develop an all-rounded business.

Later on, the Group acquired an insurance brokerage firm, PT Insurance Brokers Company Limited, which is a member of the Hong Kong Confederation of Insurance Brokers and allowed to carry out insurance brokerage business in the long term (including linked) insurance in Hong Kong.

Muhabura Capital Limited, a subsidiary of the Company incorporated in Mauritius, was granted an investment banking licence by Financial Services Commission of Mauritius.

The business goals of the financial institute business of the Group are to build an international financial platform that capitalises on cross-border investments between Asia and Africa. Considering the One Belt One Road initiative, the Group expects to see increasing business flows between the two continents once the COVID-19 pandemic subsides. The Group takes the view that by operating licensed entities in both Hong Kong and Africa, it will give confidence in institutional, corporate and retail customers when working with the Group.

Mauritius, where MCL is located, saw record numbers of COVID-19 cases in the reporting period. Although the Mauritius government began opening up the border, the high COVID-19 cases saw most employees work from home and kept business activities at a minimum. This is the second year that MCL front-line staff were unable to travel overseas or even to the African continent for client acquisition thus making the original launch plan impossible. MCL have therefore refocused much of its initial business launch towards online brokerage, where client acquisition without travel is possible. We will continue to focus on the brokerage business until business travel is resumed.

Helios's African-focused fund is further delayed due to travel restrictions both in HK and many of the African regions.

Loan Financing Services

For the Current Year, the Group's loan financing operation reported a segment profit of HK$241,000 (2021: nil). As at 31st March, 2022, the loan portfolio held by the Group was HK$2,949,000 (2021: nil).

Other Investment

During the Current Year, the Group's other investment contributed nil segment revenue (2021: nil) and a segment profit of HK$1,831,000 (2021: HK$1,428,000).

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March, 2022, the Group has total assets of HK$1,600,250,000 (2021: HK$789,037,000) represented an increase of HK$811,213,000 or 103% when compared with the last year. The increase was mainly due to the acquisition of a subsidiary, Thousand Vantage, during the year.

As at 31st March, 2022, equity attributable to owners of the Company amounted to HK$558,807,000 (2021: HK$709,546,000), representing a decrease of HK$150,739,000 or 21% as compared to 31st March, 2021. The decrease was mainly due to the fair value loss of financial instruments, in particular, the Group's investment in AFC Mercury Fund.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and capture investment opportunities as and when they become available.

As at 31st March, 2022, current assets and current liabilities of the Group were HK$338,789,000 (2021: HK$343,059,000) and HK$311,417,000 (2021: HK$72,380,000) respectively. Accordingly, the Group's current ratio was about 1.1 (2021: 4.7).

Gearing Ratio

As at 31st March, 2022, the Group had bank balances and cash of HK$109,590,000 (2021: HK$239,325,000) and bank and other borrowings of HK$165,290,000 (2021: nil). The Group's gearing ratio was 10% at 31st March, 2022 (2021: zero). The gearing ratio is calculated on the basis of net borrowings over the equity attributable to owners of the Company. Net borrowings are arrived at by deducting bank balances and cash from bank borrowings.

Material Acquisitions or Disposals and Future Plans for Material Investment

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor (the "**Subscription**") to subscribe for 668,571,429 new ordinary shares of Thousand Vantage at a subscription price, being the redemption amount which is the aggregate sum of the subscription price for the preference shares of HK$200,000,000 and all the accrued and unpaid dividends on the preference shares up to the date of completion. The Subscription Price shall be paid on completion by way of offsetting against the Redemption Amount payable by Thousand Vantage for redemption of the preference shares issued by Thousand Vantage to the Group on 16th April, 2018. Upon completion of the Subscription, the Group will hold approximately 65% of all the issued shares of Thousand Vantage as enlarged by the Subscription Shares, and all preference shares issued by Thousand Vantage shall have been fully redeemed.

The Subscription was completed on 11th October, 2021. Upon completion of the Subscription, the Group obtained control over the Thousand Vantage Group through its 65% equity interests in Thousand Vantage and the Management Agreement was terminated. Details of the Subscription are disclosed in the Company's Announcement dated 29th March, 2021, the Company's Circular dated 17th September, 2021 and the Company's Announcement dated 11th October, 2021.

FINANCIAL REVIEW (continued)

Material Acquisitions or Disposals and Future Plans for Material Investment (continued)

The Subscription has been accounted for as acquisition of business using the acquisition method.

Save for those disclosed above in this announcement, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Current Year nor were there material investments authorised by the Board at the date of this report.

Foreign Currency Management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in Hong Kong dollars, Korean Won, Renminbi, United States dollars and British pound sterling. During the Current Year, the Group entered into a number of foreign currency forward contracts and currency swaps for hedging purposes. Appropriate measures would be undertaken by the Group when exchange rate fluctuations become significant.

Litigation

In February 2022, PRC Subsidiary received a civil complaint filed by Lianwei (Shanghai) Finance Lease Limited* (聯蔚(上海)融資租賃有限公司) ("**Lianwei**") in respect of a dispute over the sale and leaseback arrangements of two oil storage tanks. Under the civil complaint, Lianwei requested the court to order PRC Subsidiary to pay the due and unpaid rent of RMB673,000 (equivalent to HK$830,000) and the full amount of remaining rent for the remaining lease period of RMB106,273,000 (equivalent to HK$131,056,000), late default payments thereon and other related litigation costs. PRC Subsidiary has already paid the abovementioned due and unpaid rent of RMB673,000 (equivalent to HK$830,000) in February 2022. Details are disclosed in the Company's Announcement dated 28th February, 2022. In June 2022, PRC Subsidiary received another civil complaint filed by Lianwei in respect of a dispute over the sale and leaseback arrangement of another oil storage tank. Under the civil complaint, Lianwei requested the court to order PRC Subsidiary to pay the due and unpaid rent of RMB35,500,000 (equivalent to HK$43,779,000), default payments thereon and other related the litigation costs. Details are disclosed in the Company's Announcement dated 28th June, 2022.

Based on the advice from the PRC legal advisers, the directors of the Company consider that PRC Subsidiary is not in breach of the relevant terms in the sale and leaseback agreements and the remaining amounts are not immediately repayable. Accordingly, the outstanding amounts due to Lianwei in respect of the sale and leaseback arrangements amounting to HK$165,448,000 has been included in lease liabilities under current liabilities as to HK$271,000 and non-current liabilities as to HK$165,177,000 as at 31st March, 2022 in accordance with the scheduled repayment dates in the sale and leaseback agreements and relevant renewal agreements.

Pledge of Assets

As at 31st March, 2022, HK$366,512,000 of the Group's assets were pledged to secure any of its bank loans (2021: nil).

* *For identification purposes only*

Management Discussion and Analysis

FINANCIAL REVIEW (continued)

Contingent Liabilities

As at 31st March, 2022, the Group had no significant contingent liabilities (2021: nil).

Capital Commitments

As at 31st March, 2022, the capital commitments of the Group were HK$67,878,000 (2021: HK$60,603,000) in respect of construction contracts entered into for the construction of petrochemical storage and related facilities in order to operate the petrochemical storage business located in China.

Securities in Issue

As at 31st March, 2022, there were 2,018,282,827 shares in issue. There was no change in the capital structure of the Company during the Current Year. The share capital of the Company only comprises of ordinary shares.

SIGNIFICANT INVESTMENTS

Description of investment	*Notes*	**Carrying amount as at 1st April, 2021**	**Fair value loss recognised in profit and loss**	**Carrying amount as at 31st March, 2022**	**Percentage to the Group's audited total assets as at 31st March, 2022**
		HK$'000	*HK$'000*	*HK$'000*	
Unlisted investment, at amortised cost					
– Preference shares of Thousand Vantage	*(a)*	200,000	–	–	0%
Unlisted investment, at fair value					
– Investment in AFC Mercury Fund	*(b)*	197,704	(66,264)	131,440	8.2%
Total		397,704	(66,264)	131,440	8.2%

SIGNIFICANT INVESTMENTS (continued)

(a) This unlisted investment represents 100 preference shares issued by Thousand Vantage at a subscription price of HK$200,000,000. The details of which are disclosed in the Company's announcement dated 17th April, 2018.

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor to subscribe for 668,571,429 new ordinary shares of Thousand Vantage at a subscription price, being the redemption amount, which is the aggregate sum of the subscription price for the preference shares of HK$200,000,000 and all the accrued and unpaid dividends on the preference shares up to the date of completion. The subscription was completed on 11th October, 2021. For details, please refer to "Material Acquisitions or Disposals and Future Plans for Material Investment".

(b) This unlisted investment at fair value represents 29.71% of the issued share capital of the AFC Mercury Fund, which principally invests in shares of companies listed on the Korea Exchange, principally STX Corporation Limited. STX Corporation Limited (stock code: 011810) is primarily engaged in the business of energy trading, commodity trading, machinery and engine trading, and shipping and logistics.

During the Current Year, an unrealised fair value loss of HK$66,264,000 was recognised and the Group intends to hold the investment for long-term strategic purposes.

Biographies of Directors and Company Secretary

EXECUTIVE DIRECTORS

Mr. Ching Man Chun, Louis ("Mr. Ching"), the Chairman and the Managing Director

Mr. Ching, aged 43, joined the Company as an Executive Director in June 2017 and is also a director of various subsidiaries of the Company. Mr. Ching was subsequently appointed as the Chairman of the Board of Directors and Managing Director of the Company in September 2017. Mr. Ching holds a Bachelor of Arts degree in Economics from Boston University in the United States of America. He has extensive experience in commodity trading and business development in the PRC and other countries in Asia and Africa.

Mr. Ching is now a non-executive director and deputy president of STX Corporation, the securities of which are listed on the Korea Exchange (stock code: 011810.KS).

Mr. Ching is a director of Champion Choice Holdings Limited, a substantial shareholder of the Company within the meaning of part XV of the SFO.

Ms. Xu Wei ("Ms. Xu")

Ms. Xu, aged 52, joined the Group as financial controller in June 2017 and the Company as an Executive Director in August 2017 and is also a director of various subsidiaries of the Company. Ms. Xu holds a Bachelor of Economics degree majoring in Accounting from Xiamen University in the PRC. Ms. Xu is a fellow member of the Institute of Public Accountants in Australia and has extensive experience in finance and accounting.

Mr. Xu is now an independent non-executive director or Smart-Core Holdings Limited (stock code: 2166), a company listed on the Hong Kong Stock Exchange.

Mr. Yeung Kim Ting ("Mr. Yeung")

Mr. Yeung, aged 56, was first appointed as an Independent Non-executive Director in August 2017 and is subsequently re-designated as an Executive Director of the Company in July 2019 and is also a director of various subsidiaries of the Company. Mr. Yeung had been a Chairman of the Audit Committee, a member of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company prior to the re-designation. Mr. Yeung holds a Bachelor of Arts (Honours) degree majoring in Accounting from the University of Ulster in Northern Ireland of the United Kingdom. Mr. Yeung is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in accounting, auditing, merger and acquisition, business development, financial and general management. Mr. Yeung worked at PricewaterhouseCoopers Hong Kong and Shenzhen from 1991 to 2007. From 2007 onwards, he served as chief financial officer or director in different companies including listed companies in the US and Hong Kong.

Biographies of Directors and Company Secretary

EXECUTIVE DIRECTORS (continued)

Mr. Heinrich Grabner ("Mr. Grabner")

Mr. Grabner, aged 47, joined the Group as a chief executive officer and responsible officer of Helios in January 2018 and is subsequently appointed as an Executive Director of the Company in November 2019. He also acts as director of certain subsidiaries of the Company including Helios and Muhabura. Mr. Grabner received his B.A. in Economics and Chinese from The University of Michigan. Prior to joining the Group, Mr. Grabner held various senior positions in different investment banking, asset management and private banking companies. He has over two decades of investment management experience in the Asia Pacific region, including extensive experience in mergers and acquisitions, with a focus in finance, mining, energy and infrastructure.

Mr. Grabner is now a non-executive director of Sonora Gold and Silver Corp (SOC.V), the shares of which are listed on the TSX Venture Exchange in Canada.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yam Kwong Chun ("Mr. Yam")

Mr. Yam, aged 57, joined the Company as an Independent Non-executive Director in March 2017 and is the Chairman of Nomination Committee and a member of the Audit Committee, Remuneration Committee and Corporate Governance Committee of the Company. Mr. Yam holds a Bachelor of Commerce degree and a Master of Business Administration degree, both from University of Melbourne in Australia. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of the CPA Australia. Mr. Yam had worked for Deloitte Touche Tohmatsu, an international accounting firm and as a finance executive for a number of group of companies operating in Hong Kong, the PRC, the United States of America and other overseas countries. Mr. Yam has extensive experience in auditing, accounting and financial management.

Mr. Yam is now an independent non-executive director of Reliance Global Holdings Limited (formerly known as Sustainable Forest Holdings Limited) (stock code: 723), a company listed on the Hong Kong Stock Exchange.

Biographies of Directors and Company Secretary

INDEPENDENT NON-EXECUTIVE DIRECTORS (continued)

Mr. Wong Yee Shuen, Wilson ("Mr. Wong")

Mr. Wong, aged 55, joined the Company as an Independent Non-executive Director in November 2017 and is the Chairman of the Audit Committee, a member of Remuneration Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Australia CPA and Australian Institute of Banking and Finance. He holds a master of commerce degree, majoring in banking and finance from University of New South Wales. With more than 20 years' experience in audit/assurance at public accounting firms including PricewaterhouseCoopers and Ernst and Young, Mr. Wong specialised in banking audits and auditing listed companies.

Mr. Wong is now an independent non-executive director of China Pipe Group Limited (stock code: 380) and Ping An Securities Group (Holdings) Limited (stock code: 231, currently in liquidation). Both companies are listed on the Hong Kong Stock Exchange.

Mr. Lam Yik Tung ("Mr. Lam")

Mr. Lam, aged 46, joined the Company as an Independent Non-executive Director in July 2019 and is the chairman of Remuneration Committee, a member of the Audit Committee, Nomination Committee and Corporate Governance Committee of the Company. Mr. Lam holds a Bachelor of Business Administration degree majoring in Finance and Accounting from Simon Fraser University in Canada. He has accumulated over 10 years of corporate finance, auditing and accounting experience from a European investment bank and an international accounting firm.

COMPANY SECRETARY

Ms. Lo Yuen Mei ("Ms. Lo")

Ms. Lo has been appointed as the Company Secretary of the Company in October 2019. Ms. Lo holds a Bachelor of Arts (Honours) degree majoring in Accounting from Edinburgh Napier University and a Master of Professional Accounting degree from The Hong Kong Polytechnic University. She has over 20 years of experience in company secretarial and compliance, finance, accounting, internal audit of Hong Kong listed and private companies. Ms. Lo is a member of The Hong Kong Institute of Certified Public Accountants.

Directors' Report

The Board is pleased to present this annual report together with audited consolidated financial statements of the Group for the Current Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. A list of the Company's principal subsidiaries as of 31st March, 2022 and details of the principal activities of the Company's principal subsidiaries are set out in note 43 to the consolidated financial statements.

Further discussion and analysis of the Group's business review as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of likely future developments in the Group's business, can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" set out on pages 5 to 15 of this annual report. This discussion forms part of this Directors' report.

RESULTS

Details of the Group's results for the Current Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 80 to 81 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Current Year (2021: nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 188 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Current Year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the authorised and issued share capital of the Company during the Current Year are set out in note 31 to the consolidated financial statements.

Directors' Report

RESERVES

Details of movements in the reserves of the Company and the Group during the Current Year are set out in the consolidated statement of changes in equity on page 84 of this annual report and note 35 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

The Company has no distributable reserves as at 31st March, 2022 and 2021.

DIRECTORS

The Directors who held office during the Current Year and up to the date of this annual report are:

Executive Directors:

Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*
Mr. Sue Ka Lok *(resigned on 6th July, 2021)*
Ms. Xu Wei
Mr. Yeung Kim Ting
Mr. Heinrich Grabner

Independent Non-executive Directors:

Mr. Yam Kwong Chun
Mr. Wong Yee Shuen, Wilson
Mr. Lam Yik Tung

Pursuant to bye-law 98 of the Bye-laws and the code provision A.4.2 of the Corporate Governance Code, Mr. Ching Man Chun, Louis, Ms. Xu Wei, Mr. Yeung Kim Ting, Mr. Heinrich Grabner, Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung will retire by rotation at the 2022 AGM and, being eligible, offer themselves for re-election.

All Directors are subject to retirement by rotation as required by the Bye-laws and the code provision of Corporate Governance Code.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The independent non-executive Directors are appointed for a term of twelve-month period which automatically renews for successive twelve-month period unless terminated by either party in writing prior to the expiry of the term, subject to retirement by rotation and re-election in accordance with the Bye-laws.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and the Company has assessed their independence and considers all the independent non-executive Directors to be independent.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or, as the case may be, the percentage in the equity interest and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange were as follows:

Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching Man Chun, Louis ("**Mr. Ching**")	Beneficial owner	100,000,000	4.95%
	Interest of controlled corporation	488,000,000 *(Note)*	24.18%

Note:

Champion Choice Holdings Limited ("**Champion Choice**"), which is the registered holder of 488,000,000 shares of the Company, is wholly-owned by Mr. Ching. Accordingly, Mr. Ching is deemed to be interested in 488,000,000 shares of the Company directly held by Champion Choice under the SFO.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Long positions in shares, underlying shares and debentures of the Company (continued)

Save as disclosed above, as at 31st March, 2022, none of the Directors and chief executive of the Company or any of their close associates had any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-laws, every Director or other officer of the Company for the time being acting in relation to any affairs of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto, and no director or other officer shall be liable for any loss, misfortune or damage which may happen in the execution of his/her office or in relation thereto provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors or other officers. The Company has arranged appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and officers arising out of corporate activities. The level of the coverage is reviewed annually.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in note 6 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, no directors were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, as required to be disclosed pursuant to Rule 8.10 of the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Saved as disclosed in note 41 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, which subsisted at the end of the Current Year or at any time during the Current Year.

Directors' Report

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

Pursuant to Rule 13.51B of the Listing Rules, the changes in information of Directors subsequent to the date of the 2021/22 Interim Report of the Company and up to the date of this report are set out below:

Mr. Wong Yee Shuen, Wilson, the independent non-executive Director, is also an independent non-executive director of Ping An Securities Group (Holdings) Limited, a company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange (Stock code: 231). Ping An was ordered to be wounded up in accordance with the applicable laws of Bermuda and Hong Kong on 1st October, 2021 and 10th May, 2021 respectively and liquidators were appointed for Ping An. Details of which are set out in the announcements of Ping An dated 11th May, 2021, 7th September, 2021, 31st December, 2021 and 10th April, 2022.

Changes in directors' emoluments during the Current Year are set out in note 6 to the consolidated financial statements.

SHARE OPTION SCHEME

On 20th August, 2021, the Company has adopted a new share option scheme (the "**Share Option Scheme**"), which replaced an old share option scheme that expired on 18th August, 2021.

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contributions to, and continuing efforts to promote the interests of, the Company or any of its subsidiaries and/or any of its invested entities.

Pursuant to the Share Option Scheme, the Board may, on or before 19th August, 2031, in its absolute discretion, subject to the terms of the Share Option Scheme, offer to grant share options to, inter alia, (i) employees (whether full time or part time), executive or non-executive directors of the Company or any of its subsidiaries or any of its invested entities; (ii) any shareholders of the Company or any of its subsidiaries or any of its invested entities; (iii) any advisors (professional or otherwise), consultants, any person or entity who has contributed or will contribute to the growth and development of the Group; (iv) suppliers, (v) customers; (vi) any person or entity that provides research, development or other technological support to any member of the Group or any of its invested entities; and (vii) joint venture partners, business alliance partners or any person or entity who has contributed or may contribute by way of other business arrangement to the development and growth of the Group. As at the date of this report, the total number of shares available for issue under the Share Option Scheme is 201,828,282 shares, which represented approximately 10% of the number of shares in issue of the Company as at the date on which the Share Option Scheme was adopted at the annual general meeting of the Company held on 20th August, 2021.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) adopted by the Group shall not, in aggregate, exceed 30% of the share capital of the Company in issue from time to time.

The exercise price in respect of any options shall be at the discretion of the Board (subject to any adjustments made pursuant to the Share Option Scheme), provided that it shall not be lower than the nominal value of the shares of the Company and shall be the highest of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

The Board may in its absolute discretion determine the period in respect of any options, save that such period shall not be more than 10 years from the date of the grant of option, and the minimum period for which a share option must be held before it can be exercised. Unless otherwise determined by the Board and stated in the offer to a grantee, the Share Option Scheme does not specify a minimum period for which an option must be held nor a performance target which must be achieved before an option can be exercised.

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the adoption date i.e. 20th August, 2021. The total number of shares issued and to be issued upon exercise of the share options granted to each participant except for independent non-executive directors and substantial shareholders of the Company (including exercised, cancelled and outstanding options) within any 12-month period under the Share Option Scheme and any other share option scheme(s) of the Company and/or any of its subsidiaries shall not exceed 1% of the number of shares in issue of the Company for the time being.

Any grant of share options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the number of shares in issue on the date of such grant; and (ii) having an aggregate value, based on the closing price of the shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on each relevant date on which the grant of such options is made to (and subject to acceptance by) such person under the relevant scheme, in excess of HK$5 million, such further grant of share options shall be subject to prior approval by resolution of the shareholders of the Company (voting by way of poll).

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned for 21 days from the date of the grant of option. A consideration of HK$1.00 is payable on acceptance of the offer of the grant of share option.

As at 31st March, 2022, there was no outstanding share option granted by the Company pursuant to the Share Option Scheme. Details of the Share Option Scheme of the Company are set out in note 32 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors or the chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and none of the directors, the chief executive, their spouses or children under the age of 18 had any right to subscribe for securities of the Company, or had exercised any such right during the year ended 31st March, 2022.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

Save as disclosed below, as at 31st March, 2022, the Directors and chief executive of the Company are not aware of any person who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Substantial Shareholders	Capacity	Number of issued shares held	Approximate percentage of the issued shares of the Company
Mr. Ching	Beneficial owner	100,000,000	4.95%
	Interest of controlled corporation	488,000,000 *(Note)*	24.18%
Champion Choice	Beneficial owner	488,000,000 *(Note)*	24.18%

Note:

Champion Choice is the registered holder of 488,000,000 shares of the Company. Mr. Ching, a director of the Company is also a director of Champion Choice, who owns the entire issued share capital of Champion Choice. Accordingly, Mr. Ching is deemed to be interested in 488,000,000 shares of the Company directly held by Champion Choice under the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the applicable laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Current Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Directors' Report

MAJOR CUSTOMERS AND SUPPLIERS

During the Current Year, the Group's purchases and sales attributable to the major customers and suppliers respectively were as follows:

	Customers percentage of total sales	Suppliers percentage of total purchases
Five largest	80%	75%
The largest	29%	24%

None of the Directors, or any of their close associates or any Shareholders (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers or suppliers during the Current Year.

BANK BORROWINGS

As at 31st March, 2022, the Group had bank and other borrowings of HK$165,290,000 (2021: nil).

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company disclosed in the section headed "Share Option Scheme" above, no equity-linked agreement was entered into by the Company during the Current Year or subsisted as at 31st March, 2022.

MANAGEMENT CONTRACTS

Other than a contracts of service with any Director or any person under the full employment of the Company, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Current Year.

CONNECTED TRANSACTION

There was no connected transaction or continuing connected transaction undertaken by the Company during the Current Year and up to the date of this report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules. The related party transactions disclosed in note 41 to the consolidated financial statements did not constitute connected transactions or continuing connected transactions of the Company, or were either disclosed previously pursuant to the Listing Rules or exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

Directors' Report

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Company is aware, there was no incidence of non-compliance with the all applicable laws and regulations that had a significant impact on the businesses and operations of the Group during the Current Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2022, the Group had a total of 207 employees (2021: 45 employees), including executive Directors. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training and provident funds. The share option scheme of the Company is established for the eligible participants (including employees). No share option was granted during the Current Year and there was no outstanding share option as at 31st March, 2022 and as at the date of this report.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the shares of the Company. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasised that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

DONATION

Support from society and community has long been an important element for the growth and development of the Group, we therefore recognize the importance of serving the community with love and care. We always encourage our employees to participate in charitable events and community activities, and we will continue to step up our community contribution by dedicating more efforts and resources in participating and organizing community and charitable activities in the future, so as to share our fruitful enterprise growth with the community. The Group has donated HK$1,000,000 to Live In Harmony Fund Limited during the Year, aiming to support and create positive impact to the community.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, at least 25% of the Company's total issued share capital is held by the public as required under the Listing Rules.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed under the Litigation section, there are no significant subsequent events.

Directors' Report

MATERIAL ACQUISITIONS OR DISPOSALS AND FUTURE PLANS FOR MATERIAL INVESTMENTS

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor (the "**Subscription**") to subscribe for 668,571,429 new ordinary shares of Thousand Vantage at a subscription price, being the redemption amount which is the aggregate sum of the subscription price for the preference shares of HK$200,000,000 and all the accrued and unpaid dividends on the preference shares up to the date of completion. As one of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription and the transactions contemplated thereunder exceeds 100%, the Subscription constitutes a very substantial acquisition for the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Subscription was completed on 11th October, 2021 and all the conditions precedent to the Subscription have been fulfilled. As at the date of this report, the Group held approximately 65% of all the issued shares of Thousand Vantage as enlarged by the Subscription Shares, and all preference shares issued by Thousand Vantage have been fully redeemed. For details, please refer to the announcements of the Company dated 29th March, 2021 and 11th October, 2021 and the circular of the Company dated 17th September, 2021.

Save for those disclosed above in this report, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Current Year nor were there material investments authorised by the Board at the date of this report.

AUDIT COMMITTEE

The members of Audit Committee comprised of Mr. Wong Yee Shuen, Wilson, Mr. Yam Kwong Chun and Mr. Lam Yik Tung who are the independent non-executive Directors of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements of the Group for the year ended 31st March, 2022 with management and discussed with the independent auditor on auditing, internal control and financial reporting matters in respect of this annual report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31st March, 2022 have been audited by Deloitte Touche Tohmatsu ("**Deloitte**"), who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 29th June, 2022

Corporate Governance Report

The Board is committed to maintaining a high standard of corporate governance practices and procedures and complying with statutory and regulatory requirements with an aim to maximizing the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had complied with the Corporate Governance Code (the "**CG Code**") throughout the year ended 31st March, 2022 except for the following deviations with reasons as explained:

Code provision A.2.1 – Chairman and Chief Executive
Under the code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation:
Mr. Ching Man Chun, Louis, an Executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

Except as stated above, the Company has continued to comply with the applicable code provisions of the CG Code. The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has continued to adopt the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding securities transactions by the Directors of the Company. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the Current Year. The Company has also continued to adopt a code of conduct governing securities transactions by employees and directors of the subsidiaries who may possess or have access to inside information relating to the Company or its securities.

Corporate Governance Report

BOARD OF DIRECTORS

Board Composition and Functions

The members of the Board are individually and collectively responsible for the leadership and control, and for promoting the success, of the Company by directing and supervising the Company's affairs. At the date of this report, the Board comprises of seven Directors, including four Executive Directors, namely Mr. Ching Man Chun, Louis ("**Mr. Ching**") *(Chairman and Managing Director)*, Ms. Xu Wei ("**Ms. Xu**"), Mr. Yeung Kim Ting ("**Mr. Yeung**") and Mr. Heinrich Grabner ("**Mr. Grabner**"); and three Independent Non-executive Directors, namely Mr. Yam Kwong Chun ("**Mr. Yam**"), Mr. Wong Yee Shuen, Wilson ("**Mr. Wong**") and Mr. Lam Yik Tung ("**Mr. Lam**"). Each of the Directors has signed a formal letter of appointment setting out the key terms and conditions of his/her appointment.

The Board has a balanced composition of Executive and Independent Non-executive Directors so that strong independent elements are included in the Board. The Company has always maintained a sufficient number of Independent Non-executive Directors representing more than one-third of the Board as required under Rule 3.10A of the Listing Rules. With three members of the Board being Independent Non-executive Directors who possess professional expertise and a diverse range of experience, the Board can effectively and efficiently exercise independent judgment, give independent advice to the management of the Company and make decisions objectively to the benefits and in the interests of the Company and the Shareholders as a whole.

The Company recognises and embraces the benefits of having a diverse Board and therefore has adopted a policy of diversity on the Board (the "**Board Diversity Policy**"). With a view to achieving a sustainable and balanced development, the Company believes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Board diversity would be considered based on a number of measurable objectives, including but not limited to skills, knowledge, experience, gender, age, length of services and cultural and educational background. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The nomination committee has obligation to review the size, structure and composition of the Board on an annual basis.

During the reporting period, the Company has a diversified Board composition which meets the aforesaid measurable objectives of the Board Diversity Policy. Biographical details of the Directors are set out on pages 16 to 18 of this annual report. A list containing the names of all Directors and their roles and functions is published on the respective websites of the Hong Kong Stock Exchange and the Company pursuant to code provision A.3.2 of the CG Code, and will be updated from time to time as and when there are any changes.

BOARD OF DIRECTORS (continued)

Board Composition and Functions (continued)

The Board is responsible for the success and sustainable development of the Company. It has delegated the Executive Board with authority and responsibility for handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganisation or scheme of arrangement of the Company.

The Board monitors the results of business plans implemented by the management; reviews and approves the Company's financial objectives, plans and major financial activities; establishes the internal control system and the risk management system of the Company and discusses with the management regularly to ensure that such systems are operating effectively. The Board promotes a culture of integrity at the Company and requires all Directors and the management to comply with guidance related to integrity and ethics, including conflicts of interest, related party transactions and the treatment of confidential information. At the date of this report, the Board members have no other financial, business, family or other material or relevant relationships with each other.

Director's Training

As part of an ongoing process of Director's training, the Directors keep abreast of the latest developments to enhance and refresh their knowledge and skills. All Directors are provided with briefings and trainings to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under Listing Rules, other relevant laws and regulations. During the Current Year under review, each of the Directors of the Company participated in continuous professional development by way of reading materials and attending seminars relating to updates on the Companies Ordinance of Hong Kong, the SFO, the Codes on Takeovers and Mergers, the Listing Rules, environmental, social and governance reporting and anti-money laundering and counter-terrorist financing.

A summary of training received by the Directors during the year ended 31st March, 2022 based on their training records provided to the Company is as follows:

Name of Director	Briefings/ Seminars/ Reading Materials
Executive Directors	
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	✔
Ms. Xu Wei	✔
Mr. Yeung Kim Ting	✔
Mr. Heinrich Grabner	✔
Independent Non-executive Directors	
Mr. Yam Kwong Chun	✔
Mr. Wong Yee Shuen, Wilson	✔
Mr. Lam Yik Tung	✔

Corporate Governance Report

ATTENDANCE AT MEETINGS

During the Current Year under review, four regular Board meetings were held with at least fourteen days' notice given to all Directors. Directors were provided with relevant information to make informed decisions. The Chairman met with the Independent Non-executive Directors without the Executive Directors being present during the Current Year. The Board and each Director have separate and independent access to the Company's senior management. A Director who considers a need for independent professional advice in order to perform his/her duties as a Director may convene, or request the secretary of the Company (the "**Company Secretary**") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice.

The Company has arranged insurance coverage in respect of legal action against the Directors and officers arising out of their duties. Such insurance coverage will review periodically to ensure the adequacy of its coverage.

During the Current Year, the attendance records of each individual Director at Board meetings, audit committee meetings ("**ACM**"), corporate governance committee meetings ("**CGCM**"), nomination committee meeting ("**NCM**"), remuneration committee meeting ("**RCM**") and the 2021 AGM are set out in the following table:

	Number of meetings attended/held					
Name of Director	**Board Meetings**	**ACM**	**CGCM**	**NCM**	**RCM**	**2021 AGM**
Executive Directors						
Mr. Ching Man Chun, Louis *(Chairman and Managing Director)*	4/4	N/A	N/A	N/A	N/A	1/1
Ms. Xu Wei	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Yeung Kim Ting	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Heinrich Grabner	4/4	N/A	N/A	N/A	N/A	1/1
Independent Non-executive Directors						
Mr. Yam Kwong Chun	4/4	2/2	2/2	1/1	1/1	1/1
Mr. Wong Yee Shuen, Wilson	4/4	2/2	2/2	1/1	1/1	1/1
Mr. Lam Yik Tung	4/4	2/2	2/2	1/1	1/1	1/1

CHAIRMAN AND MANAGING DIRECTOR

Mr. Ching Man Chun, Louis, an Executive Director of the Company, has taken up the positions of the Chairman of the Board and the Managing Director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans, the Board also believes that the balance of power and authority is adequately ensured.

Corporate Governance Report

INDEPENDENT NON-EXECUTIVE DIRECTOR(S) ("INED" OR "INEDS")

Non-executive Directors (during the year, all non-executive Directors of the Company are INEDs) serve the relevant function of bringing independent judgment on the development and performance of the Group. They have the same duties of care and skill and fiduciary duties as executive Directors. The Company has entered into letters of appointment with all Non-executive Directors (during the year, all Non-executive Directors of the Company INEDs) for a term of twelve months which automatically renews for successive twelve-month periods. Same as all other Directors, the Non-executive Directors (during the year, all non-executive Directors of the Company are INEDs) are subject to retirement by rotation and shall offer themselves for re-election in general meetings in accordance with the Bye-laws.

At the date of this report, Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received from each of the INEDs an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and considers that all INEDs are independent.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy for ensuring a balance of skills, experience, expertise and diversity of perspectives appropriate for the strategies of the Company, a summary of which is as follows:–

Measurable Objectives

Selection of candidates will be based on a number of factors, including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidate will bring to the Board.

Implementation of the Policy

The nomination committee will review annually on the Board's composition under diversified perspectives, including but not limited to progress on achieving any measurable objectives that had been set for implementing this Board Diversity Policy, and monitor the implementation of this Board Diversity Policy.

The nomination committee has primary responsibility for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to this Board Diversity Policy.

Monitoring and Reporting

The Board, the nomination committee or a delegated committee appointed by any of them will disclose in the Corporate Governance Report of the Company's Annual Report, this Board Diversity Policy or a summary of this Board Diversity Policy, including any measurable objectives that it has set for implementing this Board Diversity Policy, and progress on achieving those objectives.

BOARD DIVERSITY POLICY (continued)

Review of Board Diversity Policy

The nomination committee will review this Board Diversity Policy, as appropriate, to ensure its effectiveness. The nomination committee will discuss any revisions that may be required, and recommend any proposed changes to the Board for consideration and approval.

During the reporting period, the Company has a solid slate of Directors with diverse perspectives, and varied educational background and professional qualifications. All of the Directors have accumulated experience in their respective field of expertise, and made use of their talent and experience to drive the industry so as to bring sustainable growth to the Company.

BOARD COMMITTEES

The Board has established four Board Committees, namely Audit Committee, Remuneration Committee, Nomination Committee and Corporate Governance Committee. Each of the Board Committees has its terms of reference with defined powers and authorities given to the Committee members to discharge their duties.

Audit Committee

The Board has established the Audit Committee with specific written terms of reference which clearly defines its role, authority and function in accordance with code provision C.3.3 of the CG Code. The Board has at all times complied with the requirements of Rule 3.21 of the Listing Rules for having a minimum of three Non-executive Directors with at least one of them being an INED with appropriate professional qualifications in the Audit Committee. The Company Secretary serves as the secretary of the Audit Committee and minutes of the meetings are sent to the members of the Audit Committee within a reasonable time after the meetings. The quorum necessary for the transaction of business by the Audit Committee is two.

At the date of this report, the members of the Audit Committee comprised of three INEDs namely Mr. Wong Yee Shuen, Wilson *(Chairman of the Audit Committee)*, Mr. Yam Kwong Chun and Mr. Lam Yik Tung. Mr. Wong Yee Shuen is a qualified accountant with extensive experience in financial reporting and controls as required by the Listing Rules. Each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in business, accounting and financial management on the Audit Committee.

The principal duties of the Audit Committee include reviewing the Group's interim and annual results prior to recommending them to the Board for its approval as well as the effectiveness of the audit process; making recommendation on the appointment of external auditors and acting as the key representative body for the Company in monitoring the independence and objectivity of the external auditors; and reviewing the Group's financial information and financial reporting system. The Audit Committee is also responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems, and the effectiveness of the internal audit function of the Company. The Board has also adopted the risk management and internal control policy and the procedures for the employees of the Group to raise concerns about possible improprieties in financial reporting, internal controls or other matters. The Audit Committee has been delegated by the Board with the responsibility for reviewing such procedures and related arrangements. The terms of reference of the Audit Committee is published on the respective websites of the Hong Kong Stock Exchange and the Company. The Audit Committee has been provided with sufficient resources to perform its duties.

BOARD COMMITTEES (continued)

Audit Committee (continued)

During the Current Year, the Audit Committee held two meetings and has performed, inter alia, the following:

- reviewed and discussed with external auditors the annual results for the year ended 31st March, 2021 and the interim results for the six months ended 30th September, 2021 and recommended to the Board for approval respectively;

- reviewed and obtained explanation from management on the interim and annual results, including causes of changes from the previous accounting period, effects on the application of new accounting policies, and compliance with the Listing Rules and relevant legislations;

- reviewed the activities of the Group's internal audit function and its findings and recommendations as laid down in the internal audit reports;

- reviewed the internal audit plan for the year 2022;

- recommended to the Board regarding the re-appointment of the Company's external auditors;

- reviewed the effectiveness of risk management and internal control systems of the Group, including risk management and internal control policy and reviewed the transaction in compliance with the annual review requirements of the Listing Rules;

- considered the adequacy of resources, professional qualifications and experience of staffs of the Company's accounting and financial reporting function, and their training programs and budget;

- reviewed the terms of reference and internal control policy and recommended the same to the Board for approval; and

- held meetings with the external auditors, at least annually, in the absence of management, to discuss matters relating to any issues arising from the audit and any other matters the auditors may wish to raise.

The Board and the members of the Audit Committee did not have any differences in opinion during the Current Year.

BOARD COMMITTEES (continued)

Remuneration Committee

The Board has established the Remuneration Committee with specific written terms of reference which clearly defines its role, authority and function in accordance with code provision B.1.2 of the CG Code. The Company Secretary serves as the secretary of the Remuneration Committee and minutes of the meetings are sent to the members of the Remuneration Committee within a reasonable time after the meetings. The quorum necessary for the transaction of business by the Remuneration Committee is two.

At the date of this report, the members of the Remuneration Committee comprised of three INEDs namely Mr. Lam Yik Tung *(Chairman of the Remuneration Committee)*, Mr. Yam Kwong Chun, and Mr. Wong Yee Shuen, Wilson.

The principal responsibilities of the Remuneration Committee include advising the Board on the remuneration policy and structure for all the Directors and the senior management of the Company; making recommendation to the Board on remuneration packages for Directors and senior management of the Company; and ensuring that no Director or any his associates is involved in deciding his own remuneration. The terms of reference of the Remuneration Committee is published on the respective websites of the Hong Kong Stock Exchange and the Company. The Remuneration Committee has been provided with sufficient resources to perform its duties.

The objective of the remuneration policy of the Company is to ensure the Company be able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. In evaluating the remuneration packages for Directors and senior management of the Company, the Remuneration Committee takes into consideration various factors such as skills, knowledge, time commitment, responsibilities, and by reference to the prevailing market conditions.

During the Current Year, the Remuneration Committee held one meeting and has performed, inter alia, the following:

- reviewed the proposal for updated terms of reference and recommended the same to the Board for approval; and

- determined, with delegated responsibility, the remuneration packages of individual executive Directors and senior management of the Company.

Information on emoluments of the Directors for the year ended 31st March, 2022 is set out in note 6 to the consolidated financial statements. During the year under review, none of the Directors or any of their associates was involved in deciding his/her own remuneration.

BOARD COMMITTEES (continued)

Nomination Committee

The Board has established the Nomination Committee with specific written terms of reference which clearly defines its role, authority and function in accordance with code provision A.5.2 of the CG Code. The Company Secretary serves as the secretary of the Nomination Committee and minutes of the meeting is sent to the members of the Nomination Committee within a reasonable time after the meeting. The quorum necessary for the transaction of business by the Nomination Committee is two.

At the date of this report, the members of the Nomination Committee comprised of three INEDs namely Mr. Yam Kwong Chun *(Chairman of the Nomination Committee)*, Mr. Wong Yee Shuen, Wilson, and Mr. Lam Yik Tung.

The principal responsibilities of the Nomination Committee include reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills , knowledge and length of service) of the Board; formulating and upholding the nomination policy (the "**Nomination Policy**")and Board Diversity Policy; making recommendations to the Board on the selection of individuals nominated for directorships to complement the Company's corporate strategy as well as on the appointment or re-appointment of Directors and succession planning for Directors; and assessing the independence of the INEDs. For effective functioning in the course of the Director's nomination process, the Board has also adopted (i) the procedures for a member to propose a person for election as a Director in accordance with the Bye-laws; (ii) the Nomination Policy setting out the guidelines and criteria for selecting and recommending the candidates for directorships; and (iii) the Board Diversity Policy. A candidate to be appointed as an INED must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. The terms of reference of the Nomination Committee is published on the respective websites of the Hong Kong Stock Exchange and the Company. The Nomination Committee has been provided with sufficient resources to perform its duties.

During the Current Year, the Nomination Committee held one meeting and has reviewed and performed, inter alia, the following:

- reviewed the structure, size and composition (including but not limited to the skills, knowledge and experiences) of the Board and reported the same to the Board for consideration;

- reviewed the Board Diversity Policy and the Nomination Policy, and reported the same to the Board for consideration;

- reviewed the terms of reference and recommended the same to the Board for approval;

- assessed the independence of the INEDs; and

- reviewed and made recommendations to the Board on the re-appointment of the Directors.

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Nomination Policy

The Board has adopted a Nomination Policy which sets out the criteria, process and procedures for nomination of Directors, a summary of which is as follows:

Selection Criteria

1.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

- Reputation for integrity;
- Accomplishment and experience in the financial services industry, in particular, in the securities, commodities and futures markets;
- Commitment in respect of available time and relevant interest; and
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

1.2 Retiring Non-executive Directors, save for those who have served as Non-executive Directors for a period of nine (9) consecutive years, are eligible for nomination by the Board to stand for re-election at a general meeting. For the avoidance of doubt, (a) the 9-year period for determining the eligibility of an Non-executive Director for nomination by the Board to stand for election at a general meeting would count from his/her date of first appointment as an Non-executive Director until the date of the forthcoming annual general meeting when his/her current term of service will expire at the end of that meeting; and (b) an Non-executive Director who has been serving on the Board for a period of nine (9) consecutive years or more may continue to hold office until expiry of his/her current term.

1.3 Proposed candidates will be asked to submit the necessary personal information in a prescribed form, together with their written consent to be appointed as an Non-executive Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as an Non-executive Director.

1.4 The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

BOARD COMMITTEES (continued)

Nomination Committee (continued)

Nomination Procedures

1.1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

1.2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

1.3 Until the issue of the shareholder circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

1.4 In order to provide information of the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information of the proposed candidates, as required pursuant to the applicable laws, rules and regulations, will be included in the circular to shareholders.

1.5 A shareholder can serve a notice to the Company Secretary within the lodgment period of its intention to propose a resolution to elect a certain person as an Non-executive Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

1.6 A candidate is allowed to withdraw his candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

1.7 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

BOARD COMMITTEES (continued)

Corporate Governance Committee

The Board has established the Corporate Governance Committee with specific written terms of reference which clearly defines its role, authority and function. The Company Secretary serves as the secretary of the Corporate Governance Committee and minutes of the meetings are sent to the members of the Corporate Governance Committee within a reasonable time after the meetings. The quorum necessary for the transaction of business by the Corporate Governance Committee is two.

At the date of this report, the members of the Corporate Governance Committee comprised of three INEDs namely Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung together with one Executive Director namely Mr. Ching Man Chun, Louis *(Chairman of the Corporate Governance Committee)*.

The Board has delegated its corporate governance functions set out in code provision D.3.1 of the CG Code to the Corporate Governance Committee. The principal duties of the Corporate Governance Committee include making recommendations to the Board on the Company's policies and practices on corporate governance; and reviewing and monitoring (i) the training and continuous professional development of the Directors and the senior management of the Company; (ii) the Company's policies and practices on compliance with legal and regulatory requirements; (iii) the code of conduct and compliance manual applicable to employees and Directors; and (iv) the Company's compliance with code provisions of the CG Code and disclosures in the Corporate Governance Report. The terms of reference of the Corporate Governance Committee is in compliance with code provisions of the CG Code. The Corporate Governance Committee has been provided with sufficient resources to perform its duties.

During the Current Year, the Corporate Governance Committee held two meetings and has reviewed, considered and made recommendations to the Board for approval on (a) training and continuous professional development of the Directors, (b) the terms of reference of the Corporate Governance Committee, (c) the corporate governance policy, and (d) the status of compliance with the CG Code and disclosures of the Corporate Governance Report, and (e) relevant policies of the Company on compliance with legal and regulatory requirements including anti-money laundering policy, anti-corruption policy and whistle-blowing policy.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31st March, 2022, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are fair and reasonable and prepared the financial statements on a going concern basis. The statement made by the auditors of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the "Independent Auditor's Report" on pages 75 to 79 of this annual report.

ACCOUNTABILITY AND AUDIT (continued)

Auditor's Remuneration

Deloitte Touche Tohmatsu ("**Deloitte**"), the Group's principal auditor, was re-appointed by the Shareholders at last annual general meeting held on 20th August, 2021 as the Company's external auditor to hold office until the forthcoming annual general meeting. For the Current Year, the total auditor's remuneration in respect of statutory audit and non-audit services provided by Deloitte was set out below:

Services rendered	**Fees paid/ payable** *HK$'000*
Statutory audit fee	2,997
Fees for non-audit services:	
Review of interim results	480
Very Substantial Acquisition of Thousand Vantage	1,380
Total auditor's remuneration for the Current Year	4,857

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for maintaining a sound and effective system of risk management and internal control and for reviewing its effectiveness, particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Company's business strategies and the Group's business operations. The Directors have adopted an internal control policy for the Group. The internal control policy is fundamental to the successful operation and day-to-day running of a business and it assists the Company in achieving its business objectives.

The policy has been developed with a primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control. The Company's risk management and internal control systems comprise of a well-established organisational structure and comprehensive policies and standards. Procedures have been designed to safeguard assets against unauthorised use or disposition, to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable laws and regulations. The purpose of the Company's risk management and internal control systems are to provide reasonable and not absolute assurance against material misstatement or loss and to manage rather than eliminate risks of failure to achieve Company's business objectives.

The following risk management and internal control systems have been established and executed within the Group:

- control environment including organisational structure, limit of authority, reporting lines and responsibilities;
- risk management self-assessment and internal control review conducted from time to time by the Group;
- appropriate risk management measures such as written policies and procedures; and
- effective information platforms to facilitate internal and external information flow.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Board oversees the Group's risk management and internal control systems on an ongoing basis. A review of the effectiveness of the systems of risk management and internal control systems of the Group is conducted annually and the results are reported to the Board by the Audit Committee. Current year annual review covers the changes in the nature and extent of significant risks since last annual review, the scope and quality of management's ongoing monitoring of risks and of the internal control systems, risk management weaknesses and all material controls, including financial, operational, compliance controls, and particularly the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

During the year ended 31st March, 2022, the Company has engaged an independent professional advisory firm to conduct a review of the effectiveness of the Group's risk management and internal control systems and the review results were reported to the Audit Committee. The Current Year under review covered all material controls, including financial, operational and compliance controls and the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting, internal audit and financial reporting functions. The Board considered the risk management and internal control systems of the Group during the reporting year were reasonably implemented, effective and adequate.

DISSEMINATION OF INSIDE INFORMATION

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Board has adopted an internal control policy on disclosure of inside information which sets out the obligations, guidelines, procedures and internal controls for handling and dissemination of inside information. With these guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosures.

The Board has observed the duty and responsibility of inside information announcement, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemption and wavier to the disclosure of inside information, and also compliance and reporting procedures. Every senior management should take all reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company from time to time. They should promptly bring any possible leakage or divulgence of inside information to the attention of the Board. For any possible material breach of the relevant disclosures requirement, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding re-occurrence.

Corporate Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group is also committed to social responsibilities and its philosophies of sustainable development, and has conducted an annual review on the efforts and achievements made by the Group for environmental, social and governance issues for the Current Year, details of which was disclosed in the "Environmental, Social and Governance Report" on pages 46 to 74 of this annual report, which also serves as a platform for communication with all equity owners by making responses to the major concerns of all stakeholders in our efforts to facilitate mutual understandings.

COMPANY SECRETARY

Ms. Lo Yuen Mei, the Company Secretary, is an employee of the Group and is responsible for facilitating the Board process, as well as communications among Board members. The Company Secretary's biography is set out in the section headed "Biographies of Directors and Company Secretary" on pages 16 to 18 of this annual report.

The Company Secretary confirmed that she has taken no less than 15 hours of the relevant professional training during the Current Year and complied with all the qualifications, experience and training requirements as required by the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS

The Board has adopted a Shareholders' communication policy reflecting the most current practices of the Company for communication with its Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. It will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The Company has established a number of channels for maintaining on-going dialogue with the Shareholders as follows:

(a) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Hong Kong Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ptcorp.com.hk;

(b) periodic announcements are published on the respective websites of the Hong Kong Stock Exchange and the Company;

(c) corporate information is made available on the Company's website;

(d) annual and special general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

(e) the Company's share registrars serve the Shareholders in respect of share registration, dividend payment, change of Shareholders' particulars and related matters.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene a Special General Meeting

Pursuant to Bye-law 71 of the Bye-laws, Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Registered Office and the Company's principal place of business in Hong Kong for the attention of the Board or the Company Secretary, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionist(s), deposited at the Company's principal place of business in Hong Kong, 11/F., Centre Point, 181-185 Gloucester Road, Wan Chai, Hong Kong, and marked for the attention of the Board or the Company Secretary, and may consist of several documents in like form each signed by one or more requisitionists.

Procedures for putting enquiries to the Board

Shareholders and other stakeholders of the Company may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the Company's principal place of business in Hong Kong, 11/F., Centre Point, 181-185 Gloucester Road, Wan Chai, Hong Kong, and the Company Secretary shall forward such written enquiries and concerns received to the Chairman of the Board and Managing Director for further handling.

Procedures for putting forward proposals at Shareholders' meetings

Pursuant to the Bermuda Companies Act 1981, Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates, or not less than one hundred Shareholders, may submit to the Company a written request unless the Company otherwise resolves,

(a) to give to the Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

(b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

A copy of such written requisition signed by the requisitionist(s) together with a sum reasonably sufficient to meet the Company's relevant expenses in giving effect thereto must be deposited at the Registered Office or the principal place of business of the Company (i) not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution and (ii) not less than one week before the meeting in the case of any other requisition.

Corporate Governance Report

DIVIDEND POLICY

The Company aims at providing stable and sustainable returns to Shareholders. In deciding whether to propose a dividend and in determining an appropriate basis and method for dividend distribution, the Board will take into account, inter alia, the reasonable return on investment of the investors and the Shareholders, the actual and expected financial conditions, business plans, future operations and earnings, capital requirements and expenditure plans of the Company, any restrictions on payment of dividends that may be imposed by the Company's lenders, the general market sentiment and circumstances and any other factors the Board deems appropriate.

CONSTITUTIONAL DOCUMENTS

During the Current Year under review, there is no change to the Bye-laws of the Company. A copy of the Bye-laws is available at the "Corporate Governance" section of the Company's website and posted on the website of the Hong Kong Stock Exchange.

Environmental, Social and Governance Report

1. ABOUT THE REPORT

The Environmental, Social and Governance ("**ESG**") Report published by PT International Development Corporation Limited (the "**Company**") presents the efforts and achievements made in sustainability and social responsibility by the Company and its subsidiaries (collectively the "**Group**" or "**we**"). The ESG Report details the performance of the Group in carrying out the environmental and social policies and fulfilling the principle of sustainable development.

1.1 Scope of the Report

The ESG Report covers the environmental and social performance of the Group's businesses for the period between 1st April, 2021 and 31st March, 2022 (the "**Year**"). As compared to the previous reporting period, the ESG report, including the key performance indicators ("**KPIs**"), covers the long-term investment business, trading of commodities business[1], petrochemical storage business, the insurance brokerage business, and additionally the loan financing business[2], investment banking business[3], port and port-related services business[4] and metal recycling business[5]. The Group's business segments which have revenue generation are included in the scope of the report. For details of corporate governance, please refer to the Corporate Governance Report on pages 29 to 45 of the Company's annual report.

1.2 Reporting Standard

The ESG Report was prepared in accordance with the "Environmental, Social and Governance Reporting Guide" ("**ESG Reporting Guide**") under Appendix 27 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and has compiled with the mandatory disclosure requirements and the "comply or explain" provisions of the ESG Reporting Guide.

1.3 Reporting Principles

The content of the ESG Report is determined through stakeholder engagement processes, which includes identifying ESG-related issues, collecting and reviewing the management and stakeholders' opinions, assessing the relevance of the issues and preparing and validating the information reported. The ESG Report covers the key issues concerned by different stakeholders.

1 Due to the disposal of a subsidiary for trading of commodities business during the Year, its office in the People's Republic of China (the "**PRC**") is excluded in the calculation of KPIs.

2 The loan financing business is newly included in the reporting scope since it has revenue generation during the Year. Therefore, its office in Hong Kong is included in the calculation of KPIs.

3 The investment banking business became a new business of the Group in 2020 but its operation was suspended due to the outbreak of COVID-19. Since its operation was resumed during the Year, its office in the Mauritius is included in the calculation of KPIs.

4 The port and port-related services business became a new business of the Group during the Year. Therefore, its port in the PRC is included in the calculation of KPIs.

5 The metal recycling business became a new business of the Group during the Year. The environmental data of its recycling plant in the United Kingdom are not included in the calculation of environmental KPIs because an environmental data collection system has not been fully established during the Year. Only social data are included in the calculation of social KPIs.

1. ABOUT THE REPORT (continued)

1.3 Reporting Principles (continued)

Quantitative environmental and social KPIs are disclosed in the ESG Report so that stakeholders are able to have a comprehensive understanding of the Group's ESG performance. Information of the standards, methodologies, references and source of key emission and conversion factors used on these KPIs are stated wherever appropriate. In order to enhance and maintain comparability of ESG performances between years, the Group has strived to adopt consistent reporting and calculation methodologies as far as reasonably practicable. For any changes in methodologies and specific standards, the Group has presented and explained in detail in corresponding sections. The Group will continue to adopt consistent methodologies as far as reasonably practicable in the future, in case of any changes that could affect a meaningful comparison of the KPIs between years.

1.4 ESG Governance

The Group believes that well-established ESG governance principles and practices will increase investment values, and provide long-term returns to stakeholders. In order to ensure the establishment of appropriate and effective ESG risk management measures and internal control systems, the Board of Directors (the "**Board**") has taken up the responsibility to oversee the Group's ESG strategies and reporting, as well as assessing and determining ESG related risks. The Board monitors and reviews the compliance status of ESG-related laws and regulations, and ensures that newest regulatory trends are followed by the Group when necessary. The Board is also responsible for assessing whether the ESG performance stays in conformity with the strategies and approaches of the Group and monitoring the formulation of the annual ESG report, as well as discussing the content and quality of the ESG reports during Board meetings.

During the Year, the Board has engaged an independent ESG consultancy to manage the ESG performance of the Group. With the assistance from the consultancy, the Board is able to identify potential and material issues to the Group's business and stakeholders. The Board is responsible for supervising stakeholder communication channels and ensuring that stakeholders' expectations are met.

To improve the Group's ESG governance, the Board regularly arranges independent assessments and efficiency analysis on the adequacy and effectiveness of the aforementioned system through an internal review function. The Board also oversees the coordination between departments according to their respective targets, and will look for opportunities to set more explicit ESG goals and targets for the Group.

1.5 Information and Feedback

Your opinions on the Group's ESG performance are highly valued. If you have any advice or suggestions, please feel free to contact the Company by referring to "Corporate Information" on page 3 of the Company's annual report.

2. ABOUT US

Pursuant to long-term strategies of exploring potential investments and enhancing the value of its strategic investments by active participation in or close liaisons with the management of the Group's invested companies, the Group strategically invest and hold significant interests directly and indirectly, in a portfolio of listed and private companies. Such companies are engaged in a variety of business activities, including trading of commodities, petrochemical storage business, metal recycling, port and port-related services, provision of management services, financial institute business and loan financing services.

The Group has recognized that our businesses, no matter the investment segment, the port and port-related services segment, the trading segment, the metal recycling segment, the petrochemical storage segment or the financial institute segment, will cause environmental and social impacts in a certain way, either directly or indirectly. Hence, we put focus on our environmental and social performance by striving to protect the natural environment, share vibrant enterprise growth with employees and keep giving back to society with our determination and effort in sustainable development. By upholding the mission "to become a leading, diversified investment conglomerate that excels at investing in and maximizing returns of companies with high growth potential", the Group has integrated the ESG concerns into its business strategies, risk management approach and daily operations. We endeavor to create a harmonious, civilized and sustainable community through maintaining a high-standard operation with integrity, providing service of high quality and caring for the environment, our employees and the community.

3. STAKEHOLDER ENGAGEMENT

The Group believes that our effort to communicate with stakeholders and address their concerns correlates with our success in environmental and social development. Therefore, we actively engage with our key stakeholders through multiple channels, such as meetings, announcements, company websites, and emails, to understand their expectations regarding ESG aspects, which could help the Group to integrate sustainability strategies into our business practices in the long-term.

The following table sets out our key stakeholders, their requirements and expectations for the Group, and the corresponding response and communication channels.

Stakeholders	Requirements and Expectations	Response and Communication Channels
Government and Regulators	• Compliance with national policies, laws and regulation • Support for local economic growth • Contribution in local employment • Tax payment in full and on time • Production safety	• Regular information reporting • Regular meetings with regulators • Dedicated reports • Examination and inspection
Shareholders	• Returns • Compliant operation • Rise in company value • Transparency and effective communication	• General Meetings • Announcements • Email, telephone communication and company website • Dedicated reports
Partners	• Operation with integrity • Equal rivalry • Performance of contracts • Mutual benefits	• Review and appraisal meetings • Business communications • Discussion and exchange of views • Engagement and cooperation
Customers	• Outstanding products and services • Health and safety • Performance of contracts • Operation with integrity	• Customer service center and hotlines • Customer satisfaction survey • Meetings with customers • Social Media • Collection of feedback

3. STAKEHOLDER ENGAGEMENT (continued)

Stakeholders	Requirements and Expectations	Response and Communication Channels
Environment	• Compliance with emission regulations • Energy saving and emission reduction • Environmental protection	• ESG reporting • Communication with local environmental departments • Communication with the locals • Investigations and inspections
Industry	• Establishment of industry standards • Enhancement of industry development	• Participation in industry forums
Employees	• Protection of rights • Occupational health and safety • Remunerations and benefits • Career development • Humanity cares	• Meetings with employees • House journal and intranet • Employee mailbox • Trainings and workshops • Employee activities
Community and the public	• Enhancement of community environment • Participation in charity • Transparency	• Company website • Announcements • Interview with media • Social media

With the opinions and information collected from stakeholders through various channels, the Group has a better understanding on the ESG-related issues concerned by the stakeholders. The Group has also gathered the management's view on ESG-related issues through questionnaires. The information gathered, after being analyzed along with materiality maps provided by well-known external institutions[5] and professional opinions from third-party professionals, helped the Group identify and prioritize ESG issues which are concerned by stakeholders and are highly related to the Group's business.

5 The materiality maps referenced in the materiality assessment include the ESG Industry Materiality Map and the SASB Materiality Map produced respectively by MSCI and the Sustainability Accounting Standards Board (SASB).

3. STAKEHOLDER ENGAGEMENT (continued)

Aspects	Material Issues
Environment	Carbon Emission
Labour Practices	Employment Compliance Occupational Health and Safety Diversity and Equal Opportunity Human Capital Development
Operating Practices	Operational Compliance Responsible Investment Information Security Customer Privacy Protection Anti-corruption

4. ENVIRONMENTAL PROTECTION

Given the various types of environmental problems arising around the world, it is crucial to integrate environmental protection practices into our business operation. As a responsible corporation, the Group strictly conforms to a series of environmental laws and regulations such as the Air Pollution Control Ordinance and Waste Disposal Ordinance of Hong Kong, Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the PRC and the Environment Act 2021 of the United Kingdom. Despite the fact that our businesses do not generate heavy pollution or consume a large amount of resources, the Group still puts in place a number of policies which guide emission control, waste management, water saving and energy conservation in order to deliver its long-standing commitment to environmental protection.

The Group has a construction site under the petrochemical storage business in the PRC, and the Group's project company has completed the marine environmental impact assessment and approval has been granted for the construction of a petrochemical storage facility and the provision of petrochemical storage services by the local authorities. Although the construction of the facility has yet to be commenced, office operations for the business has started. In addition, the provision of petrochemical port and storage service in the PRC under our new port and port-related services business may face potential environmental risks if the petrochemical products are not handled and stored properly. Therefore, we will closely monitor the environmental performance of the port operation as well as the construction progress of the petrochemical storage facility once the construction is kick-started to avoid any significant environmental impacts on the surrounding environment.

During the Year, the Group was not aware of any material non-compliance with relevant laws and regulations relating to environmental issues.

4. ENVIRONMENTAL PROTECTION (continued)

4.1 Emissions

4.1.1 Air Pollutants Emissions

The Group's port and port-related services business and metal recycling business involved air pollutants emissions but the amount of air pollutants emitted is negligible. These air emissions are regularly monitored to ensure the compliance with the relevant emission standards.

In addition, the major source of air pollutants of the Group comes from vehicles used in supporting and maintaining our daily business operation.

Air pollutants emissions during the Year:

Type[1]	**2022**	2021
Nitrogen oxides (NO_x) (kg)	**30.3**	4.4
Sulphur oxides (SO_x) (kg)	**0.4**	0.1
Particulate matter (PM) (kg)	**2.7**	0.3

Note:

1. The calculation of air pollutants takes reference from emission factors in "Reporting Guidance on Environmental KPIs" issued by HKEX.

4. ENVIRONMENTAL PROTECTION (continued)

4.1 Emissions (continued)

4.1.2 Greenhouse Gas Emissions

The Group acknowledges that greenhouse gases is one of the main causes that is leading to climate change, which may put the Group at risk of being affected by different environmental and social impacts caused by climate change-related events. During the Year, the Group has set a target to reduce the intensity of greenhouse gas emission as far as practicable. Therefore, we have laid emphasis on greenhouse gas emission control by exerting ourselves in the implementation of an assortment of measures ranging from resources management to emission reduction. The Group's greenhouse gas emission can be classified into three scopes: scope 1 – direct emissions from combustion of fuels in vehicles, stationary combustion facilities and refrigerant and greenhouse gas removal from planted trees; scope 2 – energy indirect emissions from purchased electricity; and scope 3 – other indirect emissions from outbound business trips by employees, freshwater and sewage processing and methane gas generation at landfill due to disposal of paper waste.

Greenhouse gas emissions during the Year:

Types	2022	2021
Total emission (tonnes CO_2e)[1]	726	62
Direct emission (Scope 1) (tonnes CO_2e)[2]	138	23
Indirect emission (Scope 2) (tonnes CO_2e)[3]	568	36
Indirect emission (Scope 3) (tonnes CO_2e)[4]	20	3
Intensity (tonnes CO_2e/employee)	4.60	1.73

Notes:

1. The Group's greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide. For the ease of reading and understanding, the greenhouse gas emissions data is presented in carbon dioxide equivalent (CO_2e).

2. This is calculated based on the emission factors in the "Reporting Guidance on Environmental KPIs" issued by HKEX and emission factors provided by the National Development and Reform Commission of the PRC.

3. This is calculated based on the emission factors provided by the National Development and Reform Commission of the PRC, local utilities companies in Hong Kong and Ministry of Energy and Public Utilities of Mauritius.

4. This is calculated based on the International Civil Aviation Organization Carbon Emissions Calculator and emission factors in the "Reporting Guidance on Environmental KPIs" issued by HKEX.

4. ENVIRONMENTAL PROTECTION (continued)

4.1 Emissions (continued)

4.1.3 Waste Generation

The Group understands that the improper management of waste would potentially lead to severe environmental impacts. Therefore, the Group puts emphasis on the generation and management of waste and has set a target to encourage waste recycling to reduce waste disposal to landfill during the Year. Waste produced by the Group included non-hazardous and hazardous waste. Non-hazardous waste produced mainly includes garbage from day-to-day office operation and port operation, while hazardous waste comprises toner cartridges and electronic devices.

Waste generated during the Year:

Hazardous Waste	**2022**	2021
Weight (kg)	**79**	11
Intensity (kg/employee)	**0.50**	0.30

Non-hazardous Waste[1]	**2022**	2021
Weight (tonnes)	**255**	11
Intensity (tonnes/employee)	**1.61**	0.30

Note:

1. Non-hazardous waste data is based on the daily estimated volume of general waste and the volume-to-weight conversion factors provided by the U.S. Environmental Protection Agency, the Beijing Environmental Sanitation Administration and the United Nations Environment Programme.

Committed to taking part in proper waste management, the Group ensures that non-hazardous wastes are collected and disposed of in a proper and legal manner by qualified parties. Hazardous wastes, such as toner cartridges, are returned to suppliers for recycling in a bid to avoid detrimental impacts to the environment.

4. ENVIRONMENTAL PROTECTION (continued)

4.2 Green Operations

It is one of the Group's commitments to promote responsible environmental management and using resources in a sustainable way to build a green environment. Therefore, we operate our office in an environmentally-friendly way.

The Group is highly aware of the potential impacts caused by greenhouse gas emissions. Our dedication to reducing carbon footprint can be reflected by numerous measures targeting at various sources of emission in business operations. For example, employees who are engaged actively in overseas meetings are encouraged to substitute phone or video conferences for overseas business travels to avoid unnecessary outbound travels; in cases where outbound business trips are available, the Group prioritizes direct flights over trips with multiple flights in order to minimize greenhouse gas emissions. We organize events at locations easily accessible by public transportation and optimize route planning for goods delivery to reduce carbon footprint on transportation.

We apply the waste management principles of "Reduce, Reuse, Recycle and Replace" ("**4Rs**") with the aim of striving to reduce waste produced and the negative environmental impacts by waste. We always encourage our staff to reuse envelopes, folders, file cards and other stationery, to recycle and reuse waste paper, metals and plastics by using waste sorting bins, and to reduce the use of disposable and non-recyclable products. For instance, rechargeable batteries are used instead of disposable batteries in our office. We also purchase products with improved recyclability, higher recycled content, reduced packaging and greater durability.

Furthermore, we proactively avoid and reduce the amount of paper waste generated by using electronic means to disseminate information internally, setting printers to default duplex and monitoring printing volume regularly. Discarded paper without any confidential information are ultimately reused and recycled. Because of the Group's business nature, the Group was not involved in production process and hence the use of packaging materials.

In addition to the green office operation, the Group has also implemented comprehensive environmental management in on-site facilities of petrochemical storage business, port and port-related services business and metal recycling business.

The Group puts heavy emphasis on environmental management at the construction site under the petrochemical storage business. The Group undertakes to procure that its subsidiary (or "**project company**") has to formulate a Health, Safety and Environmental Policy ("**HSE Policy**") which provides strict regulations to contractors who will be working on the construction site. The HSE Policy includes several environmental aspects of daily operation at a construction site, such as the prevention of pollution and waste management. The environmental regulations aim to minimize the negative environmental impacts caused by the construction, and the Group will closely monitor the contractor's compliance to the HSE Policy once the construction commences.

4. ENVIRONMENTAL PROTECTION (continued)

4.2 Green Operations (continued)

In order to identify potential hazards and operability issues regarding the environment at the site of the petrochemical storage business and make improvements prior to the commencement of construction, the Group's project company has conducted a Hazard and Operability Analysis ("**HAZOP**") for the planned operation processes of the business. The HAZOP has identified potential environmental risks in the planned operation of the petrochemical storage site, and have provided suggestions of improvement, such as adding flammable substance detectors to prevent causing chemical leakage and using closed drainage systems to prevent pipe corrosion and chemical leakage.

As our port and port-related services business involves handling and storage of liquid dangerous goods such as gasoline, diesel oil, mixed aromatics and fuel oil, the environmental management of the port is of paramount importance. The Group has implemented an environmental protection management system to provide concrete guidelines in identifying and monitoring environmental risks, as well as conducting pollution control and preventive measures to avoid any potential environmental incidents. The Group closely monitors the emissions in our port and conducts daily inspection and maintenance of the anti-pollution facilities and equipment. We have established a job responsibility system for environmental protection facilities operators to ensure that they well understood the operation procedures, such that the environmental hazards are under control and the operation are strictly complies with local laws and regulations. Also, we will provide environmental management related trainings for workers to learn advanced pollution control technology and environmental protection knowledge. An environmental incident response plan is in place for workers to carry out remedial action promptly so as to minimize the detrimental environmental impacts brought by different environmental incidents such as oil spill and fire.

The Group also aims to produce positive impacts to the environment by developing our new metal recycling business in green metal markets, so as to reduce carbon emissions for downstream end users. The Group believes that we can reduce our environmental impact and continually improve our environmental performance by integrating good environmental systems and technology into our business operation. The Environmental Policy clearly states our commitment on environmental protection and the methods used to achieve the goal. To effectively manage any environmental accidents, we have implemented an accident management plan which included identification of the hazards posed by the operation in the recycling plant, assessment of the risks of accidents and their possible consequences, and implementation of measures to reduce the risks of accidents and contingency plans for any accidents that do occur. Besides, there is a set procedure for receiving and tipping of scrap metals on the site, procedure guidance of regular internal checks as well as monitoring of the environmental impact from work activities, so as to minimize the environmental impact and ensure that we remain within compliance.

4. ENVIRONMENTAL PROTECTION (continued)

4.3 Energy Conservation

The Group is highly aware of the possible impacts resulted from the use of energy such as the emission of greenhouse gases and other air pollutants. During the Year, the Group has set a target to minimize electricity consumption as far as practicable. Therefore, we shoulder the burden of energy conservation and have dedicated considerable efforts to reducing energy consumption and improving energy efficiency in our office operations. The Group's major sources of energy consumption are from the direct energy consumption, which are the use of vehicles and the use of stationary combustion facilities, and the indirect energy consumption, which is the use of purchased electricity.

Energy consumption during the Year:

Type	**2022**	2021
Total energy consumption (MWh)	**1,383**	132
By type		
Direct energy consumption (MWh)[1]	**324**	81
Indirect energy consumption (MWh)[2]	**1,059**	51
Intensity (MWh/employee)	**8.75**	3.68

Notes:

1. This is calculated based on the conversion factors in the "Reporting Guidance on Environmental KPIs" issued by HKEX and the conversion factors provided by the National Development and Reform Commission of the PRC.

2. This is calculated based on the actual purchased electricity record.

To effectively lower energy consumption, the Group has performed several improvements on the lighting system to minimize electricity use. Besides using energy efficient lighting in all areas of the offices, we ensure all light fixtures and lamps are cleaned regularly to maximize their efficiency, switch off lighting when rooms are not in use and utilize natural light as far as practicable. We have separated the office area into different lighting zones so that lighting can be used more flexibly and have installed dimmers where possible to adjust light intensity.

In addition, we ensure filters and fan coil units of the air conditioning system are cleaned regularly to maintain its high efficiency, while weather strips are placed on doors and windows to prevent leakage of conditioned air. Employees are allowed to wear light clothes every Friday so that energy for air conditioning can be saved, and air-conditioning systems are maintained at 25.5 degrees Celsius throughout the day. The prevention of energy wastage is another important aspect, we thereby use timers to switch off electrical appliances such as printers completely and set all computers to sleeping mode when idling.

4. ENVIRONMENTAL PROTECTION (continued)

4.4 Water Conservation

Water is a precious resource therefore conservation of water is also of great importance from the Group's perspective. During the Year, the Group has set a target to continue promoting water conservation. Therefore, we continued to implement certain measures which help cut down on water consumption. The Group has recognized that raising employees' awareness of water saving is essential in bringing actual effects to water conservation. Thus, we continue to promote water saving awareness and practices within the Group. Our staff reused water as far as practicable so as to prevent waste of water. We are also going to install and use water-efficient or low-flow water fixtures such as faucets and showerheads in our office. During the Year, the Group did not face any issue in sourcing water.

Since water consumption fee is included in the management fee of the offices in Hong Kong, the PRC and the Mauritius, their water consumption data are unavailable. The water consumption data is only available for the port in the PRC during the Year.

Water consumption during the Year:

Type	2022[2]	2021[2]
Water Consumption (m^3)[1]	**38,014**	Not available
Water Intensity (m^3/employee)	**240.59**	Not available

Notes:

1. This is calculated based on the actual water consumption record.

2. The Group's business are mainly office operation in 2021. Since the water consumption fee is included in the management fee of offices, the water consumption data of our office operation for 2021 are unavailable to be disclosed. The water consumption data for the port is available to be disclosed for the Year.

4.5 Climate Change

Climate change has sparked heated discussions in recent years across the globe while different sectors of society have taken action as an attempt to tackle the rough circumstance presented by climate change. The Group is no exception, taking into account the potential impacts on the Group from risks arose due to climate change. The Group has identified several climate-related risks that may adversely impact the Group's operations and development.

The Group is highly aware that climate change may lead to more severe and frequent extreme weather conditions, which potentially puts the Group at risk of reduced productivity due to potential disruptions in the supply chain. Climate change may also shift consumer preferences and increase mandates and regulations on the Group's products and services. The demand of the Group's products and services may diminish as products and services may be at risk of being non-compliant, while the Group's revenue mix and sources may eventually change over time.

4. ENVIRONMENTAL PROTECTION (continued)

4.5 Climate Change (continued)

Facing such risks and potential impacts posed by climate change, the Group identifies, assesses, manages and monitors climate-related risks on a regular basis, and undertakes risk assessment to evaluate the level of vulnerability of its business operations under climate-related risks. Besides, the Group follows market trends regarding climate-related risks to keep itself up to date with the latest development in climate-related issues, so as to identify and evaluate the Group's climate-related risks. In cases of extreme weather conditions, the Group provides comprehensive insurance coverage for property and other assets which are susceptible to damage from extreme weather or other physical impacts caused by climate change, so as to alleviate the climate-related risks. In addition, the Group adopts suitable work arrangements according to the Group's policy on working under typhoon and rainstorm conditions to safeguard the safety of employees.

5. EMPLOYEE-FOCUSED

Human resources act as the pillar of the Group, thus we always put the rights and well-being of our employees in the first place. The Group stringently abides by relevant labour laws and regulations during recruitment, promotion, remuneration and dismissal of employees such as the Employment Ordinance of Hong Kong, Labour Law of the PRC, Labour Contract Law of the PRC, the Employment Rights Act 1996 of the United Kingdom, and the Worker's Rights Act and Regulations of Mauritius. We have also put in place human resources policies which guide employment and termination, salary review and promotion, as well as employee welfare and equal opportunities.

5.1 Employment

As an equal opportunity employer, the Group assures all candidates of a fair and open recruitment process. Anti-discrimination is highly valued, we do not tolerate any form of discrimination on the grounds of age, sex, physical or mental health status, marital status, family status, race, skin colour, nationality, religion, political affiliation and sexual orientation and other factors, not only during the selection of candidates, but also the consideration of promotion, training and reward provision of employees. Employees are recognized and rewarded by their contribution, performance and skills. To retain talents, the Group reviews and adjusts the salary structure of employees annually. We also offer competitive remuneration to our employees according to both internal and external benchmark as a motivation and to build a high-calibre team which is essential to the Group's success. Whenever an employee offers to resign or is being laid off, an interview will be arranged so as to collect valuable opinions for any possible improvements of the Group's policies.

5. EMPLOYEE-FOCUSED (continued)

5.1 Employment (continued)

The Group strictly prohibits the employment of child labour in accordance with the relevant laws and regulations such as the Employment of Children Regulations of Hong Kong and Provision on the Prohibition of Using Child Labour of the PRC. We ensure that no child labour is employed by verifying the identity of new employees before the commencement of work. Forced labour is also stringently prohibited that no staff engagement in unacceptably dangerous and/or hazardous work, physical punishment, abuse, servitude, peonage or trafficking is allowed in any of our operations and services. If violation is involved, corrective actions will be taken immediately by terminating the employment contract. During the Year, the Group has employed a total of 188 employees in Hong Kong, the PRC, the United Kingdom and Mauritius[6].

Indicators	2022	2021
Total number and percentage (%)		
By gender		
Male	**154(82)**	20(56)
Female	**34(18)**	16(44)
By age		
< 30	**45(24)**	5(14)
30–50	**122(65)**	20(56)
> 50	**21(11)**	11(31)
By employment type		
Permanent	**186(99)**	35(97)
Temporary	**2(1)**	1(3)
By geographical location		
Hong Kong	**30(16)**	29(81)
PRC	**118(63)**	7(19)
United Kingdom	**30(16)**	N/A
Mauritius	**10(5)**	N/A
Turnover rate (%)		
By gender		
Male	**16**	10
Female	**9**	31
By age		
< 30	**20**	20
30–50	**13**	30
> 50	**14**	0
By geographical location		
Hong Kong	**17**	21
PRC	**18**	14
United Kingdom	**0**	N/A
Mauritius	**20**	N/A

6 Within this Year's ESG reporting scope.

5. EMPLOYEE-FOCUSED (continued)

5.2 Promotion and Development

It is the Group's conviction that business success is highly dependent on the continuous improvement in employees' performance and productivity. We therefore are aware of the importance in improving our employees' knowledge and skills, as well as fostering their long-term career development and growth with the Group. We conduct internal training and encourage our employees to take part in external seminars and training courses in order to update themselves with relevant knowledge and techniques. For instance, junior staff were updated with knowledge and trained by the Group's service provider with techniques regarding the application of new accounting software during the Year. The Group is continuously stepping up our education and training policy, planning to provide our employees with necessary up-to-date and job-related training so that they can keep abreast of the ever-changing business environment.

Further to internal training and voluntary external seminars, licensed staff members in the insurance brokerage business and investment banking business are also required by the Insurance Authority in Hong Kong and the Financial Services Commission of Mauritius respectively to attend a set amount of training sessions to fulfill continuous professional development ("**CPD**") requirements on a yearly basis. Such practice has allowed employees to continuously update their technical and regulatory knowledge, as well as refreshing their ethical standards so as to ensure that employees are up to the required professional competence and standard.

Training data during the Year:

Indicators	**2022**	2021
Average training hours and percentage of trained employees (%)[7]		
By gender		
Male	**25(60)**	N/A
Female	**9(32)**	N/A
By employee level		
Senior	**3(20)**	N/A
Middle	**18(43)**	N/A
Junior	**26(65)**	N/A

Education acts as the foundation for the growth and development of our employees. In addition to education, the Group also provides chances of promotion and hence a clear career pathway to employees. Appraisal reviews for employees are conducted regularly so that employees who have met the expectations and achieved strong performance can be considered for promotion. We always prefer internal promotion over external recruitment so as to promote organizational growth. It is hoped that every employees are able to advance their career by working in the Group.

7 The corresponding data is disclosed from the Year.

5. EMPLOYEE-FOCUSED (continued)

5.3 Health and Safety

During the Year, the world has been seriously impacted by the COVID-19 epidemic, and corporate and the general public are striving to maintain good environmental hygiene and protect personal health. The Group is no exception and has placed priority on employees' health and safety. Therefore, in order to safeguard our employees, the Group has offered a COVID-19 package to all employees, which includes a COVID-19 test with all expenses covered by the Group. This shows that the Group actively looks to protect the health of employees and is willing to take different measures in order to do so.

Besides measures against the epidemic, the Group is devoted to providing and maintaining a healthy and safe workplace for its staff and other persons likely to be affected by its business operations through abiding by relevant laws such as the Occupational Safety and Health Ordinance of Hong Kong, Law of the PRC on the Prevention and Control of Occupational Diseases, Management of Health and Safety at Work Regulations 1999 of the United Kingdom, and the Occupational Safety and Health Act 2005 of Mauritius. Health and safety standards are given prime consideration in our operations and regulatory compliance is strongly upheld by the Group.

Our employees at all levels, particularly the management, are accountable for maintaining a vigorous and injury-free working environment through the abiding of safety initiatives. Periodic cleaning of air-conditioning systems, regular floor care maintenance, routine pest control service and disinfection treatment of carpets are carried out to ensure a hygienic working environment. The Group also participates in the annual fire and evacuation drill organized by the respective building management offices so that employees are familiarized with the fire evacuation route and their awareness of fire precaution can be strengthened.

The health and safety of employees and construction workers at the upcoming construction site for the petrochemical storage business is of utmost importance to the Group, and the Group and the Group's project company strive to maintain a high level of health and safety at the construction through improving construction infrastructure, even prior to the commencement of the construction. Therefore, the Group's project company's Health, Safety and Environmental (HSE) Policy clearly states the regulations regarding health and safety that contractors must abide by, as well as punishments for violation during the upcoming construction. The HSE Policy also sets out standards for the provision of safety equipment to employees by the contractors, including site signboards and notices for safety and instruction and personal protective gear. The Group's project company will also closely monitor and strictly execute the measures set out in the HSE Policy when the construction commences.

5. EMPLOYEE-FOCUSED (continued)

5.3 Health and Safety (continued)

Further to the construction, the health and safety during operation is highly concerned, due to the high risk nature of the petrochemical storage business. The Group's project company has conducted a Hazard and Operability Analysis (HAZOP) and Safety Pre-evaluation Report in order to investigate and show the potential health and safety hazards at the construction site under the petrochemical storage business. The Safety Pre-evaluation Report identifies the potential safety hazards that could be found in the petrochemical storage sites operation plan, including hazardous chemicals, risks from storage equipment, risks due to the surrounding environment, etc. The HAZOP Analysis provides recommendations that could be made to minimize risks related to health and safety of employees and improve safety during operations, where the Group's project company can update its construction plan to cater the improvements.

The Group's project company has also obtained an Occupational Health Pre-evaluation Report which ensures that the planned operations for the petrochemical storage business complies with national laws regarding occupational health and safety, including The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and The "Three Simultaneous" Supervision of Occupational Health in Construction Projects Interim Measures for Administration (《建設項目職業衛生「三同時」監督管理暫行辦法》).

Besides, since the newly adopted port is a business premise principally engaged in the storage, loading and unloading of flammable and explosive hazardous petrochemicals, the entire storage area is exposed to potential danger. To effectively protect our employees from health and safety risks, the Group has established an Oil Tank Safety Management System to regulate the operation safety in the port. All employees are required to follow the operation procedures and utilize the facilities and equipment properly. A Production Safety Incidents Response Plan is in place to enhance our emergency response ability in order to minimize the severity of labour casualties and property loss of the Group. New staffers must attend a series of safety training and pass the examination before performing duty on the site, ensuring that they have sufficient knowledge to maintain the operation safety and identify potential health and safety risks. In addition, personal protective equipment is provided to employees in order to protect their health and safety.

5. EMPLOYEE-FOCUSED (continued)

5.3 Health and Safety (continued)

The operation of metal recycling business also incurs health and safety risks to our employees. In order to minimize the risks, the Group has established a Site Safety Committee who is responsible for planning and executing of the overall safety and health processes and policies. The Site Safety Committee endeavors to provide and maintain a safe working environment and thus has implemented the Safe Operating Procedures with suitable risk assessments for all main on-site tasks, so as to identify the potential health and safety risks and develop preventive measures to protect employees and related workers who come into contact with the metal recycling operations. Besides, health and safety trainings are provided to our employees to reinforce safe working practices and rectify unsafe acts and conditions promptly. We are strictly adhered to all relevant health and safety law, regulation and requirements and will continually improve our performance in protecting the health and safety of our employees.

There was no work-related fatalities in the past three years but a total of 4 work-related injuries were recorded during the Year. The number of lost days due to work injury was 0 during the Year. In case of any occurrence of work-related injuries or illness, or reports on unsafe and unhealthy work practices, the Group will make corresponding responses promptly by investigating the cases, planning for remedial measures and providing necessary assistance to the persons involved.

5.4 Welfare

As a way to deliver care to employees, and at the same time stimulate their working initiative, the Group offers all employees a wide range of welfare and benefits. We adopt a five-day work week arrangement so as to assure employees of sufficient rest time. All employees are entitled to a number of leaves according to laws such as public holidays, annual leave, and maternity leave. If the day-off falls on a statutory holiday, compensatory time off will be offered on the following day. The Group also offers benefits to employees including discretionary bonus, training, and provident funds. The share option scheme of the Company is established for the eligible participants (including employees).

Work-life balance is also emphasized by the Group. In Hong Kong, we have organized activities such as Christmas lunch and Chinese New Year lunch in the previous years in a bid to provide opportunities for employees to relax and interact. However, employee engagement activities are suspended owing to the severe situation of COVID-19 pandemic during the Year. In the PRC, we offer drinks and ice creams for employees during hot summer, and provide festival allowance to motivate our employees.

6. BUSINESS OPTIMIZATION

The sustainable development of an enterprise highly hinges on the quality and efficiency of its business operations. The Group spares no effort in optimizing its operations and maintaining its reputation by properly managing its supply chain, strictly overseeing its products and services' quality, earnestly serving its customers and behaving ethically in the market.

6.1 Supply Chain Management

To thoroughly fulfill the environmental and social responsibility, management of our business operation including the supply chain cannot be neglected. To ensure that qualified products and service are provided at the request of the Group, we work closely with our supply chain partners in an effort to oversee our supply chain practices thoroughly. Supplier selection procedures have been set up and strictly followed. For instance, the Group always prefers suppliers with high credibility, and will take into consideration the environmental and social risks that suppliers may impose along the Group's supply chain, including anti-discrimination, employment of child or forced labour, bribery, corruption, irresponsible environmental behavior or any other unethical practices. The Group by no means tolerates or works with suppliers who are not in compliance with relevant laws and regulations, including in environmental and social aspects. We will stop our cooperation until the situation is rectified if a supplier is found to be inconsistent with the Group's contractual requirements. As set out in its Supply Chain Management Policy, the Group also aims to attain responsible purchasing and build up a competitive advantage through a green procurement process, by selecting environmentally- preferable materials and products that have reduced negative effects on the environment and human health. During the Year, all of the suppliers are engaged with the aforementioned selection procedures.

For the petrochemical storage business, we are fully aware that the risks induced from the petrochemical storage construction site in different aspects, including construction quality, environment, as well as health and safety. Therefore, all of the aforementioned potential risks are taken into account during the selection process for our construction contractor. We have selected a construction company which has obtained certifications in quality management (ISO 9001), environmental management (ISO 14001) and occupational health and safety management (OHSAS 18001), which shows the Group's devotion to attain sustainable development from top to bottom.

6. BUSINESS OPTIMIZATION (continued)

6.1 Supply Chain Management (continued)

In respect of the port and port-related services business, we attach great importance in the selection of contractors for the berth construction and maintenance. We review the qualification of potential contractors in terms of the performance and ability to undertake construction and installation, as well as their equipment during the prequalification stage. After the preliminary selection, the selected contractor is required to provide the construction plan indicating the well-defined construction progress, quality, safety and environmental protection measures to the Engineering Construction Department and the Safety Department of the Group for our verification usage. In addition to the work progress and quality, we conduct daily inspection and closely monitor the health and safety management of the contractor. For the hydraulic structure inspection and assessment project of our fourth berth, we have selected a construction solution provider who adheres to the code of quality management of engineering construction enterprises (GB/T 50430) and has obtained certifications in quality management (ISO 9001), which shows our emphasis on sustainability along the supply chain.

During the Year, the Group's major suppliers by geographical location are as below:

Supplier locations	No. of suppliers
Hong Kong	5
The PRC	35
United Kingdom	14
Mauritius	11
Australia	2

6. BUSINESS OPTIMIZATION (continued)

6.2 Products and Services Quality

In the pursuit of excellence in products and service quality, the Group makes every effort to strive for the complete provision of products and service in accordance with customers' needs and expectations. We have operated in compliance with product quality-related laws and regulations, including but not limited to the Securities and Futures Ordinance of Hong Kong, Product Quality Law of the PRC, the Scrap Metal Dealers Act 2013 of the United Kingdom and the Financial Services Act 2007 of Mauritius.

We have put in place a system for quality management, aiming at ensuring that our products meet the relevant health and safety requirements and the service that we provide are of high quality. For the money lending business, the Group has obtained the Money Lender's License in conformity with the Money Lenders Ordinance of Hong Kong. For investment banking services, the Group adheres to the guiding principles and licensee's obligations as set out in the Code of Business Conduct issued by the Financial Services Commission of Mauritius to ensure sound conduct of business and fair treatment of consumers of financial services and the general public. For metals trading, products are always inspected and tested with reference to relevant standards prior to selling. Metals traded by the Group are also in compliance with the standard specifications of high-quality metals as set out by the London Metal Exchange, which is a world centre for the trading of industrial metals.

For metal recycling, prior to unloading of feedstock materials such as copper, non-ferrous metals, stainless steel and plastics, all relevant documentation is checked and a visual inspection is made by the Group's trained staff to identify any non-conforming material, which will be returned to the supplier and a claim will be made for any non contract compliant material. In addition, during the recycling process, non-conforming material will be taken out under a manual picking line before and after shredding. The aforementioned procedures ensure that only conforming material goes forward for further size reduction shredding, and proceed to the plant separation tables for density sorting and bagging of finished material afterwards. The Group warrants that the weight and quality of the materials shall conform to the specification as set out in the contract. The weight and quality of the materials are measured by the Group prior to despatch and are recorded in a certificate of quality or other documents as specified in the contract afterwards. If there is a quality discrepancy in our materials after the customer's inspection, the Group would negotiate a price adjustment with the affected customer. If the price adjustment cannot be agreed by both parties, the materials will be returned to us and the Group will reimburse the customer for the costs of inspection and the costs of returning any non contract compliant material.

During the Year, the Group was not subjected to any product recalls for safety and health reasons.

6. BUSINESS OPTIMIZATION (continued)

6.3 Customer Services

It is one of the Group's targets to provide the highest satisfaction to all our customers through the provision of customer services which are customer-focused, service-oriented and community-cared. We endeavor to address the needs of customers by providing responsive, caring, professional and customized service as a way to align our business operations with best practices.

Due to its business nature of direct contact with customers, the Group's insurance brokerage business puts special emphasis on handling complaints. The Compliance Manual has set out the procedures for handling complaints received, and has appointed a Complaint Handling Officer to investigate, advise, respond to and maintain records of any complaints. For any complaints received, we also report the cases to the Insurance Authority in Hong Kong. We regularly review and look to improve the Group's complaint handling mechanism, ensuring that the mechanism is appropriately and effectively implemented.

As a firm delivering high quality professional services which is committed to maintaining its responsiveness to the needs and concerns of our clients, the Group's investment banking business recognizes the clients' right to complain and thus have put in place appropriate Complaints Handling Procedures to handle any complaints we receive. The Money Laundering Reporting Officer ("**MLRO**") Office is responsible to report, advise and monitor the complaints after receipt, and ensure the complaints are recorded. Complaints will be analyzed by the MLRO Office on a periodic basis for the identification of systemic or recurring problems, and the Heads of Department will then consider whether changes in systems, policies or procedures are necessary in view of the nature of the complaints.

During the Year, the Group did not receive any product and service related complaints.

6.4 Intellectual Property Rights

The Group respects the intellectual property rights and endeavors to prevent any related infringement. All software used by the Group are legitimate and comply with the license agreement. Employees are required to apply for software installation to avoid infringement of others' intellectual property rights.

6. BUSINESS OPTIMIZATION (continued)

6.5 Data Protection and Privacy

The Group believes that information and data security as well as privacy are of utmost importance, and that the Group plays a vital role in handling any private information from customers, employees and other stakeholders with the highest degree of carefulness. Faced with increasing concerns over privacy protection, the Group strictly complies with relevant laws in the places of business such as the Personal Data (Privacy) Ordinance of Hong Kong and the Mauritius Data Protection Act 2017, and has adopted several measures to protect privacy. We only collect personal data which are necessary for conducting business, and the data will not be used for any purposes without the consent of the related persons. Personal data is not allowed to be transferred or disclosed to entities which are not a member of the Group. The confidentiality obligations of employees persist for a certain period even after the termination of the employment with the Group. Moreover, we maintain appropriate security systems designed to prevent unauthorized access to personal data. Access of data is only allowed for employees or authorized persons based on their needs and roles.

In respect of the insurance brokerage business, staff members are obligated to treat client information with strict confidentiality, while disclosure and usage of such private information are only permitted under the written consent of the client.

For investment banking business, clients' personal data is essential to enable the provision of investment dealer and investment adviser services. We are committed to collect and use personal data in a responsible and accountable manner. All client information are treated with strict confidentiality and are not disclosed or revealed to any person or party unless required by regulatory body or court of competent jurisdiction. Disclosure or transfer of personal data are only permitted with consent of the client.

6.6 Business Ethics

Ethics and professionalism are the Group's core values in conducting business, so we are dedicated to running the business with integrity and cultivating an ethical corporate culture.

6. BUSINESS OPTIMIZATION (continued)

6.6 Business Ethics (continued)

By conforming to relevant laws and regulations, such as the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, Anti-Money Laundering Law of the PRC, Bribery Act 2010 of United Kingdom, and Prevention of Corruption Act 2002 of Mauritius, we have established a Code of Conduct, which includes provisions for conflicts of interest, privacy and confidentiality of information, and an Anti-Corruption Policy which outlines the requirements in relation to the prevention, detection, reporting and investigation of any suspected bribery or corruption. The Group under no circumstances allows any bribery, corruption, extortion, money-laundering or other fraudulent activities. Subsequently, the Group has established an Anti-Money Laundering ("**AML**") Committee (the "**Committee**") to oversee the Group's efforts to achieve and maintain compliance with relevant regulations against anti-corruptive behavior. The terms of reference of the Committee have listed its core responsibilities, including making recommendations to the Board regarding AML policy and guidelines, as well as monitoring for the identification for suspicious corruptive behavior. If employee suspects that there is an instance of bribery or corruption activities in relation to the Group, he/she is required to report details of suspected bribery or any form of corruption through the established communication channel in accordance with the Group's Whistle-blowing Policy. All reports will be treated confidentially. Also, the reporting employee is assured of protection against unfair dismissal, victimization or unwarranted disciplinary action.

Employees are required to possess high ethical standards and demonstrate professional conduct in all business dealings with our stakeholders. For the insurance brokerage business and investment banking services, employees are required to complete Anti-Money Laundering and Counter Terrorist Financing training every year, so that employees' knowledge towards anti-corruptive behavior are regularly refreshed and updated.

During the Year, the Group was not aware of any breach of laws and regulations that have a significant impact on the Group in relation to bribery, corruption, extortion, fraud and money laundering.

7. COMMUNITY CONTRIBUTION

Support from society and community has long been an important element for the growth and development of the Group, we therefore recognize the importance of serving the community with love and care. We always encourage our employees to participate in charitable events and community activities, and we will continue to step up our community contribution by dedicating more efforts and resources in participating and organizing community and charitable activities in the future, so as to share our fruitful enterprise growth with the community. The Group has donated HK$1,000,000 to Live In Harmony Fund Limited during the Year, aiming to support and create positive impact to the community.

APPENDIX: KPI REPORTING GUIDE

KPI	Description	Chapters	Page no.
Environmental Aspect			
A1 Emissions			
A1.1	The types of emissions and respective emissions data.	Emissions	52
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Emissions	53
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Emissions	54
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Emissions	54
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions Green Operations	53, 55-56
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions Green Operations	54-56
A2 Use of Resources			
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Energy Conservation	57
A2.2	Water consumption in total and intensity.	Water Conservation	58
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Conservation	57
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Conservation	58
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	N/A (The Group's operations do not involve any use of packaging materials)	N/A

APPENDIX: KPI REPORTING GUIDE (continued)

KPI	Description	Chapters	Page no.
A3 Environmental and Natural Resources			
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Operations	55-56
A4 Climate Change			
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change	58-59
Social Aspect			
B1 Employment			
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment	60
B1.2	Employee turnover rate by gender, age group and geographical region.	Employment	60
B2 Health and Safety			
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety	64
B2.2	Lost days due to work injury.	Health and Safety	64
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety	62-64

APPENDIX: KPI REPORTING GUIDE (continued)

KPI	Description	Chapters	Page no.
B3 Development and Training			
B3.1	The percentage of employees trained by gender and employee category.	Promotion and Development	61
B3.2	The average training hours completed per employee by gender and employee category.	Promotion and Development	61
B4 Labour Standards			
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment	60
B4.2	Description of steps taken to eliminate such practices when discovered.	Employment	60
B5 Supply Chain Management			
B5.1	Number of suppliers by geographical region.	Supply Chain Management	66
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	65-66
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	65-66
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	65-66

APPENDIX: KPI REPORTING GUIDE (continued)

KPI	Description	Chapters	Page no.
B6 Product Responsibility			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Products and Services Quality	67
B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Services	68
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights	68
B6.4	Description of quality assurance process and recall procedures.	Products and Services Quality	67
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Data Protection and Privacy	69
B7 Anti-corruption			
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics	70
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics	69-70
B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics	70
B8 Community Investment			
B8.1	Focus areas of contribution.	Community Contribution	70
B8.2	Resources contributed to the focus area.	Community Contribution	70

Independent Auditor's Report

Deloitte. 德勤

TO THE SHAREHOLDERS OF
PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of PT International Development Corporation Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 80 to 187, which comprise the consolidated statement of financial position as at 31st March, 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 31st 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 (the "**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 MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

KEY AUDIT MATTER (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from trading of commodities	
We identified revenue recognition from trading of commodities as a key audit matter due to the significance of revenue of the Group to the consolidated statement of profit or loss and other comprehensive income. As disclosed in note 5 to the consolidated financial statements, revenue from trading of commodities is recognised at a point in time when the control of the goods is transferred to customers upon delivery of the goods. Revenue from trading of commodities amounted to HK$844,337,000 for the year ended 31st March, 2022 as set out in note 5 to the consolidated financial statements.	Our procedures in relation to revenue recognition from trading of commodities included: • Obtaining an understanding of the Group's revenue recognition policy; • Obtaining an understanding of the revenue business processes and relevant controls relating to the recognition of trading income; • Assessing the criteria under which the Group concludes it as acting as a principal and recognises revenue on gross basis based on the requirements under HKFRS 15 "Revenue from Contracts with Customers"; and • Testing the trading income on a sample basis by examining underlying documents.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- 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 those charged with governance 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 those charged with governance 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 those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 the independent auditor's report is Tse Fung Chun.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29th June, 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2022

	NOTES	2022 HK$'000	2021 HK$'000
Revenue	5		
Contracts with customers		882,232	1,464,217
Interest under effective interest method		2,259	4,000
Total revenue		884,491	1,468,217
Cost of sales		(838,310)	(1,435,456)
Gross profit		46,181	32,761
Other income and expenses, other gains and losses	7	345	3,238
Net (loss) gain on financial instruments	8	(77,446)	37,140
Gain on disposal of an associate	9	–	163,480
Selling and distribution expenses		(23,582)	–
Administrative expenses		(90,093)	(69,013)
Finance costs	10	(26,008)	(1,148)
(Loss) profit before taxation	11	(170,603)	166,458
Income tax expense	12	–	(5)
(Loss) profit for the year		(170,603)	166,453
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		12,964	5,345
Reclassification adjustment of reserves released on disposal of an associate		–	13,427
Reclassification adjustment of reserves released on deregistration of a subsidiary		(327)	–
Other comprehensive income for the year		12,637	18,772
Total comprehensive (expenses) income for the year		(157,966)	185,225

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2022

	NOTE	2022 HK$'000	2021 HK$'000
(Loss) profit for the year attributable to:			
Owners of the Company		**(158,417)**	167,056
Non-controlling interests		**(12,186)**	(603)
		(170,603)	166,453
Total comprehensive (expenses) income for the year attributable to:			
Owners of the Company		**(150,739)**	185,828
Non-controlling interests		**(7,227)**	(603)
		(157,966)	185,225
		HK cents	*HK cents*
(Loss) earnings per share:	14		
Basic		**(7.85)**	8.28
Diluted		**(7.85)**	N/A

Consolidated Statement of Financial Position

At 31st March, 2022

	NOTES	2022 HK$'000	2021 HK$'000
Non-current assets			
Property, plant and equipment	15	**726,791**	29,849
Right-of-use assets	16	**378,421**	18,425
Goodwill	17	**5,686**	–
Debt instrument at amortised cost	18	**–**	200,000
Financial assets at fair value through profit or loss	19	**131,440**	197,704
Loan receivables	20	**19,123**	–
		1,261,461	445,978
Current assets			
Inventories	21	**22,173**	86,682
Trade and other receivables	22	**149,874**	9,053
Derivative financial instruments	23	**4,674**	6,106
Equity investments held for trading	24	**10,378**	1,893
Loan receivables	20	**2,949**	–
Restricted bank balances	25	**39,151**	–
Bank balances and cash	25	**109,590**	239,325
		338,789	343,059
Current liabilities			
Trade and other payables	26	**250,614**	6,205
Derivative financial instruments	23	**6,600**	3,145
Contract liabilities	27	**5,570**	57,686
Borrowings – due within one year	28	**42,376**	–
Lease liabilities – due within one year	29	**6,257**	5,344
		311,417	72,380
Net current assets		**27,372**	270,679
Total assets less current liabilities		**1,288,833**	716,657
Non-current liabilities			
Borrowings – due after one year	28	**122,914**	–
Lease liabilities – due after one year	29	**449,681**	1,509
		572,595	1,509
Net assets		**716,238**	715,148

Consolidated Statement of Financial Position

At 31st March, 2022

	NOTE	2022 HK$'000	2021 HK$'000
Capital and reserves			
Share capital	31	20,183	20,183
Share premium and reserves		538,624	689,363
Equity attributable to the owners of the Company		558,807	709,546
Non-controlling interests		157,431	5,602
Total equity		716,238	715,148

The consolidated financial statements on pages 80 to 187 were approved and authorised for issue by the Board of Directors on 29th June, 2022 and are signed on its behalf by:

Ching Man Chun, Louis
Chairman and Managing Director

Yeung Kim Ting
Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2022

	Attributable to the owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Translation reserve HK$'000	Amounts recognised in other comprehensive income and accumulated in equity relating to asset held for sale HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st April, 2020	20,183	959,550	908	(1,920)	(122,336)	(332,667)	523,718	6,205	529,923
Profit (loss) for the year	–	–	–	–	–	167,056	167,056	(603)	166,453
Exchange differences arising on translation of foreign operations	–	–	–	5,345	–	–	5,345	–	5,345
Reserves released on disposal of an associate	–	–	–	–	13,427	–	13,427	–	13,427
Total comprehensive income (expenses) for the year	–	–	–	5,345	13,427	167,056	185,828	(603)	185,225
Disposal of an associate	–	–	–	–	108,909	(108,909)	–	–	–
At 31st March, 2021	20,183	959,550	908	3,425	–	(274,520)	709,546	5,602	715,148
Loss for the year	–	–	–	–	–	(158,417)	(158,417)	(12,186)	(170,603)
Exchange differences arising on translation of foreign operations	–	–	–	8,005	–	–	8,005	4,959	12,964
Reserve released on deregistration of a subsidiary	–	–	–	(327)	–	–	(327)	–	(327)
Total comprehensive income (expenses) for the year	–	–	–	7,678	–	(158,417)	(150,739)	(7,227)	(157,966)
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	2,701	2,701
Deregistration of a subsidiary	–	–	–	–	–	–	–	(3,848)	(3,848)
Acquisition of subsidiaries *(note 37)*	–	–	–	–	–	–	–	160,203	160,203
At 31st March, 2022	**20,183**	**959,550**	**908**	**11,103**	**–**	**(432,937)**	**558,807**	**157,431**	**716,238**

Consolidated Statement of Cash Flows

For the year ended 31st March, 2022

	NOTES	2022 HK$'000	2021 HK$'000
OPERATING ACTIVITIES			
(Loss) profit before taxation		**(170,603)**	166,458
Adjustments for:			
Depreciation of property, plant and equipment		**24,864**	2,153
Depreciation of right-of-use assets		**14,896**	8,168
Loss on disposal of property, plant and equipment		**228**	9
Interest income		**(3,611)**	(4,502)
Finance costs		**26,008**	1,148
Net loss (gain) on financial instruments		**66,380**	(48,177)
Gain on disposal of an associate		**–**	(163,480)
Operating cash flows before movements in working capital		**(41,838)**	(38,223)
Decrease (increase) in inventories		**67,545**	(55,426)
(Increase) decrease in trade and other receivables		**(87,547)**	1,625
Increase in loan receivables		**(4,157)**	–
Change in derivative financial instruments		**2,961**	3,876
(Increase) decrease in equity investments held for trading		**(6,675)**	4,170
Increase (decrease) in trade and other payables		**85,163**	(902)
(Decrease) increase in contract liabilities		**(52,433)**	55,164
Cash used in operations		**(36,981)**	(29,716)
Interest received		**–**	504
Income tax paid		**–**	(5)
NET CASH USED IN OPERATING ACTIVITIES		**(36,981)**	(29,217)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(68,252)**	(2,157)
Loans to third parties		**(24,470)**	(15,600)
Repayment of loans to third parties		**6,555**	15,600
Net cash inflow on acquisition of subsidiaries	37	**3,742**	–
Proceeds from disposal of property, plant and equipment		**2,591**	32
Interest received		**1,352**	502
Proceeds from disposal of an associate	9	**–**	196,687
Withdrawal of restricted deposits with brokers		**–**	1,950
NET CASH (USED IN) FROM INVESTING ACTIVITIES		**(78,482)**	197,014

Consolidated Statement of Cash Flows

For the year ended 31st March, 2022

	2022 *HK$'000*	2021 *HK$'000*
FINANCING ACTIVITIES		
Repayment of borrowings	**(246,858)**	–
Interest paid	**(25,759)**	(414)
Repayment of lease liabilities	**(6,845)**	(7,272)
Borrowings raised	**263,323**	–
Capital contribution from non-controlling shareholders of subsidiaries	**2,701**	–
NET CASH USED IN FINANCING ACTIVITIES	**(13,438)**	(7,686)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(128,901)**	160,111
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**239,325**	77,938
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(834)**	1,276
CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash	**109,590**	239,325

1. GENERAL

PT International Development Corporation Limited (the "**Company**") is an exempted company incorporated in Bermuda with limited liability. Its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporate Information" section of this annual report.

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries (the Company together with the Company's subsidiaries are collectively referred to as the "**Group**") are set out in note 43.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the annual periods beginning on or after 1st April, 2021 for the preparation of the consolidated financial statements:

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

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

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

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
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]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020[1]

1 Effective for annual periods beginning on or after 1st January, 2022
2 Effective for annual periods beginning on or after 1st January, 2023
3 Effective for annual periods beginning on or after a date to be determined

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

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)"

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31st March, 2022, the application of the amendments will not result in reclassification of the Group's liabilities.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

New and amendments to HKFRSs in issue but not yet effective (continued)

Amendments to HKAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 "Income Taxes" ("**HKAS 12**") so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

As disclosed in note 3.2, for leasing transactions in which the tax deductions are attributable to the lease liabilities and provision for decommissioning and restoration in which the tax deductions are attributable to ultimate costs incurred, the Group applies HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

In addition, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the provisions for decommissioning and restoration and the corresponding amounts recognised as part of the cost of the related assets.

The amendments are effective for annual reporting periods beginning on or after 1st January, 2023, with early application permitted. As at 31st March, 2022, the carrying amounts of right-of-use assets and lease liabilities which are subject to the amendments amounted to HK$328,719,000 and HK$454,792,000 respectively. The Group is still in the process of assessing the full impact of the application of the amendments. The cumulative effect of initially applying the amendments will be recognised as an adjustment to the opening balance of accumulated losses (or other component of equity, as appropriate) at the beginning of the earliest comparative period presented.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of HKFRS 16 "Leases" ("**HKFRS 16**"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets" ("**HKAS 36**").

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the "Framework for the Preparation and Presentation of Financial Statements" (replaced by the "Conceptual Framework for Financial Reporting" issued in October 2010).

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities are recognised and measured in accordance with HKAS 12; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

Disposal of interest in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. The difference between the carrying amount of the associate and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal of the relevant associate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date (for example, a service contract in which the Group bills a fixed amount for each month of service provided), the Group recognises revenue in the amount to which the Group has the right to invoice.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Revenue from contracts with customers (continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment; or

- the lease payments change due to changes in market rental rates following a market rent review in which case the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Leases (continued)

The Group as a lessee (continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Sales and leaseback transactions

Except for contracts entered into before the date of initial application of HKFRS 16, the Group applies the requirements of HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**") to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as other borrowings within the scope of HKFRS 9.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no further related costs are recognised in profit or loss in the period in which they become available. Such grants are presented under "other income and expenses, other gains and losses" line item.

Employee benefits

Retirement benefit costs

Payments to the defined contribution retirement benefit scheme, representing state-managed retirement schemes in the People's Republic of China ("**PRC**") and Mandatory Provident Fund Scheme in Hong Kong, are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Taxation (continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities and provision for decommissioning and restoration in which the tax deductions are attributable to ultimate costs incurred, the Group applies HKAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to the relevant assets and related liabilities are assessed on a net basis. Excess of depreciation on the relevant assets over the lease payments for the principal portion of lease liabilities and the estimated cost for decommissioning and restoration results in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss. When current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as right-of-use assets in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Construction in progress is carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost of assets (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Provisions (continued)

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group's ordinary course of business is presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" ("**HKFRS 3**") applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at amortised cost or fair value through other comprehensive income ("**FVTOCI**") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "net (loss) gain on financial instruments" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including debt instrument at amortised cost, trade and other receivables, loan receivables, restricted bank balances and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For the Group's financial instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default; (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition/modification of financial assets (continued)

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies; (ii) held for trading; or (iii) it is designated as at FVTPL.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL (continued)

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities (representing trade and other payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Significant accounting policies (continued)

Financial instruments (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgment in applying accounting policies

The following is the critical judgment, apart from those arising from estimates (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that has the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration (principal)

The Group engages in trading of commodities. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration that the Group is primarily responsible for fulfilling the promise to provide the goods. The Group is also subject to inventory risk and has discretion in establishing the price of the goods. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31st March, 2022, the Group recognised revenue relating to trading of commodities amounting to HK$844,337,000 (2021: HK$1,462,355,000).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

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

Estimated impairment of goodwill (and related property, plant and equipment and right-of-use assets)

For the purposes of impairment testing, goodwill has been allocated to the cash-generating unit for the provision of port and port-related services in the petrochemical segment. In addition to goodwill, property, plant and equipment and right-of-use assets that generate cash flows together with the related goodwill are also included in the cash-generating unit for the purpose of impairment assessment. The impairment assessment requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is the higher of the value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss may arise.

As at 31st March, 2022, goodwill allocated to the cash-generating unit amounted to HK$5,686,000, and related property, plant and equipment and right-of-use assets within the cash-generating unit amounted to HK$633,635,000 and HK$340,793,000, respectively. Details of the recoverable amount calculation are disclosed in note 17.

5. REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of the Group's revenue for the year is as follows:

	2022 *HK$'000*	2021 *HK$'000*
Revenue from contracts with customers		
– Trading income	844,337	1,462,355
– Metal recycling income	1,742	–
– Port and port-related services income	34,990	–
– Insurance brokerage income	1,163	1,862
	882,232	1,464,217
Interest under effective interest method		
– Interest income from provision of finance	254	–
– Interest income from investment	2,005	4,000
	2,259	4,000
	884,491	1,468,217

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Disaggregation of revenue from contracts with customers

	2022 HK$'000	2021 HK$'000
Types of goods or services		
Trading income		
– Metals	491,936	1,344,572
– Chemicals and energy	352,401	117,783
	844,337	1,462,355
Metal recycling income	1,742	–
Port and port-related services income	34,990	–
Insurance brokerage income	1,163	1,862
	882,232	1,464,217
Timing of revenue recognition		
A point in time	847,242	1,464,217
Overtime	34,990	–
	882,232	1,464,217
Geographical location (based on the locations of transactions conducted)		
Hong Kong	845,450	1,380,206
The PRC excluding Hong Kong	35,040	84,011
The United Kingdom (the "**UK**")	1,742	–
	882,232	1,464,217

Trading of commodities

Revenue from trading of commodities is recognised at a point in time when the control of the goods is transferred to the customers upon delivery of the goods. Customers are either required to prepay in advance in full or are granted an average credit term of 90 days. Contracts with customers in relation to the trading of commodities are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts are not disclosed.

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Metal recycling income

Revenue from metal recycling is recognised at a point in time when control of the goods is transferred to the customers upon delivery of the goods. Customers are required to prepay in advance in full. Contracts with customers in relation to the trading of recycled metals are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts are not disclosed.

Port and port-related services

The Group's port and port-related services mainly consist of (i) unloading petrochemicals owned by the Group's customers from incoming vessels at the berth of the Group's port to the Group's oil tanks and related facilities; (ii) storage of petrochemicals owned by the Group's customers at the Group's oil tanks and related facilities; and (iii) loading petrochemicals of the Group's customers onto outgoing vessels, trains and oil trucks from the Group's oil tanks and facilities. The Group provides a bundle of service including the unloading, storage and loading services, and are thus one single performance obligation as identified within the contract. Customers are allowed an average credit period of 5 days upon issuance of invoice.

Revenue from port and port-related services is recognised over time using the output method. The Group applied the practical expedient to recognise the revenue in an amount to which the Group has the right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Insurance brokerage services

Revenue from provision of insurance brokerage services is recognised at a point in time when (i) the terms of the insurance policy have been contractually agreed by the insurer and policyholder; and (ii) the insurer has received or has a present right to payment from the policyholder. With respect to recognition of insurance brokerage service income, the Group assessed whether it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once the uncertainty related to the variable consideration is subsequently resolved. The directors of the Company consider that the likelihood and the magnitude of the reversal of insurance brokerage income recognised are not significant. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contract is not disclosed.

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

Set out below is the reconciliation of revenue from contracts with customers with amounts disclosed in the segment information.

For the year ended 31st March, 2022

	Trading HK$'000	Metal recycling HK$'000	Long-term investment HK$'000	Petrochemical HK$'000	Financial institute business HK$'000	Finance HK$'000	Other investment HK$'000	Total HK$'000
Trading income	844,337	–	–	–	–	–	–	844,337
Metal recycling income	–	1,742	–	–	–	–	–	1,742
Port and port-related services income	–	–	–	34,990	–	–	–	34,990
Insurance brokerage income	–	–	–	–	1,163	–	–	1,163
Revenue from contracts with customers	844,337	1,742	–	34,990	1,163	–	–	882,232
Interest income from provision of finance	–	–	–	–	–	254	–	254
Interest income from investment	–	–	2,005	–	–	–	–	2,005
Interest under effective interest method	–	–	2,005	–	–	254	–	2,259
Total revenue	844,337	1,742	2,005	34,990	1,163	254	–	884,491

5. REVENUE AND SEGMENT INFORMATION (continued)

Revenue (continued)

For the year ended 31st March, 2021

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trading income	1,462,355	–	–	–	–	–	1,462,355
Insurance brokerage income	–	–	–	1,862	–	–	1,862
Revenue from contracts with customers	1,462,355	–	–	1,862	–	–	1,464,217
Interest under effective interest method							
– interest income from investment	–	4,000	–	–	–	–	4,000
Total revenue	1,462,355	4,000	–	1,862	–	–	1,468,217

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker ("**CODM**"), being the executive directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

Trading	–	trading of commodities
Metal recycling	–	recycling and trading of metals *(Note i)*
Long-term investment	–	investments including long-term debt instruments and equity investments
Petrochemical	–	storage, unloading and loading services for petrochemical products *(Note ii)*
Financial institute business	–	provision of asset management, insurance brokerage and related services
Finance	–	loan financing services
Other investment	–	investment in trading of securities

Notes:

(i) During the year ended 31st March, 2022, the Group subscribed 90% equity interests in Cupral Group Ltd. ("**Cupral**"). The principal activity of Cupral is the recycling, upgrading and sale of copper granules and high grade aluminium scraps. Details of the Group's subscription of interests in Cupral are set out in note 36.

(ii) During the year ended 31st March, 2022, the Group completed its subscription of 65% of equity interests in Thousand Vantage Investment Limited ("**Thousand Vantage**"). The management services agreement entered into previously with Thousand Vantage (the "**Management Agreement**") was terminated upon the subscription. Details of the subscription of interests in Thousand Vantage and the Management Agreement are set out in note 37. Therefore, the Group reorganised its internal reporting structure and prior year segment disclosures have been represented to conform with the current year's presentation.

Information regarding the above operating segments, which are also reportable segments of the Group, is reported below.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31st March, 2022

	Trading HK$'000	Metal recycling HK$'000	Long-term investment HK$'000	Petrochemical HK$'000	Financial institute business HK$'000	Finance HK$'000	Other investment HK$'000	Adjustments and eliminations HK$'000	Consolidated HK$'000
SEGMENT REVENUE									
External sales	844,337	1,742	2,005	34,990	1,163	254	–	–	884,491
Inter-segment sales	–	41,738	–	–	–	–	–	(41,738)	–
	844,337	43,480	2,005	34,990	1,163	254	–	(41,738)	884,491
RESULTS									
Segment results	(7,388)	(25,588)	(67,179)	(21,404)	(6,933)	241	1,831	(260)	(126,680)
Central administration costs									(44,691)
Other income and expenses, other gains and losses									940
Finance costs									(172)
Loss before taxation									(170,603)

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment revenue and results (continued)

For the year ended 31st March, 2021

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE							
External sales	1,462,355	4,000	–	1,862	–	–	1,468,217
RESULTS							
Segment results	3,418	44,804	(2,871)	(6,503)	–	1,428	40,276
Central administration costs							(38,111)
Other income and expenses, other gains and losses							1,961
Gain on disposal of an associate							163,480
Finance costs							(1,148)
Profit before taxation							166,458

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3.2. Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, certain other income and expenses, other gains and losses, certain finance costs and gain on disposal of an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market prices.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities

As at 31st March, 2022

	Trading HK$'000	Metal recycling HK$'000	Long-term investment HK$'000	Petrochemical HK$'000	Financial institute business HK$'000	Finance HK$'000	Other investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
SEGMENT ASSETS										
Segment assets	107,186	88,986	131,456	1,123,436	20,076	2,998	10,378	1,484,516	–	1,484,516
Unallocated corporate assets	–	–	–	–	–	–	–	–	115,734	115,734
Total assets	107,186	88,986	131,456	1,123,436	20,076	2,998	10,378	1,484,516	115,734	1,600,250
SEGMENT LIABILITIES										
Segment liabilities	73,839	72,601	–	727,771	1,675	–	–	875,886	–	875,886
Unallocated corporate liabilities	–	–	–	–	–	–	–	–	8,126	8,126
	73,839	72,601	–	727,771	1,675	–	–	875,886	8,126	884,012

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Segment assets and liabilities (continued)

As at 31st March, 2021

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Segment total	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT ASSETS									
Segment assets	140,845	401,535	40,507	12,642	–	4,961	600,490	–	600,490
Unallocated corporate assets	–	–	–	–	–	–	–	188,547	188,547
Total assets	140,845	401,535	40,507	12,642	–	4,961	600,490	188,547	789,037
SEGMENT LIABILITIES									
Segment liabilities	60,831	–	4,351	664	–	–	65,846	–	65,846
Unallocated corporate liabilities	–	–	–	–	–	–	–	8,043	8,043
	60,831	–	4,351	664	–	–	65,846	8,043	73,889

For the purposes of monitoring segment performance and allocating resources among segments:

- all assets are allocated to operating segment other than certain property, plant and equipment, certain right-of-use assets, certain trade and other receivables and certain bank balances and cash.
- all liabilities are allocated to operating segments, other than certain other payables and accrued expenses, certain borrowings and certain lease liabilities.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information

For the year ended 31st March, 2022

	Trading HK$'000	Metal recycling HK$'000	Long-term investment HK$'000	Petrochemical HK$'000	Financial institute business HK$'000	Finance HK$'000	Other investment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment results or segment assets:										
Additions to property, plant and equipment										
– through acquisition of subsidiaries *(note 37)*	–	–	–	633,251	–	–	–	633,251	–	633,251
– additions	–	37,582	–	7,663	187	–	–	45,432	30,871	76,303
Additions to right-of-use assets										
– through acquisition of subsidiaries *(note 37)*	–	–	–	341,908	–	–	–	341,908	–	341,908
– additions	–	25,527	–	–	1,308	–	–	26,835	–	26,835
Addition to goodwill	–	–	–	5,552	–	–	–	5,552	–	5,552
Depreciation of property, plant and equipment	–	1,201	–	19,768	143	–	–	21,112	4,464	25,576
Depreciation of right-of-use assets	–	2,138	–	9,772	850	–	–	12,760	4,275	17,035
Interest income	–	–	2,005	–	–	254	–	2,259	1,352	3,611
Net loss (gain) on financial instruments	13,013	–	66,264	–	–	–	(1,831)	77,446	–	77,446
Finance costs	12,917	2,823	–	10,029	67	–	–	25,836	172	26,008

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Other information (continued)

For the year ended 31st March, 2021

	Trading	Long-term investment	Petrochemical	Financial institute business	Finance	Other investment	Segment total	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measurement of segment results or segment assets:									
Additions to property, plant and equipment	–	–	–	247	–	–	247	1,910	2,157
Additions to right-of-use assets	618	–	–	1,089	–	–	1,707	8,341	10,048
Depreciation of property, plant and equipment	157	–	–	40	–	–	197	1,956	2,153
Depreciation of right-of-use assets	1,301	–	518	1,791	–	–	3,610	4,558	8,168
Interest income	–	4,000	–	–	–	–	4,000	502	4,502
Net loss (gain) on financial instruments	9,550	(45,262)	–	–	–	(1,428)	(37,140)	–	(37,140)
Finance costs	–	–	–	–	–	–	–	1,148	1,148

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Geographical information

The Group's operations are located in Hong Kong, the PRC, the UK and Mauritius (2021: Hong Kong, the PRC and Mauritius).

Information about the Group's revenue from external customers or counterparties is presented based on the locations of transactions conducted. Information about the Group's non-current assets is presented based on the physical locations of the assets.

	Revenue		Carrying amount of non-current assets *(Note)*	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**847,709**	1,384,206	**30,919**	9,280
The PRC, excluding Hong Kong	**35,040**	84,011	**1,019,687**	38,912
The UK	**1,742**	–	**59,022**	–
Mauritius	**–**	–	**1,270**	82
	884,491	1,468,217	**1,110,898**	48,274

Note: Non-current assets exclude financial assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

Customer	**Segment**	**2022** ***HK$'000***	2021 *HK$'000*
Customer A	Trading	**224,445**	228,969
Customer B	Trading	**164,855**	N/A[1]
Customer C	Trading	**138,573**	N/A[1]
Customer D	Trading	**N/A[1]**	364,937

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Revenue by products, services and investments

The Group's major revenue by services and investments was disclosed above.

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of the directors and the chief executive were as follows:

(a) Directors' emoluments

	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
2022					
Executive directors:					
Ching Man Chun, Louis *(chief executive)*	10	5,928	18	380	6,336
Xu Wei	10	1,044	18	70	1,142
Sue Ka Lok *(resigned on 6th July, 2021)*	3	96	5	–	104
Heinrich Grabner	10	2,016	18	168	2,212
Yeung Kim Ting	10	2,340	18	150	2,518
Independent non-executive directors:					
Wong Yee Shuen, Wilson	150	–	–	–	150
Yam Kwong Chun	150	–	–	–	150
Lam Yik Tung	150	–	–	–	150
Total	493	11,424	77	768	12,762

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

The emoluments paid or payable to each of the directors and the chief executive were as follows: (continued)

(a) Directors' emoluments (continued)

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2021					
Executive directors:					
Ching Man Chun, Louis *(chief executive)*	10	5,482	18	380	5,890
Xu Wei	10	894	18	70	992
Sue Ka Lok *(resigned on 6th July, 2021)*	10	390	20	–	420
Heinrich Grabner	10	2,016	18	168	2,212
Yeung Kim Ting	10	2,094	18	150	2,272
Independent non-executive directors:					
Wong Yee Shuen, Wilson	150	–	–	–	150
Yam Kwong Chun	150	–	–	–	150
Lam Yik Tung	150	–	–	–	150
Total	500	10,876	92	768	12,236

Ching Man Chun, Louis is the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive of the Company.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

6. DIRECTORS' AND CHIEF EXECUTIVES' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

The five highest paid employees of the Group during the year included three (2021: three) directors of the Company, details of whose emoluments are set out in note (a) above. Amounts disclosed below represent the remuneration of the remaining two (2021: two) highest paid employees who are neither directors nor chief executive of the Company.

	2022	2021
	HK$'000	*HK$'000*
Salaries and other benefits	**3,879**	2,534
Discretionary bonus	**138**	174
Retirement benefit scheme contributions	**101**	36
	4,118	2,744

Their emoluments were within the following bands:

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

During the year, no emoluments were paid by the Group to these individuals and directors of the Company, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the year.

The discretionary bonus is based on the directors' and employees' skills, knowledge and involvement in the Group's affairs and determined by reference to the Group's performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

7. OTHER INCOME AND EXPENSES, OTHER GAINS AND LOSSES

	2022 HK$'000	2021 HK$'000
Loss on disposal of property, plant and equipment	(228)	(9)
Net foreign exchange losses	(2,819)	(50)
Bank interest income	144	164
Interest income on loan to a third party	1,208	338
Government grants	–	1,419
Others	2,040	1,376
	345	3,238

Government grants of HK$1,419,000 for the year ended 31st March, 2021 mainly represented COVID-19-related subsidies from the Employment Support Scheme provided by the Hong Kong government.

8. NET (LOSS) GAIN ON FINANCIAL INSTRUMENTS

	2022 HK$'000	2021 HK$'000
(Decrease) increase in fair values of financial assets at FVTPL	(66,264)	45,262
Increase in fair value of equity investments held for trading	1,831	1,428
Decrease in fair values of derivative financial instruments	(13,013)	(9,550)
	(77,446)	37,140

9. DISPOSAL OF INTEREST IN AN ASSOCIATE

On 7th April, 2020, the Group entered into a conditional agreement with an independent third party for the disposal of its 19.57% equity interests in Blue River Holding Limited ("**Blue River**"), the Group's then associate, at a consideration of HK$181,440,000, subject to adjustments (the "**Disposal**"). As a conditional precedent to the Disposal, the Group agreed to place the remaining 4.08% equity interests in Blue River to independent third parties by way of placing before completion of the Disposal (the "**Placing**"), after which the Group and the Company will no longer hold any shares of Blue River after the Placing and the Disposal.

The Placing and the Disposal was completed on 24th June, 2020 and 6th July, 2020, respectively. The Group received net proceeds from the Placing and the Disposal amounting to HK$15,337,000 and HK$181,350,000, respectively and recognised a total gain on disposal of interest in the associate of HK$163,480,000 in profit or loss, calculated as follows:

	HK$'000
Net proceeds received from the Placing and the Disposal	196,687
Less: Carrying amount of 23.65% equity interests in Blue River	(19,780)
Reclassification of cumulative share of translation reserve of the associate upon disposal of the associate	(13,427)
Gain on disposal of an associate recognised in profit or loss	163,480

10. FINANCE COSTS

	2022 *HK$'000*	2021 *HK$'000*
Interest on lease liabilities	**7,099**	414
Interest on discounted bills without recourse	**858**	734
Interest on borrowings	**18,660**	–
Total borrowing costs	**26,617**	1,148
Amounts capitalised in the cost of qualifying assets	**(609)**	–
	26,008	1,148

Borrowing costs capitalised during the year ended 31st March, 2022 that arose on the general borrowing pool are calculated by applying a capitalisation rate of 2.42% (2021: nil) per annum to expenditures on qualifying assets.

11. (LOSS) PROFIT BEFORE TAXATION

	2022 HK$'000	2021 HK$'000
(Loss) profit before taxation has been arrived at after charging:		
Staff costs, including directors' emoluments:		
Salaries and other benefits	48,913	28,146
Retirement benefit scheme contributions	1,179	459
Total staff costs	50,092	28,605
Capitalised in inventories	(3,885)	–
	46,207	28,605
Depreciation of property, plant and equipment	25,576	2,153
Depreciation of right-of-use assets	17,035	8,168
Total depreciation	42,611	10,321
Capitalised in inventories	(2,851)	–
	39,760	10,321
Auditor's remuneration – audit services	2,878	1,592
Cost of inventories recognised as an expense	836,757	1,433,997

12. INCOME TAX EXPENSE

	2022 HK$'000	2021 HK$'000
Underprovision in prior years in respect of Hong Kong Profits Tax	–	5

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made for the years ended 31st March, 2022 and 2021 as the Group's assessable profits for the years are absorbed by tax losses carried forward.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for the subsidiaries in the PRC. No provision for EIT has been made as the relevant subsidiaries had no assessable profits arising in the PRC for both years.

United Kingdom Corporation Tax is calculated at 19% of the assessable profits for the subsidiary in the UK. No provision for United Kingdom Corporation tax has been made as the Group had no assessable profits arising in the UK for both years.

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 HK$'000	2021 HK$'000
(Loss) profit before taxation	(170,603)	166,458
Tax (credit) charge at the Hong Kong Profit Tax rate of 16.5% (2021: 16.5%)	(28,149)	27,466
Tax effect of expenses not deductible for tax purposes	18,632	10,901
Tax effect of income not taxable for tax purposes	(385)	(38,178)
Underprovision in prior years	–	5
Tax effect of tax losses not recognised	11,984	653
Utilisation of tax losses previously not recognised	(91)	(685)
Effect of different tax rates applicable to subsidiaries operating in other jurisdictions	(1,991)	(157)
Income tax expense for the year	–	5

13. DISTRIBUTIONS

The directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2022 (2021: nil).

14. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted loss per share (2021: basic earnings per share) attributable to owners of the Company is based on the following data:

	2022	2021
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted loss per share (2021: basic earnings per share)	**(158,417)**	167,056

	Number of shares	
	2022	2021
Number of shares for the purpose of basic and diluted loss per share (2021: basic earnings per share)	**2,018,282,827**	2,018,282,827

For the year ended 31st March, 2022, the computation of diluted loss per share does not assume the exercise of the call options granted to the non-controlling shareholders of Cupral since their assumed exercise would result in a decrease in loss per share. Details of the call options related to Cupral's shares are disclosed in note 36.

For the year ended 31st March, 2021, no diluted earnings per share is presented as the Company had no potential ordinary shares in issue.

15. PROPERTY, PLANT AND EQUIPMENT

	Owned properties	Port infrastructure	Oil tanks and related facilities	Leasehold improvements	Plant and machinery	Furniture, fixtures and office equipment	Motor vehicles and yacht	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST									
At 1st April, 2020	–	–	–	1,450	–	2,351	2,980	23,676	30,457
Additions	–	–	–	1,810	–	347	–	–	2,157
Disposals	–	–	–	(1,297)	–	(346)	–	–	(1,643)
Exchange realignment	–	–	–	–	–	38	–	2,553	2,591
At 31st March, 2021	–	–	–	1,963	–	2,390	2,980	26,229	33,562
Acquired on acquisition of subsidiaries *(note 37)*	5,466	252,783	229,598	–	42,316	1,520	1,083	100,485	633,251
Additions	–	–	–	9,298	27,975	1,696	29,813	7,521	76,303
Disposals/write-off	–	–	–	–	–	(461)	(52)	(2,758)	(3,271)
Transfer	–	–	5,226	5,458	1,642	–	–	(12,326)	–
Exchange realignment	133	6,141	5,607	(173)	427	38	26	3,675	15,874
At 31st March, 2022	5,599	258,924	240,431	16,546	72,360	5,183	33,850	122,826	755,719
DEPRECIATION									
At 1st April, 2020	–	–	–	1,243	–	1,444	447	–	3,134
Provided for the year	–	–	–	925	–	632	596	–	2,153
Eliminated on disposals	–	–	–	(1,434)	–	(168)	–	–	(1,602)
Exchange realignment	–	–	–	–	–	28	–	–	28
At 31st March, 2021	–	–	–	734	–	1,936	1,043	–	3,713
Provided for the year	235	6,612	7,927	1,788	5,010	751	3,253	–	25,576
Eliminated on disposals/ write-off	–	–	–	–	–	(452)	–	–	(452)
Exchange realignment	1	37	44	(5)	7	7	–	–	91
At 31st March, 2022	236	6,649	7,971	2,517	5,017	2,242	4,296	–	28,928
CARRYING VALUES									
At 31st March, 2022	**5,363**	**252,275**	**232,460**	**14,029**	**67,343**	**2,941**	**29,554**	**122,826**	**726,791**
At 31st March, 2021	–	–	–	1,229	–	454	1,937	26,229	29,849

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, less their residual values, are depreciated over their estimated useful lives on a straight-line basis as follows:

Owned properties	20 years
Port infrastructure	20 years
Oil tanks and related facilities	20 years
Leasehold improvements	Over the terms of the relevant leases
Plant and machinery	5 – 10 years
Furniture, fixtures and office equipment	3 – 5 years
Motor vehicles and yacht	4 – 5 years

The Group has pledged plant and machinery with carrying amount of HK$25,720,000 (2021: nil) to secure a loan from a third party as disclosed in note 28.

16. RIGHT-OF-USE ASSETS

	Land and sea areas use rights HK$'000	Leased properties HK$'000	Oil tanks and related facilities HK$'000	Plant and machinery HK$'000	Total HK$'000
As at 31st March, 2022					
Carrying amount	48,645	25,562	303,502	712	378,421
As at 31st March, 2021					
Carrying amount	11,791	6,634	–	–	18,425
For the year ended 31st March, 2022					
Depreciation charge	1,022	7,395	8,550	68	17,035
Capitalised in inventories	–	(2,139)	–	–	(2,139)
	1,022	5,256	8,550	68	14,896
For the year ended 31st March, 2021					
Depreciation charge	271	7,897	–	–	8,168

16. RIGHT-OF-USE ASSETS (continued)

	Year ended 31.3.2022 *HK$'000*	Year ended 31.3.2021 *HK$'000*
Expenses relating to short-term leases	**160**	114
Expenses relating to leases of low-value assets	**38**	53
Total cash outflow for leases	**14,142**	7,853
Additions to right-of-use assets		
– through acquisition of subsidiaries as disclosed in note 37	**341,908**	–
– additions during the year	**26,835**	10,048
Adjustments arising from lease modifications	**–**	(441)

Land and sea areas use rights are granted by the relevant PRC government authorities to use certain land and sea areas located in the PRC, and are depreciated over the relevant lease terms ranging from 42 years to 50 years. As at 31st March, 2022, land and sea use rights of HK$36,578,000 (2021: nil) have been pledged to secure bank borrowings raised by the Group as disclosed in note 28.

The Group leases office premises for its operations and recognises leased properties as right-of-use assets. The lease contracts are entered into for fixed terms of two to three years (2021: two to three years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. Leased properties are depreciated over the relevant lease terms of two to three years.

To better manage the Group's capital structure and financing needs, the Group enters into sale and leaseback arrangements in relation to oil tanks and related facilities and plant and machinery. Upon initial application of HKFRS 16, the remaining amounts under the sale and leaseback transactions entered into before the date of initial application were not reassessed to determine whether the transfer of the underlying asset satisfied the requirements in HKFRS 15 to be accounted for as a sale. The Group did not enter into new sale and leaseback transactions during the year ended 31st March, 2022 (2021: nil). As at 31st March, 2022, right-of-use assets amounting to HK$304,214,000 (2021: nil) have been pledged to secure sale and leaseback arrangements raised by the Group.

In addition, lease liabilities of HK$455,938,000 (2021: HK$6,853,000) are recognised with related right-of-use assets of HK$329,776,000 (2021: HK$6,634,000) as at 31st March, 2022. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. RIGHT-OF-USE ASSETS (continued)

The Group regularly entered into short-term leases for office premises. As at 31st March, 2022 and 2021, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Details of the lease maturity analysis of lease liabilities are set out in note 29.

17. GOODWILL

	HK$'000
COST	
At 1st April, 2021	–
Arising on acquisition of subsidiaries	5,552
Exchange realignment	134
At 31st March, 2022	5,686

Goodwill arises from the acquisition of Thousand Vantage and its subsidiaries (the "**Thousand Vantage Group**") during the year ended 31st March, 2022 as disclosed in note 37.

For the purposes of impairment testing, goodwill has been allocated to the cash-generating unit for the provision of port and port-related services in the petrochemical segment, which is represented by the Thousand Vantage Group. In addition to goodwill, property, plant and equipment and right-of-use assets that generate cash flows together with the related goodwill are also included in the cash-generating unit for the purpose of impairment assessment.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 13.6%. Cash flows beyond the 5-year period are extrapolated using a steady growth rate of 2.6% which is based on the long-term average growth rate in the PRC. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue and related costs based on past performance and management's expectation for business and market developments.

During the year ended 31st March, 2022, management of the Group determines that there is no impairment on the cash-generating unit.

18. DEBT INSTRUMENT AT AMORTISED COST

In April 2018, the Group entered into a subscription agreement with Thousand Vantage pursuant to which the Group as a subscriber agreed to subscribe and Thousand Vantage, as issuer, agreed to allot and issue 100 preference shares at a total subscription price of HK$200,000,000. The preference shares conferred the Group the right to receive cumulative fixed preferential dividend at the rate of 2% per annum of the subscription price up to the redemption date of 16th April, 2020. The preference shares were guaranteed by the then sole shareholder of Thousand Vantage (the "**Guarantor**") who executed a share charge in favour of the Group relating to all shares of Thousand Vantage (the "**Share Charge**").

The preference shares were held within a business model whose objective was to hold the preference shares in order to collect contractual cash flows, and the contractual terms of the preference shares gave rise on specified dates to cash flows that were solely payments of principal and interest on the principal amount outstanding. Accordingly, the preference shares subscribed were accounted for as a debt instrument measured at amortised cost.

On 9th November, 2020, the Group entered into a supplemental agreement with Thousand Vantage and the Guarantor pursuant to which the parties conditionally agreed to extend the redemption date of the preference shares from the original redemption date of 16th April, 2020 to the new redemption date of 16th April, 2022 (the "**Extension**"). Save for the Extension, other principal terms of the preference shares remained the same.

As disclosed in note 37, the Group completed its subscription of 65% equity interests in Thousand Vantage on 11th October, 2021. The subscription price was settled by way of offsetting the subscription price of the preference shares and all the accrued and unpaid dividends on the preference shares up to the date of completion. All preference shares were fully redeemed upon completion of the subscription.

Details of the subscription of interests in Thousand Vantage are disclosed in note 37.

Dividends arising on the preference shares are accrued up to the date of completion of the Group's subscription of interests in Thousand Vantage. For the year ended 31st March, 2022, dividends amounting to HK$2,005,000 (2021: HK$4,000,000) are recognised in profit or loss as interest income from investments (included in revenue).

Details of impairment assessment of debt instrument as at 31st March, 2021 are set out in note 34.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at FVTPL mainly represent the Group's investment in an unlisted fund.

On 21st June, 2018, the Group entered into a subscription agreement with certain independent third parties pursuant to which the Group agreed to subscribe for shares of a private equity fund established in Korea (the "**Fund**"), as a limited partner, for an aggregate consideration of United States Dollar ("**US$**") 20,000,000 (equivalent to HK$156,000,000) in cash. The Fund principally invests in shares of companies listed on the Korea Exchange. The Fund is managed by a fund manager, while limited partners of the Fund do not have rights to engage in the management of the Fund. The Group, as a limited partner in the Fund, does not have the power to participate in the financial and operating policy decisions of the Fund. As such, the Group does not have significant influence over the Fund and the Fund is not accounted for as an associate. The shares of the Fund held by the Group represent approximately 29.71% (2021: 29.71%) of the issued share capital of the Fund as at 31st March, 2022.

The Fund is accounted for as a financial asset at FVTPL. As at 31st March, 2022, the fair value of the Fund is HK$131,440,000 (2021: HK$197,704,000). During the year ended 31st March, 2022, fair value loss of HK$66,264,000 (2021: fair value gain of HK$56,935,000) was recognised in profit or loss. Details of the fair value measurements of the Fund are disclosed in note 34. In the opinion of the directors of the Company, the Fund is held for long-term strategic investment purposes and as such, the investment is classified as non-current.

20. LOAN RECEIVABLES

	2022 HK$'000	2021 HK$'000
Loans to non-controlling shareholders of Cupral *(note 36)*	2,949	–
Loans to third parties	19,123	–
	22,072	–
Analysed as reporting purposes as:		
Current assets	2,949	–
Non-current assets	19,123	–
	22,072	–

Details of loans to non-controlling shareholders of Cupral are set out in note 36.

Loans to third parties are mainly secured, interest-bearing at 7% per annum and have a maturity date in June 2023. The loans are secured by a convertible bond issued by a company listed in the Korea Exchange with face value of 10,000,000,000 South Korean Won (equivalent to HK$62,530,000) and maturity in 2050.

Details of impairment assessment of loan receivables are set out in note 34.

21. INVENTORIES

	2022 HK$'000	2021 HK$'000
Raw materials	5,444	–
Finished goods held for sale	16,729	86,682
	22,173	86,682

22. TRADE AND OTHER RECEIVABLES

	2022 HK$'000	2021 HK$'000
Trade receivables		
– interest	–	3,825
– contracts with customers	74,333	–
	74,333	3,825
Value-added tax ("**VAT**") and other taxes recoverable	14,033	–
Amount due from a non-controlling shareholder of a subsidiary *(Note)*	6,597	–
Prepayments	38,885	1,251
Rental, utility and other deposits	2,496	1,687
Other receivables	13,530	2,290
	75,541	5,228
	149,874	9,053

Note: As at 31st March, 2022, the amount due from a non-controlling shareholder of a subsidiary is unsecured, interest-free, non-trade related and repayable on demand.

As at 1st April, 2020, there were no trade receivables arising from contracts with customers.

22. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade receivables presented based on the date of revenue recognition at the end of the reporting period:

	2022 HK$'000	2021 HK$'000
Trade receivables		
0 – 30 days	73,979	340
31 – 60 days	354	307
61 – 90 days	–	340
Over 90 days	–	2,838
	74,333	3,825

Details of impairment assessment of trade and other receivables are set out in note 34.

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into commodities forward contracts and currency forward contracts during the years ended 31st March, 2022 and 2021.

	2022		2021	
	Assets HK$'000	Liabilities HK$'000	Assets HK$'000	Liabilities HK$'000
Aluminium forward contracts	990	1,319	2,685	3,145
Nickel forward contracts	–	–	3,421	–
Copper forward contracts	3,655	5,124	–	–
Currency forward contracts	29	157	–	–
	4,674	6,600	6,106	3,145

23. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value loss recognised during the year ended 31st March, 2022 amounted to HK$13,013,000 (2021: HK$9,550,000). The summary of outstanding derivative contracts as at 31st March, 2022 and 2021 is as follows:

(a) Commodities forward contracts

As at 31st March, 2022

Contract type	Commodities forward contracts	Quantity *(tons)*	Average exercise price *(US$)*	Maturity date
Buy	**Aluminium**	**1,150**	**3,484.67**	**April 2022 to July 2022**
Buy	**Copper**	**1,425**	**10,114.20**	**April 2022 to July 2022**
Sell	**Aluminium**	**2,550**	**3,470.76**	**April 2022 to July 2022**
Sell	**Copper**	**1,725**	**10,103.43**	**April 2022 to July 2022**

As at 31st March, 2021

Contract type	Commodities forward contracts	Quantity *(tons)*	Average exercise price *(US$)*	Maturity date
Buy	Aluminium	10,828	2,184.04	April 2021 to June 2021
Sell	Aluminium	10,752	2,170.28	April 2021 to June 2021
Sell	Nickel	168	18,661.00	June 2021

(b) Currency forward contracts

The Group has entered into British pound sterling ("**GBP**")/US$ contracts in which the Group is able to sell GBP/buy US$ at fixed exchange rates at a fixed future time. Major terms of the above foreign currency contracts are as below:

Aggregate notional amount	Maturity	Forward exchange rates
As at 31st March, 2022		
GBP 3,400,000	April 2022 to July 2022	Sell GBP and buy US$ at 1.3106 – 1.3385

24. EQUITY INVESTMENTS HELD FOR TRADING

	2022 HK$'000	2021 HK$'000
Financial asset carried at FVTPL:		
Listed equity securities in Hong Kong	10,378	1,893

The fair value measurement of listed equity securities is categorised as Level 1 as the fair value of the investment was determined by quoted bid prices in an active market.

25. RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

Restricted bank balances carried interests ranging from 0.01% to 2.25% (2021: nil) per annum. Details of the restriction are set out in note 39.

Bank balances carried interests ranging from 0.01% to 2.25% (2021: 0.01% to 2.25%) per annum.

Details of impairment assessment of restricted bank balances and bank balances are set out in note 34.

26. TRADE AND OTHER PAYABLES

	2022 HK$'000	2021 HK$'000
Trade payables	67,222	–
Payables for acquisition of property, plant and equipment *(Note)*	142,228	–
Other payables	27,044	5,183
Accrued expenses	14,120	1,022
	250,614	6,205

Note: In May 2021, Guangming (as defined in note 37) became a defendant in a legal action involving the outstanding payment in relation to the fee for construction of port infrastructure from a construction company in the PRC. The case was settled under a civil mediation in May 2022 and Guangming is liable to pay construction fees of Renminbi ("**RMB**") 90,504,000 (equivalent to HK$111,613,000), which has been included in payables for acquisition of property, plant and equipment as at 31st March, 2022.

26. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2022 HK$'000	2021 HK$'000
Trade payables		
0 – 30 days	65,675	–
31 – 60 days	923	–
61 – 90 days	320	–
Over 90 days	304	–
	67,222	–

27. CONTRACT LIABILITIES

	2022 HK$'000	2021 HK$'000
Amounts received in advance in respect of:		
– sales of goods	3,807	57,686
– provision of port and port-related services	1,763	–
	5,570	57,686

As at 1st April, 2020, contract liabilities amounted to HK$2,522,000.

Amount represents consideration received from customers in advance of delivery of goods in respect of the trading segment and in advance of the provision of port and port-related services in respect of the petrochemical segment.

Contract liabilities amounting to HK$57,686,000 (2021: HK$2,522,000) at the beginning of the year has been recognised as revenue during the year ended 31st March, 2022.

28. BORROWINGS

	2022 *HK$'000*	2021 *HK$'000*
Bank borrowings	**142,129**	–
Loan from a third party	**23,161**	–
	165,290	–
Secured	**165,290**	–

The carrying amounts of the above borrowings are repayable:

	2022 *HK$'000*	2021 *HK$'000*
Within one year	**42,376**	–
Within a period of more than one year but not exceeding two years	**16,032**	–
Within a period of more than two years but not exceeding five years	**106,882**	–
	165,290	–
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(42,376)**	–
Amount due for settlement after 12 months (shown under non-current liabilities)	**122,914**	–

28. BORROWINGS (continued)

The Group's borrowings that are denominated in a currency other than the functional currency of the relevant group entity are set out below:

	2022 *HK$'000*	2021 *HK$'000*
US$	23,161	–

Bank borrowings

As at 31st March, 2022, the bank borrowings are secured by right-of-use assets amounting to HK$36,578,000 (2021: nil) as disclosed in note 16 and are guaranteed by a non-controlling shareholder of a subsidiary. The Group's bank borrowings carry interests at variable rates of 6.86% (2021: nil) per annum as at 31st March, 2022 with reference to the Benchmark Interest Rates for Deposits and Loans of Financial Institutions quoted by the People's Bank of China.

Loan from a third party

During the year ended 31st March, 2022, the Group obtained a loan from a third party for the purpose of purchasing plant and equipment for the business operations of Cupral. As at 31st March, 2022, the loan is secured by a pledge of plant and machinery amounting to HK$25,720,000, interest-bearing at 10% per annum and repayable in October 2022.

29. LEASE LIABILITIES

	2022 HK$'000	2021 HK$'000
Lease liabilities payable:		
Within one year	6,257	5,344
Within a period of more than one year but not more than two years	5,880	1,509
Within a period of more than two years but not exceeding five years	42,732	–
Within a period of more than five years	401,069	–
	455,938	6,853
Less: Amount due for settlement within 12 months (shown under current liabilities)	(6,257)	(5,344)
Amount due for settlement after 12 months (shown under non-current liabilities)	449,681	1,509

The borrowing rates applied to lease liabilities range from 2.61% to 7.10% (2021: 5.50%) per annum.

Lease liabilities arising from sale and leaseback arrangements are pledged by the relevant right-of-use assets as disclosed in note 16.

30. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

	Gain on land resumption *HK$'000*	Tax losses *HK$'000*	Total *HK$'000*
As at 1st April, 2020 and 2021	–	–	–
Acquisition of subsidiaries	25,255	(25,255)	–
(Credit) charge to profit or loss	(25,444)	25,444	–
Exchange realignment	189	(189)	–
As at 31st March, 2022	–	–	–

As at 31st March, 2022, the Group had unused tax losses of approximately HK$296,075,000 (2021: HK$192,808,000) available to offset against future profits. No deferred tax asset has been recognised of such losses as at 31st March, 2022 and 2021 due to the unpredictability of future profit streams. Tax losses amounting to HK$62,815,000 (2021: nil) will expire within 5 years and the remaining tax losses amounting to HK$233,260,000 (2021: HK$192,808,000) may be carried forward indefinitely.

31. SHARE CAPITAL

	Number of shares	**Value** *HK$'000*
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1st April, 2020, 31st March, 2021 and 2022	102,800,000,000	1,028,000
Issued and fully paid:		
At 1st April, 2020, 31st March, 2021 and 2022	2,018,282,827	20,183

32. SHARE OPTIONS

The Company's previous share option scheme (the "**Previous Share Option Scheme**") was adopted at the annual general meeting of the Company on 19th August, 2011 (the "**Adoption Date**"). The Previous Share Option Scheme expired on 18th August, 2021. The existing share option scheme (the "**Share Option Scheme**") was adopted at the annual general meeting of the Company on 20th August, 2021.

The Previous Share Option Scheme

The purpose of the Previous Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Company and its subsidiaries and/or any invested entity(ies) and its subsidiaries.

The board of directors (the "**Board**") of the Company may in its absolute discretion, subject to the terms of the Previous Share Option Scheme, grant options to, *inter alia*, employees or executives, including executive directors of the Company, the controlling shareholder of the Company and any invested entity and their respective subsidiaries, non-executive directors of the Company and any invested entity and their respective subsidiaries, supplier, advisor, agent, consultant or contractor for the provision of goods or services to any member of the Group or any invested entity and its subsidiaries and any vendor, customer or celebrity of any member of the Group or any invested entity and its subsidiaries or any person or entity that provides research, development or other technological support to the Group and any invested entity and its subsidiaries.

At the time of adoption by the Company of the Previous Share Option Scheme on 19th August, 2011, the aggregate number of shares which may be issued upon the exercise of all options to be granted by the Company under the Previous Share Option Scheme and any other share option scheme(s) adopted by the Company must not exceed 10% of the total number of issued shares of the Company as at the date of shareholders' approval of the Previous Share Option Scheme. The Company may refresh such limit by an ordinary resolution of its shareholders at a general meeting provided that the limit so refreshed does not exceed 10% of the then total number of issued shares of the Company as at the date(s) of the shareholders' approvals. Share options previously granted under any share option scheme(s) (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed. Since the Previous Share Option Scheme has lapsed on 19th August, 2021, as at the date of this report, no shares are available for issue under the Previous Share Option Scheme.

32. SHARE OPTIONS (continued)

The Previous Share Option Scheme (continued)

Unless approved by the shareholders of the Company in general meeting, the total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted (whether exercised, cancelled or outstanding) under the Previous Share Option Scheme and any other share option scheme(s) of the Company to any eligible person in any 12-month period up to and including the date of further grant shall not exceed 1% of the total number of the Company's shares in issue from time to time. Options granted to a substantial shareholder and/or an independent non-executive director of the Company or any of their respective associates (as defined in the Listing Rules) in any 12-month period in excess of 0.1% of the total number of shares of the Company in issue and having an aggregate value exceeding HK$5 million must be approved by the shareholders of the Company in general meeting in advance.

The period within which the options may be exercised under the Previous Share Option Scheme will be determined by the directors of the Company at the time of grant. This period must expire in any event not later than the day falling 10 years after the date on which the offer relating to such option is duly approved by the Board. The Previous Share Option Scheme does not provide for any minimum period for which an option must be held before it can be exercised. Options may be granted at an initial payment of HK$1.00 for each acceptance of grant of option(s). The directors of the Company shall specify a date, being a date not later than 30 days after (i) the date on which the offer of the options is issued, or (ii) the date on which the conditions for the offer are satisfied, by which the eligible person must accept the offer or be deemed to have declined it.

The exercise price of the options will be determined by the directors of the Company (subject to adjustments as provided in the rules of the Previous Share Option Scheme) which shall not be lower than the nominal value of the shares of the Company and shall be at least the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average of the closing prices of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

The Previous Share Option Scheme had lapsed on 19th August, 2021.

As at 31st March, 2021, no options have been granted under the Previous Share Option Scheme.

32. SHARE OPTIONS (continued)

The Share Option Scheme

At the annual general meeting of the Company held on 20th August, 2021 (the "**2021 AGM**"), the Share Option Scheme was adopted by the shareholders of the Company in place of the Previous Share Option Scheme, which had expired on 19th August, 2021. The following is a summary of the principal terms of the Share Option Scheme:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds equity interest (the "**Invested Entity**").

(b) Who may join

The Board shall have the discretionary to make an offer to any person belonging to the following classes:

(i) any employee (whether full time or part time, including directors) of the Company or any subsidiary or any Invested Entity;

(ii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iii) any customer of any member of the Group or any Invested Entity;

(iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vi) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the directors has contributed or will contribute to the growth and development of the Group; and

(vii) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The eligibility of any of the eligible participants to an offer under the Share Option Scheme shall be determined by the directors from time to time on the basis of the directors' opinion as to such eligible participant's contribution to the development and growth of the Group.

32. SHARE OPTIONS (continued)

The Share Option Scheme (continued)

(c) Maximum number of shares

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes adopted by the Group if the grant of such options will result in the limit referred herein being exceeded.

As at the date of this report, the total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the share capital of the Company in issue as at the date on which resolution for approving and adopting the Share Option Scheme is passed by the shareholders of the Company at the 2021 AGM, which is 201,828,282 shares.

(d) Maximum entitlement of each eligible participant

Subject to (e) below, the total number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Group (including both exercised or outstanding options) to each eligible participant who accepts the offer for the grant of an option under the Share Option Scheme (a "**grantee**") in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options under the Share Option Scheme to a grantee would result in the shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the share capital of the Company in issue, such further grant shall be separately approved by the shareholders in general meeting with such grantee and his close associates (or his associates if the participant is a connected person) abstaining from voting.

Granting of an offer under the Share Option Scheme to any director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be approved by the independent non-executive directors (excluding any independent non-executive director who is the proposed grantee of an option under the Share Option Scheme).

32. SHARE OPTIONS (continued)

The Share Option Scheme (continued)

(d) Maximum entitlement of each eligible participant (continued)

Where any grant of options under the Share Option Scheme to a substantial shareholder or an independent non-executive director or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options under the Share Option Scheme already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the share capital of the Company in issue;

(ii) having an aggregate value, based on the closing price of the shares at the offer date of each offer, in excess of HK$5 million; and

(iii) such further grant of options shall be approved by the Shareholders in general meeting. The proposed grantee, his associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting.

For the purpose of seeking the approval of the shareholders of the Company above, the Company shall send a circular to the Shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

(e) Time of acceptance and exercise of an option

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant.

Unless a minimum period is determined by the Board for which an option must be held before it can be exercised, an option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

An offer shall have been accepted by an eligible participant in respect of all shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

32. SHARE OPTIONS (continued)

The Share Option Scheme (continued)

(f) Basis of determination of the exercise price of an option

The exercise price in respect of any option shall be at the discretion of the directors, provided that it shall not be less than the highest of:

(i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the shares on the offer date;

(ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the offer date; and

(iii) the nominal value of a share.

(g) Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted, which will expire on 19th August, 2031.

As at 31st March, 2022, no options have been granted under the Share Option Scheme.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of net debt, which include borrowings and lease liabilities, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital less accumulated losses and other reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2022	2021
	HK$'000	*HK$'000*
Financial assets		
Mandatorily measured at FVTPL		
Held for trading	10,378	1,893
Others	131,440	197,704
Derivative financial instruments	4,674	6,106
Amortised cost	267,769	447,128
Financial liabilities		
Derivative financial instruments	6,600	3,145
Amortised cost	401,784	5,045

(b) Financial risk management objectives and policies

The Group's major financial instruments include debt instrument at amortised cost, financial assets at FVTPL, derivative financial instruments, equity investments held for trading, trade and other receivables, loan receivables, restricted bank balances, bank balances and cash, trade and other payables and borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks

(i) *Currency risk*

The management of the Group has closely monitored foreign exchange exposure to mitigate the foreign currency risk. At the end of the reporting period, the carrying amounts of the Group's significant monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of the relevant group entities are as follows:

	2022 *HK$'000*	2021 *HK$'000*
Assets		
Korean Won ("**KRW**")	4,228	4,224
US$	13,322	793
GBP	2,949	–
HK$	10,471	–
Liabilities		
US$	23,161	–

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase/decrease in foreign currencies against the respective functional currency of the relevant group entities. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates a decrease in loss for the year (2021: an increase in profit for the year) where the foreign currencies strengthen 5% against the respective functional currency of the relevant group entities. For a 5% weakening of the foreign currencies against the respective functional currency of the relevant group entities, there would be an equal and opposite impact and the amounts below would be negative.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

	2022 *HK$'000*	2021 *HK$'000*
Impact to loss for the year (2021: profit for the year)		
KRW	177	176
US$	(411)	33
GBP	123	–
HK$	437	–

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

As at 31st March, 2022, the Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivables, loan from a third party and lease liabilities (2021: debt instrument at amortised cost and lease liabilities).

As at 31st March, 2022, the Group is exposed to cash flow interest rate risk in relation to restricted bank balances, bank balances and bank borrowings (2021: bank balances) which are mainly arranged at floating rates. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong prime rates quoted by relevant banks in Hong Kong for the Group's bank balances in Hong Kong and RMB Benchmark Interest Rates for Deposits and Loans of Financial Institutions quoted by the People's Bank of China for the Group's bank balances and bank borrowings in the PRC.

The management of the Group has employed a treasury team to closely monitor interest rate movement and manage the potential risk. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

Interest income from financial assets measured at amortised cost amounted to HK$3,611,000 (2021: HK$4,502,000).

Interest expense on financial liabilities at amortised cost (before amounts capitalised in the cost of qualifying assets) amounted to HK$18,660,000 for the year ended 31st March, 2022 (2021: nil).

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the variable-rate interest-bearing financial assets and financial liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank balances and bank borrowings are used and represent management's assessment of the reasonably possible change in interest rates. If interest rates on variable-rate interest-bearing bank balances and bank borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year 31st March, 2022 would increase/decrease by HK$593,000.

There was no significant exposure to cash flow interest rate risk as at 31st March, 2021.

(iii) Other price risk

The Group is exposed to other price risk through its investments in unlisted investments and equity investments held for trading. The management of the Group manages this exposure by maintaining a portfolio of investments with different risks. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks at the end of the reporting period.

If prices of the underlying listed investment of the unlisted fund had been 5% higher/lower, loss for the year (2021: profit for the year) would decrease/increase (2021: increase/decrease) by HK$1,082,000 (2021: HK$2,316,000) as a result of changes in fair values of the underlying listed investment of the unlisted fund.

If prices of the equity investments held for trading had been 5% higher/lower, loss for the year (2021: profit for the year) would decrease/increase (2021: increase/decrease) by HK$519,000 (2021: HK$95,000) as a result of changes in fair values of equity investments held for trading measured at FVTPL.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables arising from contracts with customers, other receivables and deposits, loan receivables, restricted bank balances and bank balances (2021: debt instrument at amortised cost and corresponding interest receivable, other receivables and deposits and bank balances). Other than loan receivables of HK$22,072,000 as at 31st March, 2022 which are secured by collaterals as disclosed in notes 20 and 36 (2021: debt instrument at amortised cost of HK$200,000,000 which was backed by share charges as security as disclosed in note 18), the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its other financial assets.

The Group performs impairment assessment for financial assets. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, is summarised below.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the credit quality of each potential customer and defines a credit rating and limit for each customer which are reviewed regularly by management. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Trade receivables are assessed for ECL collectively based on internal credit rating grouped by shared credit risk characteristics by reference to repayment histories and past due exposure. No impairment loss is recognised during the year ended 31st March, 2022 (2021: N/A) as the ECL is assessed to be insignificant. Details of the quantitative disclosures are set out below in this note.

As at 31st March, 2022, the Group has concentration of credit risks on trade receivables arising from contracts with customers as 93% of the balance is due from 2 customers (2021: N/A).

Debt instrument at amortised cost and corresponding interest receivable

As at 31st March, 2021, no significant ECL was recognised as the Group's exposure to credit losses was minimal considering the underlying value of the Share Charge held by the Group as disclosed in note 18.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Other receivables, deposits and amount due from a non-controlling shareholder of a subsidiary

The Group performs impairment assessment under ECL model on other receivables and deposits and amount due from a non-controlling shareholder of a subsidiary individually. The management of the Group makes periodic individual assessment on the recoverability of other receivables, deposits and amount due from a non-controlling shareholder of a subsidiary based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group considers that the credit risk of the balances has not increased significantly since initial recognition as there is no significant change in credit profile of the counterparties. As such, the Group assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the year ended 31st March, 2022 (2021: nil) as the ECL is assessed to be insignificant considering the financial background and historical and subsequent settlement of the counterparties.

Loan receivables and corresponding interest receivable

Before approving any loans to new borrowers, the Group assesses the potential borrower's credit quality and define credit limits individually. Limits attributed to borrowers are reviewed at the end of the reporting period. The management of the Group regularly monitors the financial strength of the counterparties to ensure that loans are only made with counterparties with good credit standings.

In addition, the Group performs impairment assessment under ECL model on each balance individually. As the loan receivables and the corresponding interest receivable (included in trade receivables) are not past due at the end of the reporting period, the management of the Group considers that the credit risk of the balances has not increased significantly since initial recognition. As such, the Group assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the year ended 31st March, 2022 (2021: N/A) as the Group's exposure to credit losses is minimal considering the underlying value of the collaterals held by the Group as disclosed in note 20 and 36.

The Group has concentration of credit risks on loan receivables and corresponding interest receivable as the loan receivables are due from six (2021: N/A) counterparties.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Restricted bank balances/bank balances

Credit risk on restricted bank balances and bank balances is limited because the counterparties are banks with good reputation and credit profile. The management of the Group considers that the credit risk of the amount has not increased significantly since initial recognition considering external credit ratings of the banks. As such, the Group assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the year ended 31st March, 2022 (2021: nil) as the ECL is assessed to be insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	**Description**	**Trade receivables**	**Other financial assets**
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settles after due date	Lifetime ECL – not credit impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating that the asset is credit-impaired	Lifetime ECL – credit impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Restricted bank balances/bank balances (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

Financial assets at amortised cost	External credit rating	Internal credit rating	Lifetime ECL or 12m ECL	Gross carrying amount	
				2022 *HK$'000*	2021 *HK$'000*
Trade receivables arising from contracts with customers	N/A	Low risk	Lifetime ECL (collective assessment)	74,333	–
Debt instrument at amortised cost *(Note)*	N/A	Low risk	12m ECL	–	203,825
Other receivables, deposits and amount due from a non- controlling shareholder of a subsidiary	N/A	Low risk	12m ECL	22,623	3,977
Loan receivables	N/A	Low risk	12m ECL	22,072	–
Restricted bank balances	Aa3	N/A	12m ECL	39,151	–
Bank balances	Aa3	N/A	12m ECL	109,544	239,306

Note: The gross carrying amounts disclosed above include the relevant interest receivables presented within trade receivables – interest.

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group relies on borrowings and lease liabilities as significant sources of liquidity. The management of the Group also monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate	Less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2022							
Non-derivative financial liabilities							
Trade and other payables	–	236,494	–	–	–	236,494	236,494
Borrowings	7.30	3,716	48,006	145,639	–	197,361	165,290
Lease liabilities	2.86	3,684	13,323	95,138	416,750	528,895	455,938
		243,894	61,329	240,777	416,750	962,750	857,722

	Weighted average interest rate	Less than 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2021						
Non-derivative financial liabilities						
Other payables	–	5,045	–	–	5,045	5,045
Lease liabilities	5.50	1,340	4,178	1,514	7,032	6,853
		6,385	4,178	1,514	12,077	11,898

34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average interest rate	Less than 3 months	3 months to 1 year	Total undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2022					
Derivative financial liabilities					
– net settlement					
Commodities forward contracts	–	6,008	435	6,443	6,443
Currency forward contracts	–	58	99	157	157
		6,066	534	6,600	6,600
2021					
Derivative financial liabilities					
– net settlement					
Commodities forward contracts	–	3,145	–	3,145	3,145

The amounts included above for variable-rate instruments for non-derivative financial liabilities are subject to change if changes in variable rates differ to those estimates of interest rates determined at the end of the reporting period.

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

Financial assets/ financial liabilities	Fair value as at 2022 HK$'000	Fair value as at 2021 HK$'000	Fair value hierarchy	Valuation techniques and key inputs
Equity investments – Listed equity securities	**10,378**	1,893	Level 1	Quoted bid prices in an active market.
Derivative financial instruments – Commodities forward contracts			Level 2	Discounted cash flow. Future cash flows are estimated based on future commodities prices and contracted commodities prices, discounted at a rate that reflects the credit risks of various counterparties.
Assets	**4,645**	6,106		
Liabilities	**6,443**	3,145		
– Currency forward contracts			Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Assets	**29**	–		
Liabilities	**157**	–		
Financial assets at FVTPL – Unlisted fund	**131,440**	197,704	Level 2	Based on the net asset values of the fund determined with reference to observable quoted prices in an active market of the underlying investment portfolio, mainly listed shares.

There were no transfers between Levels 1, 2 and 3 during the current and prior years.

34. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

For financial instruments that are recorded at amortised cost, fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

(d) Financial assets and financial liabilities subject to enforceable master netting arrangements

The disclosures set out in the tables below include financial assets and liabilities that are subject to an enforceable master netting arrangement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.

The Group has entered certain derivative transactions that are covered by the International Swaps and Derivatives Association Master Agreements ("**ISDA Agreements**") signed with various banks. These derivative instruments are not offset in the consolidated statement of financial position as the ISDA Agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts.

34. FINANCIAL INSTRUMENTS (continued)

(d) Financial assets and financial liabilities subject to enforceable master netting arrangements (continued)

	Gross amount of recognised financial asset/liability	Gross amount of recognised financial liability/asset set off in the consolidated statement of financial position	Net amount of financial asset/liability presented in the consolidated statement of financial position	Related amount not set off in the consolidated statement of financial position: Financial instruments	Related amount not set off in the consolidated statement of financial position: Cash collateral received/pledged	Net amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2022						
Financial assets						
Commodities forward contracts	4,645	–	4,645	(4,645)	–	–
Currency forward contracts	29	–	29	(29)	–	–
Bank balances	2,087	–	2,087	–	(1,926)	161
	6,761	–	6,761	(4,674)	(1,926)	161
Financial liabilities						
Commodities forward contracts	6,443	–	6,443	(4,645)	(1,798)	–
Currency forward contracts	157	–	157	(29)	(128)	–
	6,600	–	6,600	(4,674)	(1,926)	–

34. FINANCIAL INSTRUMENTS (continued)

(d) Financial assets and financial liabilities subject to enforceable master netting arrangements (continued)

	Gross amount of recognised financial asset/liability	Gross amount of recognised financial liability/asset set off in the consolidated statement of financial position	Net amount of financial asset/liability presented in the consolidated statement of financial position	Related amount not set off in the consolidated statement of financial position: Financial instruments	Related amount not set off in the consolidated statement of financial position: Cash collateral received/pledged	Net amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2021						
Financial assets						
Commodities forward contracts	6,106	–	6,106	(3,145)	–	2,961
Bank balances	3,194	–	3,194	–	–	3,194
	9,300	–	9,300	(3,145)	–	6,155
Financial liability						
Commodities forward contracts	3,145	–	3,145	(3,145)	–	–

35. RETIREMENT BENEFIT SCHEMES

The Group joined the Mandatory Provident Fund Scheme ("**MPF Scheme**") in Hong Kong for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contributions are available to reduce the contributions payable in future years.

The employees of subsidiaries in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to these retirement benefit schemes is to make the specified contributions.

36. SUBSCRIPTION OF INTERESTS IN CUPRAL

On 16th April, 2021, several independent third-party individuals (the "**Initial Shareholders**") and the Group entered into an investment and shareholders' agreement in relation to the subscription of 24,999,050 ordinary shares in aggregate in Cupral at a total subscription amount of GBP2,500,000 (equivalent to HK$26,955,000) (the "**Cupral Subscription**"). On completion of the Cupral Subscription, the Group was allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to HK$24,259,500), which represents 90% of the enlarged issued share capital of Cupral, and the Initial Shareholders were allotted 2,499,050 ordinary shares in aggregate with an aggregate subscription price of GBP250,000 (equivalent to HK$2,696,000). Cupral is accounted for as a subsidiary of the Company as the Group is able to exercise control over Cupral.

Cupral is a private limited company incorporated and registered in England and Wales. The Cupral Subscription allows Cupral to build a copper recycling and upgrading plant in the UK and engage in the recycling, upgrading and sale of copper granules and high grade aluminium scraps.

Call option liabilities

On the same date as the Cupral Subscription, the Group entered into call option agreements ("**Call Option Agreements**") with each of the Initial Shareholders under which the Initial Shareholders are granted an option to purchase all of the specified number of option shares (the "**Option Shares**") from the Group on specified exercise dates (the "**Exercise Date**") within an exercisable period of three years from the date of the Call Option Agreements (the "**Option Period**") at exercise prices ranging from GBP0.1 to GBP0.1331 per share on each Exercise Date. The maximum number of Option Shares for purchase by the Initial Subscribers is 7,500,000 in aggregate, which represents 30% of the enlarged issued share capital of Cupral upon completion of the Cupral Subscription. Any unexercised options will lapse at the end of the Option Period.

As at 31st March, 2022, the call option liabilities are not significant and thus not recognised in the consolidated financial statements.

36. SUBSCRIPTION OF INTERESTS IN CUPRAL (continued)

Loans to non-controlling shareholders of Cupral

On the same date as the Cupral Subscription, the Group entered into loan agreements with each of the Initial Shareholders in relation to the advance of loans to each of the Initial Shareholders with a loan principal of GBP250,000 (equivalent to HK$2,695,000) in aggregate. The loans carry interest at 10% per annum and have maturity one year from the date of drawdown of the loans. The loans are each pledged with shares held by each of the Initial Shareholders in Cupral, representing 2,500,000 ordinary shares, or 10% of the enlarged issued share capital of Cupral, in aggregate.

The loan principal of HK$2,695,500 and interest receivable of HK$254,000 was included in loan receivables. Interest income during the year ended 31st March, 2022 of HK$254,000 was recognised as interest income from provision of finance (included in revenue).

Details of impairment assessment of loans to non-controlling shareholders of Cupral are set out in note 34.

37. ACQUISITION OF SUBSIDIARIES

On 29th March, 2021, the Group entered into a subscription agreement with Thousand Vantage and the Guarantor (the "**Subscription**") to subscribe for 668,571,429 new ordinary shares (the "**Subscription Shares**") of Thousand Vantage at a subscription price (the "**Subscription Price**"), being the redemption amount (the "**Redemption Amount**") which is the aggregate sum of the subscription price for the preference shares of HK$200,000,000 and all the accrued and unpaid dividends on the preference shares up to the date of completion. The Subscription Price shall be paid on completion by way of offsetting against the Redemption Amount payable by Thousand Vantage for redemption of the preference shares issued by Thousand Vantage to the Group on 16th April, 2018. Upon completion of the Subscription, the Group will hold approximately 65% of all the issued shares of Thousand Vantage as enlarged by the Subscription Shares, and all preference shares issued by Thousand Vantage shall have been fully redeemed.

Thousand Vantage is a private limited company incorporated in Hong Kong and is engaged in the investment holding of 75% equity interests in Guangxi Guangming Warehouse Storage Limited* (廣西廣明碼頭倉儲有限公司) ("**Guangming**"), a company established in the PRC. Guangming holds and is mainly engaged in the provision of port and port-related services in Qinzhou Port in Guangxi, the PRC.

On 9th November, 2020, the Group entered into the Management Agreement with Thousand Vantage, pursuant to which Thousand Vantage agreed to appoint the Group on an exclusive basis to provide advisory, management and administrative services to Thousand Vantage and its subsidiaries.

The Subscription was completed on 11th October, 2021. Upon completion of the Subscription, the Group obtained control over the Thousand Vantage Group through its 65% equity interests in Thousand Vantage and the Management Agreement was terminated. Details of the Subscription are disclosed in the Company's Announcement dated 29th March, 2021, the Company's Circular dated 17th September, 2021 and the Company's Announcement dated 11th October, 2021.

The Subscription has been accounted for as acquisition of business using the acquisition method.

* *For identification purposes only*

37. ACQUISITION OF SUBSIDIARIES (continued)

Consideration transferred

	HK$'000
Debt instrument at amortised cost	200,000
Interest receivable on debt instrument at amortised cost	5,830
	205,830

Acquisition-related costs amounting to HK$3,354,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within other income and expenses, other gains and losses line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised at the date of the acquisition are as follows:

	HK$'000
Property, plant and equipment	633,251
Right-of-use assets	341,908
Trade and other receivables	57,219
Restricted bank balances	38,222
Bank balances and cash	3,742
Contract liabilities	(242)
Other payables and accrued expenses	(148,489)
Borrowings	(144,755)
Lease liabilities	(420,375)
	360,481

The fair value of the trade and other receivables acquired at the date of acquisition approximated to their gross contractual amounts.

Non-controlling interests

The non-controlling interests in the Thousand Vantage Group recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of the Thousand Vantage Group and amounted to HK$160,203,000.

37. ACQUISITION OF SUBSIDIARIES (continued)

Goodwill arising on the acquisition

	HK$'000
Consideration transferred	205,830
Add: Non-controlling interests	160,203
Less: Recognised amounts of net assets acquired	(360,481)
Goodwill arising on acquisition	5,552

Goodwill arose on the acquisition of the Thousand Vantage Group because the Group is expected to benefit from synergies between the Group's commodities trading business and the port and port-related services business of the Thousand Vantage Group. Goodwill is not expected to be deductible for tax purposes.

Net cash inflow on acquisition of Thousand Vantage

	HK$'000
Cash and cash equivalents acquired	3,742

Impact of acquisition on the results of the Group

Included in the loss for the year is loss of HK$18,248,000 attributable to the additional business generated by the Thousand Vantage Group. Revenue for the year includes HK$34,990,000 generated from the Thousand Vantage Group.

Had the acquisition of the Thousand Vantage Group completed on 1st April, 2021, the Group's revenue would have been HK$912,801,000, and loss for the year would have been HK$205,835,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st April, 2021, nor is it intended to be a projection of future results.

38. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	2022 HK$'000	2021 HK$'000
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	67,878	60,603

39. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	2022 HK$'000	2021 HK$'000
Property, plant and equipment	25,720	–
Right-of-use assets	340,792	–
	366,512	–

Restrictions on assets

As at 31st March, 2022, bank balances of HK$39,151,000 located in bank accounts in the PRC are restricted due to the legal case in relation to the construction of port infrastructure as disclosed in note 26. The restriction was released subsequently upon settlement of the legal case in May 2022.

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liability arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings *HK$'000*	Lease liabilities *HK$'000*	Total *HK$'000*
At 1st April, 2020	–	4,698	4,698
Financing cash flows	–	(7,686)	(7,686)
Non-cash changes			
Interest expenses	–	414	414
New lease entered/leases modified	–	9,338	9,338
Exchange realignment	–	89	89
At 31st March, 2021	–	6,853	6,853
Financing cash flows	(2,195)	(13,944)	(16,139)
Non-cash changes			
Acquisition of subsidiaries	144,755	420,375	565,130
Interest expenses	18,660	7,099	25,759
New lease entered	–	24,571	24,571
Exchange realignment	4,070	9,552	13,622
Others	–	1,432	1,432
At 31st March, 2022	**165,290**	**455,938**	**621,228**

41. RELATED PARTY DISCLOSURES

Compensation of key management personnel

Only the directors and chief executive are considered to be the key management personnel of the Group. The remuneration of directors and the chief executive is disclosed in note 6. The remuneration of directors is determined by the board of directors of the Company and its remuneration committee having regard to the performance of individuals and market trends.

42. FINANCIAL INFORMATION OF THE COMPANY

	2022 *HK$'000*	2021 *HK$'000*
Non-current asset		
Investments in subsidiaries	551,255	672,104
Current assets		
Other receivables	369	357
Amounts due from subsidiaries	86,320	96,358
Bank balances and cash	863	3,869
	87,552	100,584
Current liabilities		
Other payables	2,972	954
Amounts due to subsidiaries	80,623	80,183
	83,595	81,137
Net current assets	3,957	19,447
	555,212	691,551
Capital and reserves		
Share capital	20,183	20,183
Share premium and reserves *(Note)*	535,029	671,368
Total equity	555,212	691,551

42. FINANCIAL INFORMATION OF THE COMPANY (continued)

Note: Details of movements in the Company's share premium and reserves are as follows:

	Share premium *HK$'000*	Capital redemption reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1st April, 2020	959,550	908	(259,779)	700,679
Loss and total comprehensive expenses for the year	–	–	(29,311)	(29,311)
At 31st March, 2021	959,550	908	(289,090)	671,368
Loss and total comprehensive expenses for the year	–	–	(136,339)	(136,339)
At 31st March, 2022	**959,550**	**908**	**(425,429)**	**535,029**

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2022 and 2021 are as follows:

Name of subsidiary	Place of incorporation/ establishment/ registration	Place of operations	Issued and fully paid share capital	Percentage of issued share capital held by the Company 2022 %	2021 %	Percentage of issued share capital attributable to the Group 2022 %	2021 %	Principal activities
Directly owned								
PT Global Investment Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	100	100	100	100	Investment holding
PT OBOR Financial Holdings Limited	British Virgin Islands	Hong Kong	US$1 ordinary share	100	100	100	100	Investment holding
Indirectly owned								
PT Finance Limited	Hong Kong	Hong Kong	HK$1 ordinary share	100	100	100	100	Provision of finance
PT Investment Corporation Limited	Hong Kong	Hong Kong	HK$1 ordinary share	100	100	100	100	Investment holding and securities trading
PT Insurance Brokers Company Limited	Hong Kong	Hong Kong	HK$1,200,000 ordinary shares	100	100	100	100	Provision of insurance brokerage services
Ko Bon Metal Power Limited	Hong Kong	Hong Kong	HK$78,000,000 ordinary shares	100	100	100	100	Commodities trading
保笙(上海)貿易有限公司 *(Note i)*	The PRC	The PRC	RMB20,000,000 ordinary shares	–	80	–	80	Commodities trading
Thousand Vantage Investment Limited *(Note ii)*	Hong Kong	Hong Kong	HK$209,430,000 ordinary shares	65	–	65	–	Investment holding
Guangming *(Note iii)*	The PRC	The PRC	RMB600,000,000 share capital	75	–	48.75	–	Provision of port and port-related services
江蘇宏貿倉儲有限公司	The PRC	The PRC	RMB37,273,550 share capital	90	90	90	90	Provision of chemical storage services
Cupral Group Ltd. *(Note iii)*	The UK	The UK	GBP2,500,000 ordinary shares	90	–	90	–	Material recycling

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Notes:

(i) The entity was established as a limited liability joint venture in the PRC and was deregistered during the year ended 31st March, 2022.

(ii) The entities became the Company's subsidiaries upon completion of the Group's subscription of 65% equity interests in Thousand Vantage on 11th October, 2021. Details are disclosed in note 37.

(iii) The Group subscribed 90% equity interests in Cupral during the year ended 31st March, 2022. Details are disclosed in note 36.

None of the subsidiaries had issued any debt securities at the end of the year.

All of the above subsidiaries are limited companies.

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

44. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation/ establishment and principal place of business	Proportion of ownership interests/ voting rights held by non-controlling interests		Loss attributable to non-controlling interests		Accumulated non-controlling interests	
		2022	2021	**2022** *HK$'000*	2021 *HK$'000*	**2022** *HK$'000*	2021 *HK$'000*
Thousand Vantage*	Hong Kong	**35%**	–	**(5,046)**	–	**105,883**	–
Non-wholly owned subsidiaries of Thousand Vantage:							
– Guangming	The PRC	**25%**	–	**(3,829)**	–	**50,461**	–
Individually immaterial subsidiaries with non-controlling interests				**(3,311)**	(603)	**1,087**	5,602
				(12,186)	(603)	**157,431**	5,602

* excluding non-controlling interests of Thousand Vantage's subsidiaries

44. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Summarised financial information in respect of the Thousand Vantage Group which are subsidiaries of the Company with material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. Financial information about the profit or loss and cash flows of the Thousand Vantage Group represents amounts after completion of the Group's subscription of equity interests in Thousand Vantage on 11th October, 2021 as disclosed in note 37.

Thousand Vantage Group

	2022 *HK$'000*
Non-current assets	974,428
Current assets	101,610
Current liabilities	(170,871)
Non-current liabilities	(552,435)
	352,732
Equity attributable to:	
Owners of the Company	196,388
Non-controlling interests of Thousand Vantage	105,883
Non-controlling interests of Thousand Vantage's subsidiaries	50,461
	352,732

44. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Thousand Vantage Group (continued)

	2022 *HK$'000*
Revenue	34,990
Other income, other gains and losses	(494)
Expenses	(52,744)
Loss for the year	(18,248)
Other comprehensive income for the year	10,500
Total comprehensive expenses for the year	(7,748)
Loss for the year attributable to:	
Owners of the Company	(9,373)
Non-controlling interests of Thousand Vantage	(5,046)
Non-controlling interests of Thousand Vantage's subsidiaries	(3,829)
Loss for the year	(18,248)
Other comprehensive income for the year attributable to:	
Owners of the Company	5,483
Non-controlling interests of Thousand Vantage	3,088
Non-controlling interests of Thousand Vantage's subsidiaries	1,929
Other comprehensive income for the year	10,500
Total comprehensive expenses for the year attributable to:	
Owners of the Company	(3,890)
Non-controlling interests of Thousand Vantage	(1,958)
Non-controlling interests of Thousand Vantage's subsidiaries	(1,900)
Total comprehensive expenses for the year	(7,748)
Net cash inflow from operating activities	9,652
Net cash outflow from investing activities	(3,445)
Net cash outflow from financing activities	(11,740)
Net cash outflow	(5,533)

45. MAJOR NON-CASH TRANSACTIONS

During the year ended 31st March, 2022, the Group entered into new lease agreements and/or modified existing leases for the use of leased properties. On the lease commencement dates or modification dates, the Group recognised right-of-use assets of HK$26,835,000 (2021: HK$9,607,000) and lease liabilities of HK$24,571,000 (2021: HK$9,338,000).

46. LITIGATIONS

In February 2022, Guangming received a civil complaint filed by Lianwei (Shanghai) Finance Lease Limited* (聯蔚(上海)融資租賃有限公司) ("**Lianwei**") in respect of a dispute over the sale and leaseback arrangements of two oil storage tanks. Under the civil complaint, Lianwei requested the court to order Guangming to pay the due and unpaid rent of RMB673,000 (equivalent to HK$830,000) and the full amount of remaining rent for the remaining lease period of RMB106,273,000 (equivalent to HK$131,056,000), late default payments thereon and other related litigation costs. Guangming has already paid the abovementioned due and unpaid rent of RMB673,000 (equivalent to HK$830,000) in February 2022. Details are disclosed in the Company's Announcement dated 28th February, 2022. In June 2022, Guangming received another civil complaint filed by Lianwei in respect of a dispute over the sale and leaseback arrangement of another oil storage tank. Under the civil complaint, Lianwei requested the court to order Guangming to pay the due and unpaid rent of RMB35,500,000 (equivalent to HK$43,779,000), default payments thereon and other related litigation costs. Details are disclosed in the Company's Announcement dated 28th June, 2022.

Based on the advice from the PRC legal advisers, the directors of the Company consider that Guangming is not in breach of the relevant terms in the sale and leaseback agreements and the remaining amounts are not immediately repayable. Accordingly, the outstanding amounts due to Lianwei in respect of the sale and leaseback arrangements amounting to HK$165,448,000 has been included in lease liabilities under current liabilities as to HK$271,000 and non-current liabilities as to HK$165,177,000 as at 31st March, 2022 in accordance with the scheduled repayment dates in the sale and leaseback agreements and relevant renewal agreements.

* *For identification purposes only*

Five-Year Financial Summary

	Year ended 31st March,				
	2018 *HK$'000*	2019 *HK$'000*	2020 *HK$'000*	2021 *HK$'000*	**2022** ***HK$'000***
RESULTS					
Revenue	1,984,368	1,785,780	1,252,461	1,468,217	**884,491**
(Loss) profit before taxation	(32,706)	275,447	(903,771)	166,458	**(170,603)**
Taxation	(4,300)	1,751	185	(5)	**–**
(Loss) profit for the year	(37,006)	277,198	(903,586)	166,453	**(170,603)**
Attributable to:					
Owners of the Company	(36,828)	277,056	(902,258)	167,056	**(158,417)**
Non-controlling interests	(178)	142	(1,328)	(603)	**(12,186)**
	(37,006)	277,198	(903,586)	166,453	**(170,603)**

	As at 31st March,				
	2018 *HK$'000*	2019 *HK$'000*	2020 *HK$'000*	2021 *HK$'000*	**2022** ***HK$'000***
ASSETS AND LIABILITIES					
Total assets	1,428,455	1,488,165	547,209	789,037	**1,600,250**
Total liabilities	(141,399)	(10,758)	(17,286)	(73,889)	**(884,012)**
	1,287,056	1,477,407	529,923	715,148	**716,238**
EQUITY					
Equity attributable to:					
Owners of the Company	1,282,153	1,472,608	523,718	709,546	**558,807**
Non-controlling interests	4,903	4,799	6,205	5,602	**157,431**
	1,287,056	1,477,407	529,923	715,148	**716,238**