

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of PT International Development Corporation Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31st March, 2021 (“**Current Year**”), together with the comparative figures for the year ended 31st March, 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
Revenue	3		
Contracts with customers		1,464,217	1,244,984
Interest under effective interest method		4,000	7,274
Leases		–	203
		<hr/>	<hr/>
Total revenue		1,468,217	1,252,461
Cost of sales		(1,435,456)	(1,239,909)
		<hr/>	<hr/>
Gross profit		32,761	12,552
Other income, other gains and losses		3,238	2,682
Net gain (loss) on financial instruments	4	37,140	(379,365)
Gain on disposal of an associate	5	163,480	–
Administrative expenses		(69,013)	(56,459)
Finance costs		(1,148)	(2,160)
Share of results of an associate		–	(135,334)
Impairment loss on interest in an associate	5	–	(345,687)
		<hr/>	<hr/>
Profit (loss) before taxation	6	166,458	(903,771)
Income tax (expense) credit	7	(5)	185
		<hr/>	<hr/>
Profit (loss) for the year		166,453	(903,586)

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31st March, 2021

	<i>Note</i>	2021 HK\$'000	2020 HK\$'000
Other comprehensive income (expenses):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		5,345	(1,266)
Share of other comprehensive expenses of an associate		–	(31,788)
Reclassification adjustment of reserves released on disposal of an associate		13,427	–
Reclassification adjustment of reserves released on disposal of subsidiaries		–	978
<i>Item that will not be reclassified to profit or loss:</i>			
Share of other comprehensive expenses of an associate		–	(14,556)
Other comprehensive income (expenses) for the year		<u>18,772</u>	<u>(46,632)</u>
Total comprehensive income (expenses) for the year		<u>185,225</u>	<u>(950,218)</u>
Profit (loss) for the year attributable to:			
Owners of the Company		167,056	(902,258)
Non-controlling interests		<u>(603)</u>	<u>(1,328)</u>
		<u>166,453</u>	<u>(903,586)</u>
Total comprehensive income (expenses) for the year attributable to:			
Owners of the Company		185,828	(948,890)
Non-controlling interests		<u>(603)</u>	<u>(1,328)</u>
		<u>185,225</u>	<u>(950,218)</u>
		HK cents	HK cents
Earnings (loss) per share:	9		
Basic		<u>8.28</u>	<u>(44.70)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Non-current assets			
Property, plant and equipment		29,849	27,323
Right-of-use assets		18,425	15,872
Debt instrument at amortised cost	10	200,000	–
Financial assets at fair value through profit or loss	11	197,704	152,442
		<u>445,978</u>	<u>195,637</u>
Current assets			
Inventories		86,682	31,256
Debtors, deposits and prepayments	12	9,053	8,026
Debt instrument at amortised cost	10	–	200,000
Derivative financial instruments		6,106	6,513
Equity investments held for trading		1,893	6,109
Restricted deposits with brokers		–	1,950
Bank balances and cash		239,325	77,938
		<u>343,059</u>	<u>331,792</u>
Asset classified as held for sale	5	–	19,780
		<u>343,059</u>	<u>351,572</u>
Current liabilities			
Other payables and accrued expenses		6,205	7,429
Derivative financial instruments		3,145	2,637
Contract liabilities		57,686	2,522
Lease liabilities – due within one year		5,344	4,416
		<u>72,380</u>	<u>17,004</u>
Net current assets		<u>270,679</u>	<u>334,568</u>
Total assets less current liabilities		<u>716,657</u>	<u>530,205</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31st March, 2021*

	2021 HK\$'000	2020 <i>HK\$'000</i>
Non-current liability		
Lease liabilities – due after one year	<u>1,509</u>	<u>282</u>
Net assets	<u>715,148</u>	<u>529,923</u>
Capital and reserves		
Share capital	20,183	20,183
Share premium and reserves	689,363	625,871
Amounts recognised in other comprehensive income and accumulated in equity relating to asset held for sale	<u>–</u>	<u>(122,336)</u>
Equity attributable to the owners of the Company	709,546	523,718
Non-controlling interests	<u>5,602</u>	<u>6,205</u>
Total equity	<u>715,148</u>	<u>529,923</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2021

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (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 are presented in Hong Kong dollars (“**HK\$**”).

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1st April, 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (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 ⁵
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendment to HKFRS 16	Covid-19-Related Rent Concessions ¹
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30th June, 2021 ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non- current and related amendments to Hong Kong Interpretation 5 (2020) ⁵
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁵
Amendments to HKAS 8	Definition of Accounting Estimates ⁵
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁵
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ⁴
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 ⁴

¹ Effective for annual periods beginning on or after 1st June, 2020

² Effective for annual periods beginning on or after 1st January, 2021

³ Effective for annual periods beginning on or after 1st April, 2021

⁴ Effective for annual periods beginning on or after 1st January, 2022

⁵ Effective for annual periods beginning on or after 1st January, 2023

⁶ Effective for annual periods beginning on or after a date to be determined

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

3. REVENUE AND SEGMENT INFORMATION

Revenue

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue from contracts with customers		
– Trading income	1,462,355	1,244,356
– Insurance brokerage income	1,862	–
– Management and other related service income	<u>–</u>	<u>628</u>
	<u>1,464,217</u>	<u>1,244,984</u>
Interest under effective interest method		
– Interest income from provision of finance	–	3,263
– Interest income from investment	<u>4,000</u>	<u>4,011</u>
	<u>4,000</u>	<u>7,274</u>
Leases – property rental income	<u>–</u>	<u>203</u>
	<u><u>1,468,217</u></u>	<u><u>1,252,461</u></u>

3. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

Disaggregation of revenue from contracts with customers

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Types of goods or services		
Trading income		
– Metals	1,344,572	1,239,851
– Chemicals and energy	117,783	–
– Fisheries	–	4,505
	<u>1,462,355</u>	<u>1,244,356</u>
Insurance brokerage income	1,862	–
Management and other related service income	–	628
	<u>1,464,217</u>	<u>1,244,984</u>

Geographical location (based on the locations of transactions conducted)

Hong Kong	1,380,206	996,778
The People's Republic of China (the "PRC") excluding Hong Kong	84,011	243,073
Canada	–	628
Sri Lanka	–	4,505
	<u>1,464,217</u>	<u>1,244,984</u>

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. Revenue from trading of commodities is either receipt in advance in full or is granted with 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 "Revenue from Contracts with Customers" ("HKFRS 15"), the transaction price allocated to these unsatisfied contracts are not disclosed.

Revenue from provision of insurance brokerage services is recognised at a point in time when (i) the terms of the insurance policy has 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 contracts are not disclosed.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

On 9th November, 2020, the Group entered into a management agreement (the “**Management Agreement**”) with a third party, Thousand Vantage Investment Limited (“**Thousand Vantage**”), in which the Group subscribed its preference shares (details as set out in note 10), 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 “**Thousand Vantage Group**”). The Group is entitled to management fee as remuneration calculated at 48.75% of the applicable net profit of the Thousand Vantage Group, subject to adjustments as appropriate. Thousand Vantage is a company incorporated in Hong Kong which holds 75% equity interests in a subsidiary established in the PRC which is principally engaged in the provision of petrochemical port and storage services as well as port-related services. Details of the Management Agreement are disclosed in the Company’s announcement dated 9th November, 2020.

Management fee income for the year ended 31st March, 2021 derived from the provision of advisory, management and administrative services to the Thousand Vantage Group arises from contracts with customers and is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs. Such fee income is recognised based on the above calculation formula and is to be attributable to the “others” segment. No management fee income is recognised for the year ended 31st March, 2021 as the Thousand Vantage Group was in a net loss position for the year. The transaction price allocated to this unsatisfied contract is not disclosed due to the variable consideration constraint.

For the year ended 31st March, 2020, revenue from the provision of management and other 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. The credit terms of such management and other service income normally ranged from 30 days to 90 days.

Segment information

The Group’s operating segments, based on information reported to the chief operating decision maker, being the Executive Directors of the Company, for the purposes of resources allocation and performance assessment are as follows:

Trading	–	trading of commodities
Long-term investment	–	investments including long-term debt instruments and equity investments
Chemical	–	chemical storage services (<i>Note (a)</i>)
Financial institute business	–	provision of asset management, insurance brokerage and related services (<i>Note (b)</i>)
Finance	–	loan financing services
Other investment	–	investment in trading of securities
Others	–	leasing of investment properties and management services

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Notes:

- (a) During the year ended 31st March, 2020, the Group acquired, through the acquisition of subsidiaries, a right to use a parcel of reclaimed land and certain chemical storages and related facilities under construction thereon for the provision of chemical storage services. The segment has not commenced operation at the end of the reporting period.
- (b) During the year ended 31st March, 2021, the Group identified financial institute business as a new operating segment under HKFRS 8 “Operating Segments” under which the Group provides asset management, insurance brokerage and related services.

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

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, 2021

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

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment information (Continued)

Segment revenue and results (Continued)

For the year ended 31st March, 2020

	Trading <i>HK\$'000</i>	Long-term investment <i>HK\$'000</i>	Chemical <i>HK\$'000</i>	Finance <i>HK\$'000</i>	Other investment <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
SEGMENT REVENUE							
External sales	<u>1,244,356</u>	<u>4,011</u>	<u>-</u>	<u>3,263</u>	<u>-</u>	<u>831</u>	<u>1,252,461</u>
RESULTS							
Segment results	<u>(6,012)</u>	<u>(376,199)</u>	<u>(1,627)</u>	<u>3,240</u>	<u>(1,157)</u>	<u>(5)</u>	(381,760)
Central administration costs							(40,136)
Other income, other gains and losses							1,306
Finance costs							(2,160)
Share of results of an associate							(135,334)
Impairment loss on interest in an associate							<u>(345,687)</u>
Loss before taxation							<u>(903,771)</u>

Segment result represents the result of each segment without allocation of central administration costs, including Directors' salaries, certain other income, other gains and losses, finance costs and items related to interest in an associate.

Geographical information

The Group's operations are located in Hong Kong, the PRC and Mauritius (2020: Hong Kong, the PRC, Canada, Sri Lanka).

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	1,384,206	1,004,052
The PRC, excluding Hong Kong	84,011	243,073
Canada	-	831
Sri Lanka	-	4,505
	<u>1,468,217</u>	<u>1,252,461</u>

4. NET GAIN (LOSS) ON FINANCIAL INSTRUMENTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Increase (decrease) in fair values of financial assets at fair value through profit or loss (“FVTPL”)	45,262	(377,198)
Increase (decrease) in fair value of equity investments held for trading	1,428	(1,157)
Decrease in fair values of derivative financial instruments	<u>(9,550)</u>	<u>(1,010)</u>
	<u>37,140</u>	<u>(379,365)</u>

5. GAIN ON DISPOSAL OF AN ASSOCIATE/IMPAIRMENT LOSS ON INTEREST IN AN ASSOCIATE/ ASSET CLASSIFIED AS HELD FOR SALE

Impairment loss on interest in an associate during the year ended 31st March, 2020

As at 30th September, 2019, the Directors of the Company performed impairment assessment of the interest in an associate listed in Hong Kong (i.e. Blue River Holding Limited (previously known as PYI Corporation Limited) (“**Blue River**”)) and determined the recoverable amount to be the fair value less cost of disposal (which was based on quoted prices in an active market for the identical asset directly and categorised as Level 1 of the fair value hierarchy) as the fair value less cost of disposal was higher than the value in use.

To assess the value in use as at 30th September, 2019 for the purpose of the impairment test, the Directors of the Company considered the present value of the estimated future cash flows expected to arise from dividends to be received from the associate and from its ultimate disposal. The Directors of the Company anticipated that Blue River would continue to focus on divesting its ports and logistics business and refocus on other bulk commodities businesses with higher growth potential, in particular the liquefied natural gas business, rather than to return the gain on divestment to shareholders through declaration of dividends in the foreseeable term. Accordingly, the Directors of the Company revised their estimates of future dividends to be received from Blue River and determined that the value in use of the interest in the associate as at 30th September, 2019 to be lower than its fair value less cost of disposal. As such, the fair value less cost of disposal was used as the recoverable amount of the interest in the associate.

As the recoverable amount of the interest in the associate was less than its then carrying amount, a further impairment loss of HK\$345,687,000 was recognised in profit or loss during the six months ended 30th September, 2019. As there was no favourable change of the business of the associate subsequent to 30th September, 2019, no reversal of impairment loss was made as at 31st March, 2020.

5. DISPOSAL OF INTEREST IN AN ASSOCIATE/IMPAIRMENT LOSS ON INTEREST IN AN ASSOCIATE/ASSET CLASSIFIED AS HELD FOR SALE (Continued)

Asset held for sale as at 31st March, 2020

As at 31st March, 2020, the Group was in the process of disposing of its entire 23.65% equity interests in Blue River. Negotiations with an interested party had already taken place, and the Directors of the Company were committed to sell the equity interests in the associate within twelve months from the end of the reporting period. The interest in the associate with carrying amount of HK\$19,780,000 as at 31st March, 2020 had been reclassified as asset held for sale and was presented separately in the consolidated statement of financial position as at 31st March, 2020. The net proceeds of disposal were expected to exceed the carrying amount of the interest in the associate. Accordingly, no further impairment losses had been recognised during the year ended 31st March, 2020.

Disposal of interest in an associate during the year ended 31st March, 2021

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 (the “**Disposal**”) at a consideration of HK\$181,440,000, subject to adjustments. As a conditional precedent to the Disposal, the Group had 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 would 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:

	<i>HK\$'000</i>
Net proceeds received from the Placing and the Disposal	196,687
Less: Carrying amount of 23.65% equity interests in Blue River (included in asset held for sale as at 31st March, 2020)	(19,780)
Reclassification of cumulative share of translation reserve of the associate upon disposal of the associate	<u>(13,427)</u>
Gain on disposal of an associate recognised in profit or loss	<u><u>163,480</u></u>

6. PROFIT (LOSS) BEFORE TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit (loss) before taxation has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments:		
Salaries and other benefits	28,146	26,304
Retirement benefit scheme contributions	<u>459</u>	<u>579</u>
	<u>28,605</u>	<u>26,883</u>
Auditor's remuneration – audit services	1,592	1,774
Depreciation of property, plant and equipment	2,153	1,639
Depreciation of right-of-use assets	8,168	8,815
Cost of inventories recognised as an expense, including allowances for inventories of HK\$3,335,000 for the year ended 31st March, 2020 (2021: nil)	1,433,997	1,239,909
Rental income under operating leases, net of negligible outgoings, in respect of investment properties	<u>–</u>	<u>(203)</u>

7. INCOME TAX EXPENSE (CREDIT)

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax		
Underprovision (overprovision) in prior years in respect of:		
PRC Enterprise Income Tax (“EIT”)	–	(185)
Hong Kong Profits Tax	<u>5</u>	<u>–</u>
	<u>5</u>	<u>(185)</u>

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 year ended 31st March, 2021 as the Group's assessable profits for the year are absorbed by tax losses carried forward. No provision for Hong Kong Profits Tax has been made for the year ended 31st March, 2020 as the Group had no assessable profits arising in Hong Kong for the year.

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 Group has no assessable profits arising in the PRC for both years.

8. DISTRIBUTIONS

The Directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2021 (2020: nil).

9. EARNINGS (LOSS) PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit (loss) for the year attributable to owners of the Company for the purpose of basic earnings (loss) per share	<u>167,056</u>	<u>(902,258)</u>
	Number of shares	
	2021	2020
Number of shares for the purpose of basic earnings (loss) per share	<u>2,018,282,827</u>	<u>2,018,282,827</u>

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

For the year ended 31st March, 2020, no diluted loss per share is presented as the Company and the Group's associate had no potential ordinary shares in issue.

10. 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 confer 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 are guaranteed by the sole shareholder of Thousand Vantage (the “**Guarantor**”) who has executed a share charge in favour of the Group relating to all shares of Thousand Vantage (the “**Share Charge**”).

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

During the year ended 31st March, 2021, dividends arising on the preference shares amounting to HK\$4,000,000 (2020: HK\$4,011,000) are recognised in profit or loss as interest income from investments (included in revenue).

10. DEBT INSTRUMENT AT AMORTISED COST (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 (the “**Extension**”). Save for the Extension, other principal terms of the preference shares remain the same.

No significant ECL is recognised as the Group’s exposure to credit losses is minimal considering the underlying value of the Share Charge held by the Group.

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.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Unlisted fund (<i>Note (a)</i>)	197,704	140,769
Unlisted equity investment (<i>Note (b)</i>)	—	11,673
	<u>197,704</u>	<u>152,442</u>

Notes:

(a) 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 (namely AFC Mercury Fund) established in Korea (the “**Fund**”), as a limited partner, for an aggregate consideration of United States Dollars (“**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% (2020: 29.71%) of the issued share capital of the Fund as at 31st March, 2021.

The Fund is accounted for as a financial asset at FVTPL. As at 31st March, 2021, the fair value of the Fund is HK\$197,704,000 (2020: HK\$140,769,000). During the year ended 31st March, 2021, fair value gain of HK\$56,935,000 (2020: fair value loss of HK\$373,271,000) was recognised in profit or loss. 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.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) Unlisted equity investment

In December 2018, the Group entered into a subscription agreement pursuant to which the Group agreed to subscribe for shares of an exempted limited partnership incorporated in Cayman Islands (the “**Investment**”), as a limited partner, for an aggregate consideration of US\$2,000,000 (equivalent to HK\$15,600,000) in cash. The Investment principally invests in private entities engaged in Korean Pop Music academy and agency business in Korea. The Group, as a limited partner in the Investment, does not have the power to participate in the financial and operating policy decisions of the Investment. As such, the Group does not have significant influence over the Investment and the Investment is not accounted for as an associate. The subscription was completed in January 2019. The shares of the Investment held by the Group represent 20% (2020: 20%) of the issued share capital of the Investment as at 31st March, 2021.

The Investment is accounted for as a financial asset at FVTPL. During the year ended 31st March, 2021, fair value loss of HK\$11,673,000 (2020: HK\$3,927,000) was recognised in profit or loss. The Investment has nil fair value as at 31st March, 2021 (2020: HK\$11,673,000) as the Directors of the Company determine that the Investment is unable to generate future cash flows to the Group due to significant financial difficulties of the Investment in the current year causing suspension of business operations and even possible cessation of business in the foreseeable future.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade debtors – interest	3,825	329
Prepaid expenses, deposits and other receivables	<u>5,228</u>	<u>7,697</u>
	<u><u>9,053</u></u>	<u><u>8,026</u></u>

As at 1st April, 2019, trade debtors arising from contracts with customers amounted to HK\$1,932,000.

There are no credit terms granted by the Group for interest receivable.

The following is an aged analysis of trade debtors presented based on the date of recognition of interest income at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade debtors		
0 – 30 days	340	329
31 – 60 days	307	–
61 – 90 days	340	–
Over 90 days	<u>2,838</u>	<u>–</u>
	<u><u>3,825</u></u>	<u><u>329</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Review of Financial Performance

During the year ended 31st March, 2021 (the “**Current Year**”), 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, chemical storage business, provision of management services, financial institute business and loan financing services.

For the Current Year, the Group reported a profit of HK\$167,056,000 attributable to the owners of the Company (2020: loss of HK\$902,258,000) and basic earnings per share of HK8.28 cents (2020: basic loss per share of HK44.70 cents). The current year profit was mainly due to (a) the gain from the disposal of an associate, Blue River Holding Limited (previously known as PYI Corporation Limited) (“**Blue River**”), and (b) the fair value gain 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 copper, nickel, aluminium, and chemical and energy products. The business generated a segment revenue of HK\$1,462,355,000 (2020: HK\$1,244,356,000) and recorded a segment profit of HK\$3,418,000 (2020: segment loss of HK\$6,012,000). The increase in revenue was mainly due to our effort to diversify the commodities, suppliers, clients, and markets. The improvement in segment result is mainly due to an increase in the overall gross margin as a result of provision of additional value-added services to our clients.

The Group, through its subsidiaries, engaged in the metal, and chemical and energy product trading business in Hong Kong and Shanghai. This business is operated by experienced management teams located in both locations, with extensive and unique experience in the field of commodities trading. The metal trading business remains one of the main sources of income for the Group. Our trading volume improved after the expansion of our suppliers and client network and the diversification of commodities. With the Group continuing to expand both the upstream supplier and downstream end user network, the Group is able to facilitate the trade business through offering our value-added services to enhance our market share and position. Aluminium demand in Asia is encouraging for the Group whereas we developed regular businesses with clients in Asia. Aluminium trading is the main contributor to our business growth.

The commodities markets worldwide are being affected by COVID-19 at different levels. Activities clearly rebounded in March 2020 after the ease of lockdown, with favourable policy support and growing pent-up demand especially in China. Import and export growth started to improve in the beginning of the financial year due to overall commodities market demand picked up in China which led to the recovery of most of the Asia Pacific countries. Management has been monitoring the situation and the credit exposures in commodities markets and put measures in place to mitigate the risks arising from the impact of the COVID-19 pandemic.

Long-term Strategic Investments

During the Current Year, the Group's long-term investment recorded a revenue of HK\$4,000,000 (2020: HK\$4,011,000) and a segment profit of HK\$44,804,000 (2020: segment loss of HK\$376,199,000). The segment revenue and the segment profit for the Current Year was mainly attributed to the preference shares dividend from Thousand Vantage and the unrealised gain from the AFC Mercury Fund, respectively.

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 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\$4,000,000 (2020: HK\$4,011,000) 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.

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 has 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.

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. Further details are set out in Events After The Reporting Period.

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, 2021.

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 gain of HK\$56,935,000 (2020: fair value loss of HK\$373,271,000) 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 strategic 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 HK\$11,673,000 (2020: nil) was recognised in profit or loss. CEC Fund has nil fair value as at 31st March, 2021 (2020: HK\$11,673,000) 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.

Chemical Storage

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 chemical 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, 2021.

Financial Institute Business

The Group established Helios Asset Management (HK) Limited (“**Helios**”), 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 has actively extended its reach to different facets of the financial services sector so as to develop an all-rounded business, the Group acquired an insurance brokerage firm, Simply Management Limited (currently known as PT Insurance Brokers Company Limited (“**PT Insurance Brokers**”)) which is a member of the Hong Kong Confederation of Insurance Brokers and allowed to carry out insurance brokerage business in the long term (excluding linked long term) insurance in Hong Kong. In December 2020, Muhabura Capital Limited (“**Muhabura**”), a subsidiary of the Company incorporated in Mauritius, was granted an investment banking licence by Financial Services Commission in Mauritius (“**FSC**”). The Group is currently putting in place key infrastructure in order to commence business, which have been delayed due to COVID-19.

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. In light of the One Belt One Road initiative, the Group expects to see increasing business flows between the two continents. The Group takes the view that by operating licensed entities in both Hong Kong and Africa will give confidence in institutional, corporate and retail customers when working with the Group.

During the Current Year, the financial institute business was hampered by COVID-19, which not only affected the business negatively but also caused delays towards licencing of some of the new financial institute business segments. Muhabura, which received the final approval in December 2020 by the FSC was unable to launch its business in the Current Year due to COVID-19 lock downs in Mauritius.

Since Muhabura has yet to commence business, Helios was unable to launch its planned African focused fund. Whereas PT Insurance Brokers commenced its business during the Current Year by becoming the general agent of certain insurance companies which will enable the Group to carry most of the popular insurance products sold in Hong Kong, and has also hired sales staff to spearhead its business.

Loan Financing Services

For the Current Year, the Group's loan financing operation reported a nil segment result (2020: segment profit of HK\$3,240,000). As at 31st March, 2021, the loan portfolio held by the Group was nil (2020: nil).

Listed strategic investments (Disposed)

Blue River (owned as to approximately 23.65% interest by the Group before the Disposal and the Placing)

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 at a consideration of HK\$181,440,000, subject to adjustments. As a conditional precedent to the Disposal, the Group had 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, after which the Group and the Company would 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.

Other Investment

During the Current Year, the Group's other investment contributed nil segment revenue (2020: nil) and a segment profit of HK\$1,428,000 (2020: segment loss of HK\$1,157,000).

Others

During the Current Year, the Group's other business contributed nil segment revenue (2020: HK\$831,000) and nil segment result (2020: segment loss of HK\$5,000).

PROSPECTS

The COVID-19 pandemic coupled with the continued Sino-US trade tension has posed unprecedented challenges to both individuals and corporations across the globe. Within the reporting period and when COVID-19 was gaining momentum globally, we have seen both businesses large and small suffer with many requiring financial lifelines to stay afloat. The various businesses of the Group too have been severely affected. With travel restrictions implemented globally, many of the Group's new business initiatives have been delayed with business activities, and international meetings moved to virtual platforms, which is adequate but less than ideal.

Given the economic backdrop in the Current Year, the management of the Group decided to take a more prudent approach and capitalised on an opportunity to increase its cash level by divesting out of a long-term investment. The Group was able to improve its overall financial performance and achieve a turnaround from net loss for the year ended 31st March, 2020 to net profit during the Current Year. Management has been formulating and refining its strategies with a prudent yet opportunistic approach. We expect that the global economic recovery will be an arduous process. The management of the Group is ready to study any opportunities that will arise from the current economic circumstances.

Asia is expected to lead in the global economic recovery post-COVID-19, and the Group will continue to grow its commodities trading business. Through working with quality and stable suppliers and producers, we look to increase our product range and enhance our profitability over time. We are also looking to enhance our value chain, lower costs and risks for the Group and its customers via offering financial tool to mitigate financial trade risk, expanding upstream sourcing capabilities and other value-added services such as storage for certain commodities products. For example, through the growth in the Group's management services business and investment holding business in companies engaging in port development, operation and provision of storage facilities, the Group is seeking to further solidify our position in ports and infrastructure management and broaden the income stream of the Group through the Management Agreement with Thousand Vantage. Moreover, since the Group has acquired a petrochemical trading licence in the PRC in June 2020, which permits the Group to trade over 50 petrochemical products in the PRC, the priority berthing rights granted to the Group under the Management Agreement can also facilitate the Group's commodities trading business.

To enhance our value chain, we newly invested in a new company (namely Cupral Group Ltd, “**Cupral**”) in the United Kingdom in April 2021 and details of this investment are disclosed in Events After The Reporting Period. Cupral is to build a greenfield copper recycling plant to recycle copper cables locally to produce high-grade copper scraps. The products will benefit the environment and to meet the growing demand from the copper market. The investment is part of our effort in the diversification of type of commodities and geographical location of supply. Given that we are vertically integrated to the upstream of copper supply chain, we can be able to lower the cost of goods sold to further enhance our gross profit and net profit margin performance. Copper scrap meets about 30 percent of total global copper demand according to the International Copper Association and it is one of the important feedstock for copper refineries globally. Being one of the suppliers in raw materials to copper refineries, our relationship with copper refineries can be enhanced which will help us to grow our trading in the refined copper and its by-products.

China is an important market in copper trade for us since we began the commodities trading and China has allowed high-grade copper scrap imports and reclassify them as “resources”. With our own production, we are able to strengthen our sales network in China to generate additional stable business and trading activities on a medium to long term basis. With the presence of the plant and our professional team members in the United Kingdom, we also have the opportunity to expand our overall trading business from Asia Pacific to the United Kingdom and Europe.

In respect of the financial institute business, the Group expects that Muhabura will commence operations in the financial year 2022, offering investment banking, asset management and brokerage business to international clients. By then, Muhabura will have in place all key staff necessary to launch the various business lines. During the financial year 2022, Helios aims to initiate fundraising for an African-focused fund to capitalise on the unique opportunity to offer African growth tied into PRC’s One Belt One Road initiative to Asian investors. PT Insurance Brokers will continue to sign up with more insurance companies to become their general agent and is looking to hire additional sales staff to promote the Group’s insurance product offerings.

The Group was in a healthy financial position for the Current Year and is confident to weather the severe economic downturn brought about by the COVID-19 pandemic. The Group will continue to adopt prudent funding and treasury policy in ensuring liquidity sufficient to ensure the financing requirements of Group companies are met within acceptable costs. The Group will strive to stay competitive and seek to maximise investors return during this turbulent period.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31st March, 2021, the Group has total assets of HK\$789,037,000 (2020: HK\$547,209,000) represented an increase of HK\$241,828,000 or 44% when compared with the last year.

As at 31st March, 2021, equity attributable to owners of the Company amounted to HK\$709,546,000 (2020: HK\$523,718,000), representing an increase of HK\$185,828,000 or 35% as compared to 31st March, 2020. The increase was mainly due to (a) the gain from the disposal of an associate, Blue River, and (b) the fair value gain 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, 2021, current assets and current liabilities of the Group were HK\$343,059,000 (2020: HK\$351,572,000) and HK\$72,380,000 (2020: HK\$17,004,000) respectively. Accordingly, the Group's current ratio was about 5 (2020: 21).

Gearing Ratio

As at 31st March, 2021, the Group had bank balances and cash of HK\$239,325,000 (2020: HK\$77,938,000) and nil bank and other borrowings (2020: nil). The Group's gearing ratio was zero at 31st March, 2021 and 31st March, 2020 as the Group was in net cash position. 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 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 subject to adjustments. As a conditional precedent to the Disposal, the Group had 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. During the Current Year, the Group completed the Placing and Disposal on 24th June, 2020 and 6th July, 2020, respectively. Following completion, the Group no longer holds any shares of Blue River after the Placing and the Disposal. For details, please refer to the announcements of the Company dated 7th April, 2020, 25th May, 2020, 24th June, 2020 and 6th July, 2020 and the circular of the Company dated 28th May, 2020.

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 announcement.

SIGNIFICANT INVESTMENTS

Description of investment	Notes	Carrying amount as at 1st April, 2020 <i>HK\$'000</i>	Fair value gain recognised in profit and loss <i>HK\$'000</i>	Carrying amount as at 31st March, 2021 <i>HK\$'000</i>	Percent to the Group's audited total assets as at 31st March, 2021
Unlisted investment, at amortised cost					
– Preference shares of Thousand Vantage	(a)	200,000	–	200,000	25.3%
Unlisted investment, at fair value					
– Investment in AFC Mercury Fund	(b)	<u>140,769</u>	<u>56,935</u>	<u>197,704</u>	<u>25.1%</u>
Total		<u>340,769</u>	<u>56,935</u>	<u>397,704</u>	<u>50.4%</u>

- (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. Further details are set out in Events After The Reporting Period.

This unlisted investment is held at amortised cost and as at 31st March, 2021 was valued at HK\$200,000,000.

- (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 gain of HK\$56,935,000 was recognised and the Group intends to hold the investment for long-term strategic purposes.

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 New Taiwan dollars. 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.

Pledge of Assets

As at 31st March, 2021, none of the Group's assets were pledged to secure any bank loans (2020: nil).

Contingent Liabilities

As at 31st March, 2021, the Group had no significant contingent liabilities (2020: nil).

Capital Commitments

As at 31st March, 2021, the capital commitments of the Group were HK\$60,603,000 (2020: HK\$55,510,000) in respect of construction contracts entered into for the construction of chemical storage and related facilities in order to operate the chemical storage business located in China.

Securities in Issue

As at 31st March, 2021, 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.

Final Dividend

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2021 (2020: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31st March, 2021, the Group had a total of 45 employees (including Directors) (2020: 42 employees (including 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 options were granted during the Current Year and there were no outstanding share options as at 31st March, 2021 and as at the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Thousand Vantage

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. Based on the Subscription Price, the price per Subscription Share shall be approximately HK\$0.3049. 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 assets held by the Thousand Vantage Group mainly include right-of-use assets (representing land and sea areas use rights at Yingling Terminal Operation Area of Qinzhou Port in Guangxi, the PRC) and property, plant and equipment thereon (representing mainly port infrastructure, oil tanks and related facilities, plant and machinery and construction in progress) for the petrochemical port and storage business of the Thousand Vantage Group.

Upon completion of the Subscription, the Group is expected to obtain control over the Thousand Vantage Group through its 65% equity interests in Thousand Vantage and the consolidated financial statements of the Thousand Vantage Group will be consolidated into the Group's consolidated financial statements. The Management Agreement is expected to be terminated upon completion of the Subscription. The Directors of the Company are in the process of evaluating the financial impact of the Subscription to the Group's consolidated financial statements and it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The completion of the Subscription is conditional upon the satisfaction of conditions precedent, including, but not limited to, obtaining the required shareholders' approval under the Listing Rules. Up to the date of this announcement, the Directors of the Company is in the process of arranging for shareholders' approval. Details of the Subscription are disclosed in the Company's announcement dated 29th March, 2021.

Subscription of interests in Cupral

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\$27.0 million) (the "**Cupral Subscription**"). On completion of the Cupral Subscription, the Group will be allotted 22,500,000 ordinary shares in Cupral with an aggregate subscription price of GBP2,250,000 (equivalent to approximately HK\$24.3 million), which represents 90% of the enlarged issued share capital of Cupral.

Cupral is a private limited company incorporated and registered in England and Wales and is inactive on the date of the Cupral Subscription. The Cupral Subscription allows Cupral to build a copper recycling plant in the United Kingdom and engage in the recycling and sale of copper granules from waste cable. Up to the date of this announcement, the Directors of the Company are in the process of evaluating the financial impact of the Cupral Subscription to the Group's consolidated financial statements and it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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.

CORPORATE GOVERNANCE

The Company has, throughout the year ended 31st March, 2021, complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules except for the following deviations with reason as explained:

Code Provision A.2.1 – Chairman and Chief Executive

Under this 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 with effect from 30th September, 2017. 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 of the Company 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.

REVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee reviewed, with the external auditor of the Company, the audited consolidated financial statements of the Group for the year ended 31st March, 2021. Based on this review and discussions with the management of the Company, the Audit Committee was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the year ended 31st March, 2021.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st March, 2021 included in this preliminary results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu ("**Deloitte**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently no assurance has been expressed by Deloitte on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Listed Company Information" and on the website of the Company at www.ptcorp.com.hk under "Investor Relations". The annual report will be despatched to the shareholders of the Company and will also be available for viewing on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to express gratitude to all of our shareholders and business associates for their continuous support and to all our staff for their dedication and contribution to the Group.

By Order of the Board
PT International Development Corporation Limited
Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 29th June, 2021

As at the date of this announcement, the Board comprises five Executive Directors, namely, Mr. Ching Man Chun, Louis (Chairman and Managing Director), Mr. Sue Ka Lok, Ms. Xu Wei, Mr. Yeung Kim Ting and Mr. Heinrich Grabner; and three Independent Non-executive Directors, namely, Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung.