敏捷控股
NIMBLE HOLDINGS

NIMBLE HOLDINGS COMPANY LIMITED
敏捷控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 186)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

The board (the "Board") of directors (the "Directors") of Nimble Holdings Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2021 (the "Year"), together with the comparative figures for the year ended 31 March 2020 (the "Corresponding Year") and selected explanatory notes are stated as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2021

	Notes	**2021** **HK$ million**	2020 HK$ million (Restated)
Continuing operations			
REVENUE	*5*	**200**	182
Cost of sales		**(168)**	(152)
Gross profit		**32**	30
Other income		**3**	6
Selling and distribution costs		**(22)**	(6)
Administrative expenses		**(78)**	(69)
Finance costs	*6*	**–***	–*
Impairment loss recognised in respect of brands and trademarks, net		**–**	(24)

	Notes	2021 HK$ million	2020 HK$ million (Restated)
Continuing operations			
LOSS BEFORE TAXATION	*7*	**(65)**	(63)
Income tax charge	*8*	**(3)**	(6)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(68)**	(69)
Discontinued operations			
PROFIT/(LOSS)FOR THE YEAR FROM DISCONTINUED OPERATIONS		**10**	(39)
LOSS FOR THE YEAR		**(58)**	(108)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the Company			
– From continuing operations		**(51)**	(52)
– From discontinued operations		**(35)**	(35)
		(86)	(87)
Non-controlling interests			
– From continuing operations		**(17)**	(16)
– From discontinued operations		**45**	(5)
		28	(21)
		(58)	(108)
		HK cents	*HK cents*
LOSS PER SHARE	*10*		
From continuing and discontinued operations			
Basic and diluted		**(1.57)**	(1.58)
From continuing operations			
Basic and diluted		**(0.93)**	(0.95)

* *The amount is less than HK$1 million.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2021

	2021 *HK$ million*	2020 *HK$ million* (Restated)
LOSS FOR THE YEAR	**(58)**	(108)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX:		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas/PRC subsidiaries	**4**	(6)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(54)**	(114)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Shareholders of the Company		
– From continuing operations	**(48)**	(58)
– From discontinued operations	**(35)**	(35)
	(83)	(93)
Non-controlling interests		
– From continuing operations	**(16)**	(17)
– From discontinued operations	**45**	(4)
	29	(21)
	(54)	(114)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2021

	Notes	2021 HK$ million	2020 HK$ million
NON-CURRENT ASSETS			
Plant and equipment		**1**	1
Right-of-use assets		**3**	5
Financial assets at fair value through profit or loss ("FVTPL")		**–**	6
Deferred tax assets		**1**	1
Brands and trademarks	*11*	**–**	68
Goodwill	*11*	**–**	–
Other assets		**1**	1
		6	82
CURRENT ASSETS			
Inventories		**18**	15
Properties under development	*12*	**5,769**	266
Accounts receivable	*13*	**70**	46
Prepayments, deposits and other receivables		**37**	10
Tax recoverable		**1**	1
Cash and bank balances		**430**	447
		6,325	785
Assets classified as held for sale		**90**	–
		6,415	785
CURRENT LIABILITIES			
Accounts payable	*14*	**1,598**	81
Contract liabilities		**282**	28
Accrued liabilities and other payables		**23**	12
Amount due to a related party	*15(a)*	**1,584**	–
Interest-bearing bank loan		**2**	–
Lease liabilities		**2**	3
Tax liabilities		**5**	19
		3,496	143

	Notes	**2021** HK$ million	2020 HK$ million
Liabilities associated with assets classified as held for sale		**25**	–
		3,521	143
NET CURRENT ASSETS		**2,894**	642
NON-CURRENT LIABILITIES			
Amounts due to related parties	*15(b)*	**1,910**	213
Amount due to a non-controlling shareholder	*15(c)*	**477**	–
Lease liabilities		**1**	2
Tax liabilities		**14**	15
		2,402	230
NET ASSETS		**498**	494
CAPITAL AND RESERVES			
Share capital	*16*	**55**	55
Share premium	*16*	**386**	386
Reserves		**(67)**	16
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		**374**	457
NON-CONTROLLING INTERESTS		**124**	37
TOTAL EQUITY		**498**	494

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 March 2021

1. GENERAL

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

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

The Company is an investment holding company. The principal activities of the Company's major subsidiaries are holding and licensing of brands and trademarks on a worldwide basis, distribution of houseware products and audio products in the United States of America (the "USA"), and the trading of household appliances, provision of information technology ("IT") services and property development in the People's Republic of China (the "PRC"). The subsidiaries engaged in the holding and licensing of brands and trademarks were subsequently disposed of after the year ended 31 March 2021, details of which are described in Note 17,

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

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

New and amended standards adopted by the Group

During the Year, the Company and its subsidiaries (together the "Group") have adopted the following new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to the operations to the Group and are effective for accounting periods beginning on or after 1 January 2020:

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

In addition, in the preparation of the consolidated financial statements for the Year, the Group has early applied the Amendments to HKFRS 16 Covid-19 – Related Rent Concessions, which are mandatorily effective for annual reporting periods beginning on or after 1 June 2020.

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

New standards and amendments to standards not yet adopted

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

HKFRS 17[(4)]	Insurance Contracts and the related Amendments
Amendments to HKFRS 3[(3)]	Reference to the Conceptual Framework
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16[(1)]	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 10 and HKAS 28[(5)]	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKAS 1[(4)]	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 16[(3)]	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37[(3)]	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs[(3)]	Annual Improvements to HKFRSs 2018-2020
Amendments to HKFRS 16[(2)]	Covid-19-Related Rent Concessions Beyond 30 June 2021
Amendments to Accounting Guideline 5[(3)]	Accounting Guideline 5 Merger Accounting for Common Control Combinations (Revised)

(1) *Effective for annual periods beginning on or after 1 January 2021*

(2) *Effective for annual periods beginning on or after 1 April 2021*

(3) *Effective for annual periods beginning on or after 1 January 2022*

(4) *Effective for annual periods beginning on or after 1 January 2023*

(5) *Effective date to be determined*

The Group has already commenced an assessment of the related impact of adopting the above new and amendments to HKFRSs and HKASs. So far, it has concluded that the above new and amendments HKFRSs and HKASs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group.

3. STATEMENT OF PREPARATION

(a) Statement of compliance

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

(b) Basis of preparation of the financial statements

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

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

The consolidated financial statements have been prepared under the historical cost basis except for the use of fair value basis for financial assets at FVTPL.

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

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

These consolidated financial statements have been prepared on a going concern basis. As at 31 March 2021, the following events and conditions existed which may cast significant doubt on the Group's ability to continue as a going concern:–

– the Group incurred losses from its continuing operations in recent years, including losses of approximately HK$68 million and HK$69 million in years ended 31 March 2021 and 2020 respectively;

– the Group incurred negative operating cash flows in year ended 31 March 2021;

– the Group's net current assets of approximately HK$2,894 million as at 31 March 2021 included HK$5,769 million of properties under development for sale, all of which are not expected to be realised within one year after 31 March 2021; and

– the Group relied upon its related parties to provide fundings for its operations, with amounts due to related parties amounting to HK$3,494 million as at 31 March 2021.

The applicability of the going concern basis to the consolidated financial statements is dependent upon the Group being able to continue to operate as a going concern, which in turn depends upon the continued availability to the Group of adequate financings and the Group being able to attain profitable operations and generate positive operating cash flows in future. In particular, in view of the reliance of the Group on the financing provided by its related parties as at 31 March 2021, the Directors have performed assessments on the financial capabilities of these related parties to provide the financial support to the Group and concluded that the related parties will not withdraw their financing facilities to the Group and request the repayment of loans due from the Group before the respective maturity dates based on the followings:–

– Advances from related parties amounting to approximately HK$1,910 million as at 31 March 2021 will be repaid within 3 years from the respective agreement dates as stipulated in the loan agreements using proceeds expected to be received by the Group from its pre-sales of the properties being developed for sale.

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

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

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

– The Group has launched the pre-sale of its properties under development in relation to a property development project and deposits amounting to approximately HK$281 million have been received therefrom as at 31 March 2021. The Group expects to gradually launch pre-sales of properties for its other property development projects and subsequent to the end of the reporting period, the Group has commenced the pre-sales of properties of four other property development projects. The Group has eight property development projects as of 31 March 2021.

– The Group has been negotiating with certain banks for banking facilities, such as property development project loans, so as to provide funds required as working capital for its various property development projects in the PRC. Subsequent to the end of the reporting period, the Group has successfully obtained a property development project loan of RMB600 million (equivalent to approximately HK$712 million), which is secured by the land with carrying amount as at 31 March 2021 amounting to approximately RMB956 million (equivalent to approximately HK$1,134 million), from China Construction Bank in April 2021. In the opinion of the Directors, the remaining lands of the Group, with aggregate land cost carrying amount as at 31 March 2021 of approximately RMB3,463 million (equivalent to approximately HK$4,108 million) and are unpledged as of the date of approval of these consolidated financial statements, are available for use as security to be provided to the banks with whom the Group is negotiating for obtaining further banking facilities.

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

The Directors are of the opinion that, although the eventual outcome of the above mentioned measures cannot be determined with certainty, taking into account the likely and expected outcome of the above measures and after assessing the Group's current and future cash flow needs and positions, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve months from 31 March 2021. Accordingly, the Directors believe that it is appropriate to prepare the consolidated financial statements of the Group on a going concern basis.

(c) Discontinued operations

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and

- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

4. SEGMENT INFORMATION

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

Operating segments	**Principal activities**
PRC's Property Development	Property development and operations in the PRC*
Emerson	Distribution of houseware products and audio products and licensing business – Comprising a group listed on the NYSE American of the USA
Licensing	Licensing business on a worldwide basis** – Comprising the brands and trademarks of Akai, Sansui and Nakamichi
PRC's Household Appliances	Trading of household appliances, wires and cables in the PRC
PRC's IT Services	IT system development and related services in the PRC*

* *In order to diversify the businesses and markets of the Group, management of the Group commenced operations of these new operating segments during the Corresponding Year.*

** *The operations of licensing segment of the Group are presented as discontinued operations in the Year. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more details in Note 17.*

Continuing operations

	PRC's Property Development *HK$ million*	Emerson *HK$ million*	PRC's Household Appliances *HK$ million*	PRC's IT Services *HK$ million*	Unallocated *HK$ million*	Inter-segment elimination *HK$ million*	Consolidated *HK$ million*
Year ended 31 March 2021							
Revenue:							
Sale of household appliances, wires and cables to external customers	–	–	142	–	–	–	142
Sale of houseware products to external customers	–	20	–	–	–	–	20
Sale of audio products to external customers	–	36	–	–	–	–	36
Licensing income from external customers	–	2	–	–	–	–	2
IT services to external customers	–	–	–	–	–	–	–
Total segment revenue	–	58	142	–	–	–	200
Results:							
Segment results	(25)	(33)	14	–*	–	–	(44)
Reconciliations:							
Unallocated corporate expenses					(21)		(21)
Expected credit loss ("ECL") on accounts receivable			(2)		–		(2)
Interest income					2		2
Loss before taxation							(65)
Assets:							
Segment assets	5,965	264	85	7	23	(13)	6,331
Assets of a disposal group classified as held for sale							90
Consolidated assets							6,421
Liabilities:							
Segment liabilities	5,824	9	60	–	18	(13)	5,898
Liabilities associated with a disposal group classified as held for sale							25
Consolidated liabilities							5,923
Other information:							
Revenue from customers contributing over 10% of total revenue of the Group:							
– Customer A	–	–	39	–	–	–	39
– Customer B#	–	–	31	–	–	–	31
– Customer C#	–	–	22	–	–	–	22
– Customer D	–	–	20	–	–	–	20

* *The amount is less than HK$1 million.*

\# *Revenue from these customers contributed less than 10% of total revenue of the Group during the Corresponding Year.*

	PRC's Property Development *HK$ million*	Emerson *HK$ million*	PRC's Household Appliances *HK$ million*	PRC's IT Services *HK$ million*	Unallocated *HK$ million*	Inter-segment elimination *HK$ million*	Consolidated *HK$ million*
Year ended 31 March 2020							
Revenue:							
Sale of household appliances, wires and cables to external customers	–	–	123	–	–	–	123
Sale of houseware products to external customers	–	18	–	–	–	–	18
Sale of audio products to external customers	–	30	–	–	–	–	30
Licensing income from external customers	–	2	–	–	–	–	2
IT services to external customers	–	–	–	9	–	–	9
Total segment revenue	–	50	123	9	–	–	182
Results:							
Segment results	(3)	(36)	11	4	–	–	(24)
Reconciliations:							
Unallocated corporate expenses					(17)		(17)
ECL on accounts receivable			(4)		–		(4)
Impairment loss recognised in respect of brands and trademarks		(24)			–		(24)
Interest income					6		6
Loss before taxation							(63)
Assets:							
Segment assets	299	474	55	8	143	(183)	796
Assets of a disposal group classified as held for sale							71
Consolidated assets							867
Liabilities:							
Segment liabilities	283	580	39	1	36	(573)	366
Liabilities associated with a disposal group classified as held for sale							7
Consolidated liabilities							373
Other information:							
Revenue from customers contributing over 10% of total revenue of the Group:							
– Customer A	–	–	31	–	–	–	31
– Customer D	–	–	36	–	–	–	36

5. REVENUE

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

	2021	2020
	HK$ million	*HK$ million*
		(Restated)
Continuing operations:		
By principal activities:		
Sales of goods	**198**	171
Licensing income	**2**	2
IT system development and related services	**–**	9
	200	182

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

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

6. FINANCE COSTS

	2021	2020
	HK$ million	*HK$ million*
Continuing operations:		
Interest on loans from related parties	**42**	4
Interest on loan from a non-controlling shareholder	**7**	–
Interest on bank loan	**–***	–*
Interest on lease liabilities	**–***	–*
	49	4
Less: interest expense capitalised into properties under development *(Note (i))*	**(49)**	(4)
	–*	–*

Note (i)

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

* *The amount is less than HK$1 million.*

7. LOSS BEFORE TAXATION

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

	Notes	**2021**	2020
		HK$ million	*HK$ million*
			(Restated)
Continuing operations			
(a) Staff costs			
Directors' and Chief Executive Officer's emoluments		**7**	7
Other staff costs:			
– Salaries and other benefits		**33**	32
– Retirement benefits costs		**3**	4
		43	43
(b) Other items			
Short-term lease expenses		**1**	1
Depreciation of plant and equipment		**–***	1
Depreciation of right-of-use assets		**3**	2
Auditor's remuneration:			
– Current year		**2**	2
Business tax and other levies		**3**	–*
Legal and professional fees		**15**	12
Advertising costs##		**14**	3
Carrying amount of inventories sold		**168**	152
ECL on accounts receivable	*13*	**2**	4
Interest income#		**(2)**	(6)

* *The amount is less than HK$1 million.*

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

\## *Included in selling and distribution costs.*

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

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

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

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

	2021 ***HK$ million***	2020 *HK$ million* (Restated)
Continuing operations		
Current tax		
– PRC	**3**	3
– Overseas	**–***	–*
Deferred tax		
– PRC	**–***	(1)
– Overseas	**–***	4
Income tax charge	**3**	6

* *The amount is less than HK$1 million.*

Note (i)

Included in tax liabilities as at 31 March 2021 are tax provisions in respect of overseas' current tax recognised in respect of the provision of tax legislation ("one-time transition tax") enacted by the United States Government in December 2017. In accordance with this legislation, the Group is able to elect to pay such tax liabilities over a period of up to eight years on an interest-free basis. As of 31 March 2021, such provision of one-time transition tax amounting to approximately HK$14 million (2020: HK$15 million) and approximately HK$2 million (2020: HK$2 million) were included in non-current portion and current portion of tax liabilities respectively.

9. DIVIDEND

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

10. LOSS PER SHARE

(a) Basic loss per share:

For continuing and discontinued operations

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

	2021	2020
	HK$ million	*HK$ million*
Loss:		
Loss attributable to shareholders of the Company used in the basic loss per share calculation	**(86)**	(87)

	2021	2020
	Number of ordinary shares	Number of ordinary shares
	million	*million*
Shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**5,492.2**	5,492.2

For continuing operations

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

	2021	2020
	HK$ million	*HK$ million*
Loss:		
Loss attributable to shareholders of the Company	**(86)**	(87)
Less: Loss for the year from discontinued operations	**(35)**	(35)
Loss attributable to shareholders of the Company used in the basic loss per share calculation	**(51)**	(52)

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

For discontinued operations

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

(b) Diluted loss per share:

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

11. BRANDS AND TRADEMARKS, GOODWILL

	Brands and trademarks		**Goodwill**	
	2021	2020	**2021**	2020
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*
Gross amount				
At 1 April	**2,001**	2,026	**13**	13
Reclassified as assets of a disposal group classified as held for sale	**(1,542)**	–	**–**	–
Foreign currency adjustment	**6**	(25)	**–**	–
At 31 March	**465**	2,001	**13**	13
Accumulated amortisation and impairment				
At 1 April	**1,933**	1,860	**13**	13
Reclassified as assets of a disposal group classified as held for sale	**(1,473)**	–	**–**	–
Foreign currency adjustment	**5**	(24)	**–**	–
Impairment loss recognised, net	**–**	97	**–**	–
At 31 March	**465**	1,933	**13**	13
Carrying amount at 31 March	**–**	68	**–**	–

Prior to 1 January 2005, brands and trademarks were amortised over their estimated useful lives but not more than 20 years and stated at their cost less accumulated amortisation and impairment losses. On 1 January 2005, the Group reassessed the useful lives of the brands and trademarks and concluded that all brands and trademarks have indefinite useful lives.

The various brands and trademarks held by the Group have been legally registered on a worldwide basis for many years and the trademarks registrations are renewable at minimal cost. The management of the Group is of the opinion that the Group will renew these trademarks continuously and has the ability to do so. Various assessments including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by the management of the Group, which supports that the brands and trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

During the Year, Sansui, Akai, and Nakamichi brands and trademarks are classified as held for sale as disclosed in note 17.

12. PROPERTIES UNDER DEVELOPMENT

	2021	2020
	HK$ million	*HK$ million*
Amounts comprise:		
– Land use right		
(including direct costs associated with the acquisition)	**5,417**	192
– Construction costs including depreciation		
and staff costs capitalised	**299**	70
– Finance costs capitalised	**53**	4
	5,769	266

The properties under development are located in the PRC. Properties under development that have plans to be developed for sale, and are expected to be realised within the Group's normal operating cycle for property developments, are classified as current asset. These properties under development are not expected to be realised within 12 months after the end of the reporting period.

Included in the Group's properties under development as at 31 March 2021 were land costs with an aggregate net carrying amount of approximately HK$2,792 million (2020: Nil) for which the Group has not yet obtained land use right certificates from the relevant government authorities. The Group has not fully settled the purchase consideration in accordance with the terms of certain relevant land use right grant contracts. The Directors consider that the relevant land use right certificates will be obtained upon the full payment of the purchase consideration. These land use rights were obtained subsequent to the end of the reporting period.

13. ACCOUNTS RECEIVABLE

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

	2021	2020
	HK$ million	*HK$ million*
Gross amount	**77**	51
Less: allowance of ECL	**(7)**	(5)
Net amount	**70**	46

The following are the movements of accounts receivables' allowance of ECL during the Year/Corresponding Year:

	2021	2020
	HK$ million	*HK$ million*
31 March and 1 April	**5**	1
Addition	**2**	4
Reverse	**–****	–
Net amount	**7**	5

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

	2021	2020
	HK$ million	*HK$ million*
0 – 3 months	**31**	46
3 – 6 months	**39**	–
	70	46

* *The amount is less than HK$1 million.*

14. ACCOUNTS PAYABLE

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

	2021	2020
	HK$ million	*HK$ million*
For purchases of inventories		
– 0 – 3 months	**168**	81
– 3 – 6 months	**34**	–
For additions of lands	**1,396**	–
	1,598	81

Included in the accounts payable balances are payables of approximately HK$1,396 million (2020: Nil), which are payable to the relevant government authorities for the acquisition of lands. These payments were due to be paid in April and May 2021 and were fully settled subsequent to the end of the reporting period.

15. AMOUNTS DUE TO RELATED PARTIES/NON-CONTROLLING SHAREHOLDER

(a) Amount due to a related party

It represents amount due to Guangzhou Minjie Real Estate Development Co., Ltd.# ("GZ Minjie", 廣州敏捷房地產開發有限公司). This balance is non-trade in nature, unsecured, interest-free and repayable on demand.

(b) Amounts due to related parties

	Effective interest rate *(%)*	**2021** ***HK$ million***	2020 *HK$ million*
GZ Minjie	4.75% to 5.60%	**224**	117
Guangzhou Jinxiu Investment Company Limited# (廣州錦綉投資有限公司)	4.75%	**93**	96
Guangzhou Yufeng Real Estate Development Co., Ltd.# (廣州育豐房地產開發有限公司)	6.40% to 7.5%	**1,199**	–
Zhongshan Wanquan Property Management Co., Limited# (中山市完全物業管理有限公司)	8.5%	**394**	–
		1,910	213

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

(c) Amount due to a non-controlling shareholder

Amount in the form of a loan is due to Guangxi Huayu Ye Rui Enterprise Management Company Limited# (廣西華宇業瑞企業管理有限公司), a non-controlling shareholder of Nanning Ruihua Real Estate Development Co., Ltd.# (南寧市瑞華房地產開發有限公司), a non-wholly owned indirect subsidiary of the Company. The loan principal of approximately RMB396 million, which is equivalent to approximately HK$470 million (2020: Nil), is interest bearing at 9% per annum and not repayable within twelve months since the end of the reporting period. The balance is non-trade in nature and unsecured.

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16. SHARE CAPITAL AND SHARE PREMIUM

	Number of Shares	Share Capital *HK$ million*	Share Premium *HK$ million*
Authorised share capital:			
Ordinary shares of HK$0.01 each			
at 31 March 2021 and 31 March 2020	20,000,000,000	200	
Issued and fully paid share capital:			
Ordinary shares of HK$0.01 each			
at 31 March 2021 and 31 March 2020	5,492,232,889	55	386

17. DISCONTINUED OPERATION

Subsequent to the end of reporting period, the entire issued share capital in Unijoy Limited ("Unijoy", together with its subsidiaries, the "Unijoy Group" or "Disposal Group") was disposed of and transferred to Sino Capital Resources Limited, an entity wholly-owned by Mr. Ho Wing On Christopher (a director of Grande N.A.K.S. Ltd, a wholly-owned subsidiary of the Company), at the initial consideration of HK$60,000,000 (the "Disposal"). The Disposal completed on 15 June 2021 (the "Completion Date") and the Group received the consideration amount of HK$60,000,000 on the Completion Date. Such consideration is subject to further adjustment based on the consolidated net asset carrying value of the Disposal Group as at 15 June 2021, the completion date, of which the latest financial information of the Disposal Group is still under review by both parties as of the date of this announcement. In the opinion of the Directors, the final adjustment is not expected to result in the final consideration to be materially different from the initial consideration of HK$60,000,000.

Due to the ongoing COVID-19 pandemic and the performance of Disposal Group over the past years, the Directors had considered that the Disposal is expected to allow the Group to reallocate its resources to other business segments, in particular the PRC's property development, which are considered to have higher development potential, in order to generate more return to the shareholders of the Company.

The Disposal Group was available for immediate sale and its sale was considered highly probable as at 31 March 2021. As at 31 March 2021, the carrying amounts of the Disposal Group would be recovered principally through a sale transaction rather through continuing use and accordingly the Disposal Group was classified as held for sale under HKFRS 5.

The Disposal Group represents the whole licensing segment of the Group in the business of generating licensing income through the trademarks of Akai, Sansui and Nakamichi and represents a separate major line of business of the Group. The assets and liabilities of the Disposal Group, which as at 31 March 2021 was expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

Upon the classification of the assets and liabilities of the Disposal Group as 'Assets classified as held for sale' and 'Liabilities associated with assets classified as held for sale' respectively, the financial performance of the Disposal Group is reported in the current period as discontinued operations. Comparative figures in the consolidated income statement have been restated to present the financial performance related to the Disposal Group as discontinued operations.

18. EVENTS AFTER THE REPORTING PERIOD

Other than the disposal of Unijoy as disclosed in Note 17, there are no other significant events after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group recorded a revenue of HK$200 million for the year ended 31 March 2021 (the "Year") as compared to HK$182 million for the year ended 31 March 2020 (the "Corresponding Year"), representing an increase of approximately 9.9%. The increase in revenue was mainly due to the higher revenue income generated from Emerson's operations business and the trading of household appliances, wires and cables in the People's Republic of China (the "PRC") during the Year. This was partially offset by the decrease in revenue income generated by the PRC's information technology ("IT") business. In fact, as the disposal of the licensing business was completed on 15 June 2021, the Group has re-classified the operation of the licensing business as a discontinued operation in the consolidated income statement for the Year, which also affected the total revenue for the Year. According to this re-classification, revenue generated from the licensing business for the Year amounting to HK$44 million was not included in the total revenue of the Group. Likewise, the revenue generated from the licensing business for the Corresponding Year of HK$58 million was also not included in the total revenue. Having taken into account the result of the discontinued operation, the Group recorded an audited loss attributable to shareholders of the Company (the "Shareholders") of HK$86 million for the Year, which was lower than the audited loss of HK$87 million attributable to Shareholders for the Corresponding Year.

As at the date of this announcement, the current and continuing principal business activities of the Group include Emerson's operation business, the PRC's household appliances business, PRC's IT services business and property development in the PRC. As mentioned above, on 7 April 2021, the Company, Grande N.A.K.S. Ltd and Unijoy Limited, both wholly owned subsidiaries of the Company, entered into a sale and purchase agreement with Sino Capital Resources Limited (the "Purchaser"), a company wholly owned by a director of Grande N.A.K.S. Ltd, under which Grande N.A.K.S. Ltd, as vendor, agreed to sell to the Purchaser, the entire issued share capital of Unijoy Limited (the "Disposal"). On 15 June 2021, the Disposal was completed, and therefore the management has classified the licensing business as a discontinued operation in the consolidated results for the Year.

Emerson operations business

Emerson, a 72.4% owned subsidiary, whose shares are listed on the NYSE American in the United States of America ("USA"), generated revenue from the distribution of houseware products and audio products of HK$56 million for the Year as compared to HK$48 million for the Corresponding Year, representing approximately an increase of 16.7%. The increase in revenue was mainly due to Emerson's core customers who benefitted from reduced competition during the Year, as many retailers were forced to close, either temporarily or permanently, or otherwise operated with reduced hours and restrictions on foot traffic and maximum capacities under COVID-19 restrictions. During the Year, Emerson continued to take active steps to streamline its operations and reduce and control its operating costs. The operating loss of Emerson for the Year was therefore reduced to HK$33 million as compared to HK$36 million for the Corresponding Year.

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

PRC's household appliances business

Although the spread of COVID-19 pandemic has affected the overall economic environment adversely in the PRC, trading of household appliances, wires and cables in the PRC recorded a revenue of HK$142 million, as compared to HK$123 million for the Corresponding Year, representing approximately an increase of 15.4%. The increase in revenue was mainly due to two factors. Firstly, the price of copper increased during the Year as compared to the Corresponding Year, and that increased the sale prices of wires and cables, in effect, it increased the revenue from sales of wires and cables. Secondly, despite the fact that the COVID-19 pandemic has adversely affected most businesses during the Year, our PRC's household appliances business team doubled its efforts to solicit new customers, and the revenue thereby increased from the selling of wires and cables to those new customers. Moreover, the PRC's household appliances business team had implemented tighter cost controls, such that the operating profit of this operation for the Year was increased to HK$14 million as compared to HK$11 million for the Corresponding Year.

PRC's IT business

The PRC's IT business recorded no income during the Year, whereas the revenue for the Corresponding Year was HK$9 million. This loss in income was due to the ongoing COVID-19 pandemic as most companies have had to reduce their budget for non-profit generating units.

PRC's property development business

Since the completion of the capital contribution in the sum of RMB10,408,200 in cash to the registered capital of Changsha Ningxiang Minjun Real Estate Development Co., Ltd.# (“Ningxiang Minjun”, 長沙市寧鄉敏駿房地產開發有限公司)(the “Investment”) in late November 2019, the Group entered into property development in the PRC. As the Group's principal businesses include property development, the Company is regarded as a qualified issuer in accordance with the Rule 14.04(10B) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Since then, the Group has commenced to participate in land auctions, carried out by various municipal governments in different cities of the PRC, to bid for land reserves.

Ningxiang, Hunan

Ningxiang Minjun owns the land use rights of a piece of land for residential use with a site area of approximately 49,502.99 sq.m. situated at the west of Ningxiang Avenue, north of Tongjie Road, Jingkai District, Ningxiang City, Hunan Province, the PRC (中國湖南省寧鄉市經開區寧鄉大道西側及桐界路北側) (“Property I”). After completion of the Investment, the Group holds 51% equity interests in Property I. As at the date of this announcement, Property I is under development and pre-sale processes. According to the building plan of Property I, the approximate attributable gross floor area (“GFA”) is 98,100 sq.m. and its approximate attributable saleable area is 68,200 sq.m.

As at 31 March 2021, the Group achieved a total contracted sales amount of approximately RMB 287,000,000, with a total contracted sales gross floor area of approximately 59,700 sq.m. from Property I. The average selling price is approximately RMB4,800 per sq.m. It is expected that the delivery of the units of Property I will take place in early 2022.

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Gongyi I, Henan

On 2 September 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property II") at the bidding price of RMB$264.3 million (equivalent to approximately HK$296.7 million). Property II is situated at the east of Qing Long Shan Road, the south of Zhong Yuan Xi Road of Gongyi City, Henan Province, the PRC (中國河南省鞏義市青龍山路東、中原西路南), with a site area of approximately 36,575.74 sq.m. The Group holds 100% equity interests in Property II. As at 31 March 2021, Property II was under development and pre-sale processes have not yet commenced. According to the building plan of Property II, the approximate attributable GFA is 96,900 sq.m. and its approximate attributable saleable area is 71,500 sq.m.

Details of the acquisition of Property II are set out in the circular of the Company dated 18 November 2020.

Gongyi II, Henan

On 24 September 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property III") at the bidding price of RMB$191.5 million (equivalent to approximately HK$215.5 million). Property III is situated at the east of Qing Long Shan Road and the south of Ren He Road, Gongyi City, Henan Province, the PRC (中國河南省鞏義市青龍山路東、人和路南), with a site area of approximately 35,702.18 sq.m. The Group holds 100% equity interests in Property III. As at 31 March 2021, Property III was under development and pre-sale processes have not yet commenced. According to the building plan of Property III, the approximate attributable GFA is 91,300 sq.m. and its approximate attributable saleable area is 69,900 sq.m.

Details of the acquisition of Property III are set out in the announcement of the Company dated 24 September 2020.

Yangjiang, Guangdong

On 29 September 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property IV") at the bidding price of RMB$198.69 million (equivalent to approximately HK$223.53 million). Property IV is situated at the south of Guangya Road and the west of Guiba Road of Yangdong District, Yangjiang City, Guangdong Province, the PRC (中國廣東省陽江市陽東區廣雅路南邊及規八路西邊), with a site area of approximately 62,089.4 sq.m. The Group holds 100% equity interests in Property IV. As at 31 March 2021, Property IV was under development and pre-sale processes have not yet commenced. According to the building plan of Property IV, the approximate attributable GFA is 198,900 sq.m. and its approximate attributable saleable area is 153,800 sq.m.

Details of the acquisition of Property IV are set out in the circular of the Company dated 18 November 2020.

Ningbo, Zhejiang

On 14 October 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property V") at the bidding price of RMB$956.12 million (equivalent to approximately HK$1,086.16 million). Property V is situated at the Ci Cheng New District, Jiangbei District, Ningbo City, Zhejiang Province, the PRC with the boundaries of the land marked by Hui Tong Road at its east; Jinxiu west street at its south, Ci Pu Road at its west and a planned green space at its north (中國浙江省寧波市江北區慈城新區東至惠通路、南至錦繡西街、西至慈浦路、北至規劃綠地), with a site area of approximately 41,881 sq.m. The Group holds 100% equity interests in Property V. As at 31 March 2021, Property V was under development and pre-sale processes have not yet commenced. According to the building plan of Property V, the approximate attributable GFA is 100,200 sq.m. and its approximate attributable saleable area is 67,600 sq.m.

Details of the acquisition of Property V are set out in the circular of the Company dated 18 November 2020.

Nanning, Guangxi

On 13 November 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property VI") at the bidding price of RMB$859.77 million (equivalent to approximately HK$997.33 million). Property VI is situated at the north side of Wu Xiang Da Road at Liangqing District, Nanning City, Guangxi Province, the PRC（中國廣西省南寧市良慶區五象大道北側）, with a site area of approximately 40,941.25 sq.m. As at 11 December 2020, the Group, through its indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement with Guangxi Huayu Ye Rui Enterprise Management Limited#（"Guangxi Huayu", 廣西華宇業瑞企業管理有限公司）and the project company in Nanning for a joint venture arrangement in respect of the acquisition and development of Property VI (the "Cooperation Agreement"). Upon completion of the capital increase arrangement under the Cooperation Agreement, the Group holds 51% equity interests in Property VI. As at 31 March 2021, Property VI was under development and pre-sale processes have not yet commenced. According to the building plan of Property VI, the approximate attributable GFA is 117,400 sq.m. and its approximate attributable saleable area is 79,900 sq.m.

Details of the acquisition of Property VI are set out in the circular of the Company dated 25 January 2021, and more information on the Cooperation Agreement is set out in the part headed "Material Acquisition and Disposal of Subsidiaries and Affiliated Companies" of this announcement.

Shantou, Guangdong

On 13 November 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property VII") at the bidding price of RMB$1,397 million (equivalent to approximately HK$1,620.52 million). Property VII is situated at the Huang Cuo Wei Sub-district, Zhu Gang New Town, Shantou City, Guangdong Province, the PRC（中國廣東省汕頭市珠港新城黃厝圍片區）, with a site area of approximately 69,660.6 sq.m. The Group holds 100% equity interests in Property VII. As at 31 March 2021, Property VII was under development and pre-sale processes have not yet commenced. According to the building plan of Property VII, the approximate attributable GFA is 318,000 sq.m. and its approximate attributable saleable area is 244,200 sq.m.

Details of the acquisition of Property VII are set out in the circular of the Company dated 25 January 2021.

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Yongzhou, Hunan

On 27 November 2020, the Group, through an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the land use rights of a residential development site ("Property VIII") at the bidding price of RMB$411.80 million (equivalent to approximately HK$480.16 million). Property VIII is situated at the north-west juncture of Li Zi Yuan Road and Ma Lu Jie Road at Leng Shui Tan District, Yongzhou City, Hunan Province, the PRC（中國湖南省永州市冷水灘區梨子園路與馬路街路交匯處西北角）, with a site area of approximately 61,135.98 sq.m. The Group holds 100% equity interests in Property VIII. As at 31 March 2021, Property VIII was under development and pre-sale processes have not yet commenced. According to the building plan of Property VIII, the approximate attributable GFA is 231,500 sq.m. and its approximate attributable saleable area is 183,900 sq.m.

Details of the acquisition of Property VIII are set out in the circular of the Company dated 25 January 2021.

Total Land Reserves

Since the Investment completed in late November 2019, having successfully acquired the first parcel of land in Ningxiang, Hunan Province, the Group acquired land use rights of a further seven parcels of land in five different provinces in the PRC during the Year. The accumulated total land reserves of the Group add up to 397,489.14 sq.m., and the total acquisition cost the Group incurred was approximately RMB4,289.6 million. The Group expects that these eight parcels of land, upon completion of development, will provide a total of approximate attributable GFA of 1,252,300 sq.m. and approximate attributable saleable area of 939,000 sq.m. to the Group.

Licensing operations business

As mentioned above, the Disposal was completed on 15 June 2021. The target company of the Disposal, Unijoy Limited and its subsidiaries (collectively named as the "Unijoy Group") owns three consumer electronic brands, Akai, Sansui and Nakamichi, and are principally engaged in the licensing of brands and trademarks through the licensing of these brands to independent third parties. Details of the Disposal is set out in the circular of the Company dated 21 May 2021. As the Disposal was completed before the date of this announcement, the management has separated the results of the licensing business as the discontinued operation.

During the Year, revenue generated from the licensing operations was HK$44 million as compared to HK$58 million for the Corresponding Year. The operating profit of this discontinued operation for the Year was HK$24 million as compared to HK$39 million for the Corresponding Year. The decrease in operating profit was mainly due to the ongoing COVID-19 pandemic, which directly affected the licensing business resulting in a decrease in revenue.

BUSINESS PROSPECTS

During the Year, the Group experienced changes in its core businesses. The expansion in property development was significant during the Year. The Group commenced to participate in land auctions since the summer of 2020 and has successfully bidded for seven parcels of land during the Year, which increased the land reserve of the Group to eight parcels of land. The Group has also expanded its holding of lands from one province to five provinces in the PRC. The site areas of land reserve have increased from 49,502.99 sq.m. as at 31 March 2020 to 397,489.14 sq.m. as at the date of this announcement, representing an 8-fold increase. Management is confident that, with their well-versed experience in property development in PRC, that these eight parcels of land will bring favourable income to the Group over the next few years. Moreover, the Group will continue to participate in land auctions held by municipal governments in the PRC, in order to obtain land reserves with great development potential as the management considers. Continued bidding in land auctions will not only increase the land reserves of the Group, but also expand our foothold in different cities in the PRC. Furthermore, by successfully biding lands that are in close proximity to existing land reserves, the Group is expected to benefit from synergy effect which might reduce the costs of the Group as a whole.

On 15 June 2021, disposal of the Group's licensing business completed. Due to the ongoing COVID-19 pandemic, the licensing business has been adversely affected, resulting in a decrease in revenue generated during the Year, when compared to the Corresponding Year. Furthermore, as mentioned above, the Group has established a foothold in the PRC's property development business since November 2019 and intends to intensify efforts to strengthen its business sector by increasing its land bank, both in terms of quality and quantity with the aim of developing the PRC's property development as one of its major businesses. Accordingly, it was considered that the Disposal would enable the Group to reallocate its financial and other resources to other Group businesses, in particular the PRC's property development, which the management considers to have higher development potential, and thereby generate more return to the Shareholders.

Regarding the operation of Emerson, in light of the adverse effects of the COVID-19 pandemic on macroeconomic conditions domestically in the USA and internationally, along with the uncertainty associated with a potential recovery, management of Emerson has implemented certain cost-reduction actions intended to reduce expenditure. However, as the environment remains highly uncertain and demand for Emerson's products remains difficult to assess due to many factors including the pace of economic recovery, the status of various government stimulus programs, competitive intensity and retailer actions, management of Emerson is unable at this time to predict the full impact of the COVID-19 pandemic on its operations and financial results.

Even though the spread of COVID-19 pandemic became severe again in Guangzhou and some cities in the PRC starting from the second quarter of 2021, management of our PRC's household appliances business still have confidence in maintaining the scale of this operation in the coming year. The sales team will continue to solicit new customers in order to increase the revenue of this operation. On the other hand, management will continue to impose various cost control measures in order to reduce the operating cost of this operation.

Regarding the PRC's IT Business, since the COVID-19 pandemic has spread again in Guangzhou and certain cities of the PRC in the second quarter of 2021, the management does not expect the PRC's IT business will generate any further revenue to the Group in the near future. In this respect, the management might consider to close down the operation of the PRC's IT business next year.

Having completed the consolidation work on the core businesses of the Group, the Group will focus its resources on the remaining core businesses, especially in PRC's property development. With better use of resources on proven operations, the Directors hope that the Group can produce a better return to the Shareholders in the coming years.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2021, the Group had net current assets of HK$2,894 million as compared to HK$642 million as at 31 March 2020. As at 31 March 2021, the Group had a current ratio of approximately 1.82 (5.49 as at 31 March 2020). The increase in net current assets but decrease in current ratio were mainly attributable to the increase in properties under development but was partially offset by the increase in accounts payable and amount due to a related party during the Year.

As at 31 March 2021, the Group had HK$430 million cash and bank balances (HK$447 million as at 31 March 2020). The Group's working capital requirements were mainly financed by internal resources.

The Group had inventories of HK$18 million as at 31 March 2021 (HK$15 million as at 31 March 2020).

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 11 December 2020, the Company via Guangzhou Ruihua Property Development Company Limited# ("Guangzhou Ruihua", 廣州市瑞華物業發展有限公司, an indirect wholly-owned subsidiary of the Company) entered into the Cooperation Agreement with Guangxi Huayu and Nanning Ruihua Real Estate Development Company Limited# ("Nanning Ruihua", 南寧市瑞華房地產開發有限公司), pursuant to which Guangzhou Ruihua and Guangxi Huayu agreed to make respective capital contributions to the registered capital of and provide shareholder's loans on a pro rata basis to Nanning Ruihua for financing the land acquired in Nanning and for the development of the land. Upon completion of the capital contributions, Nanning Ruihua is held as to 51% by Guangzhou Ruihua and 49% by Guangxi Huayu. For details, please refer to the circular of the Company dated 25 January 2021.

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

SIGNIFICANT INVESTMENT

Other than the lands acquired through public auctions as disclosed above, the Group did not enter into any new significant investment during the Year.

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FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

GEARING

As at 31 March 2021, the Group's gearing ratio, expressed as net borrowings over total equity was approximately 3.93 time (as at 31 March 2020: Nil).

CHARGES ON GROUP ASSETS

As at 31 March 2021, no assets were pledged to secure other borrowing facilities for the Group (as at 31 March 2020: Nil).

TREASURY POLICIES

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

EMPLOYEES AND REMUNERATION

The numbers of employees of the Group as at 31 March 2021 and 31 March 2020 were 141 and 82 respectively. The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance in the relevant financial year. Other benefits include medical and retirement schemes.

DIVIDEND

The Board does not recommend the payment of final dividend for the Year (2020: Nil).

No dividend has been paid or declared by the Company during the Year (2020: Nil).

CONTINGENT LIABILITIES

Except for the cases set out below, the Group did not have significant contingent liabilities as of 31 March 2021 and up to the date of this announcement:–

(i) Guarantees

The Group had provided guarantees of approximately HK$177 million as at 31 March 2021 (as at 31 March 2020: approximately HK$13 million) to banks in favour of the purchasers of the Group's properties under development up to an amount of 80% of the purchase price of an individual property in respect of the mortgage loans provided by the banks to such purchasers. These guarantees provided by the Group to the banks will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

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

In the opinion of the Directors, the total fair value of the financial guarantee contracts of the Group is insignificant at initial recognition. The Directors also consider the possibility of default by the parties involved to be remote and in case of default in payments, the net realisable value of the related properties would be able to cover the outstanding principal together with the accrued interest and penalties. Accordingly, no value has been recognised in the consolidated statement of financial position as at 31 March 2021.

(ii) Legal cases

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

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

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

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

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

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

CAPITAL COMMITMENTS

As at 31 March 2021, the Group had contracted, but not provided for, capital expenditure commitments of HK$1,351 million (as at 31 March 2020: HK$499 million) in respect of properties under development upon the completion of the Investment.

EVENTS AFTER BALANCE SHEET DATE

On 7 April 2021, the Company, Grande N.A.K.S. Ltd and Unijoy Limited, both wholly owned subsidiaries of the Company, entered into a sale and purchase agreement with the Purchaser, under which Grande N.A.K.S. Ltd, as vendor, agreed to sell to the Purchaser, the entire issued share capital of Unijoy Limited. On 15 June 2021, the Disposal was completed, and therefore the licensing business was classified as a discontinued operation in the consolidated results for the Year. Details of the Disposal are set out in the circular of the Company dated 21 May 2021.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 26 August 2021. The notice of annual general meeting will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining Shareholders' eligibility to attend and vote at the 2021 annual general meeting of the Company, the register of members of the Company will be closed. Details of such closure are set out below:

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 19 August 2021
Closure of registers of members	Friday, 20 August 2021 to Thursday, 26 August 2021 (both days inclusive)
Record date	Thursday, 26 August 2021

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the 2021 annual general meeting of the Company, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than the aforementioned latest time.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE CODE

The Company's code on corporate governance practices was adopted by reference to the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules.

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

Code Provisions A.2.1

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

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

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

Code Provisions A.6.7

Pursuant to code provision A.6.7, independent non-executive directors generally should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to the outburst of COVID-19 pandemic, the independent non-executive Directors, Dr. Lin Jinying and Dr. Lu Zhenghua, whose respective residence is in Guangzhou, the PRC, were unable to attend the annual general meeting of the Company held on 28 August 2020.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

REVIEW BY AUDIT COMMITTEE AND AUDITOR

The Group's consolidated financial statements for the Year have been reviewed by the audit committee of the Company. The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Company's auditor, Moore Stephens CPA Limited ("Moore Hong Kong"), to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Moore Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Hong Kong on this preliminary announcement.

PUBLICATION OF FINANCIAL INFORMATION

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

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

Hong Kong, 29 June 2021

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