资源控股
RESOURCES HOLDINGS

(Incorporated in Bermuda with limited liability)
Stock Code : 00618

2024/25 Annual Report

PKU RESOURCES
北大資源(控股)有限公司
PEKING UNIVERSITY RESOURCES (HOLDINGS) COMPANY LIMITED

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COMPANY PROFILE

BUSINESS AREAS

Peking University Resources (Holdings) Company Limited ("PKU Resources" or the "Company", together with its subsidiaries, collectively the "Group") was formerly known as EC-Founder (Holdings) Company Limited. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 618.HK). The Group is principally engaged in medical and pharmaceutical retail, consumer electronics, health food products online sales and relevant products distribution, property development as well as property investment and management in Mainland China (the "PRC"), Singapore and Hong Kong.

The Group operates its retail pharmacies in the PRC under the domestically and internationally reputable brand of "Yekaitai (葉開泰)". As at 31 March 2025, the Group operated a total of 47 chain stores, 11 Chinese medicine clinics, 3 dermatology clinics and online pharmacy.

The Group's e-commerce and distribution business mainly involving selling consumer electronics, health food products and other products through e-commerce platforms, such as Douyin (抖音) and Jingdong (京東), as well as other distributors.

As at 31 March 2025, the Group had a total of 11 property development projects across 7 cities in Mainland China. The total area of the properties held for sales, properties under development and areas pending construction of the Group amounted to approximately 1.91 million square meters.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr Wong Kai Ho *(Chairman)*
Mr Wang Guiwu (retired on 30 August 2024)
Mr Huang Zhuguang
Mr Hou Ruilin
Mr Xia Ding (appointed on 30 August 2024)

Independent non-executive Directors

Mr Chin Chi Ho, Stanley
Mr Chung Wai Man (resigned on 30 September 2024)
Mr Hua Yichun (resigned on 30 August 2024)
Ms Xu Nan (appointed on 30 August 2024)
Prof Cheung Ka Yue (appointed on 30 September 2024)

COMMITTEES

Audit Committee

Mr Chin Chi Ho, Stanley *(Chairman)*
Mr Hua Yichun (resigned on 30 August 2024)
Mr Chung Wai Man (resigned on 30 September 2024)
Ms Xu Nan (appointed on 30 August 2024)
Prof Cheung Ka Yue (appointed on 30 September 2024)

Remuneration Committee

Prof Cheung Ka Yue *(Chairman)*
(appointed on 30 September 2024)
Mr Chung Wai Man (resigned on 30 September 2024)
Mr Wong Kai Ho
Mr Chin Chi Ho, Stanley

Nomination Committee

Mr Wong Kai Ho *(Chairman)*
Mr Hua Yichun (resigned on 30 August 2024)
Mr Chung Wai Man (resigned on 30 September 2024)
Ms Xu Nan (appointed on 30 August 2024)
Prof Cheung Ka Yue (appointed on 30 September 2024)

COMPANY SECRETARY

Ms Leung Mei King

AUTHORISED REPRESENTATIVES

Mr Wong Kai Ho
Mr Huang Zhuguang

AUDITOR

CCTH CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Bank of Beijing
Bank of Communications
Huaxia Bank
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2303, 23/F
COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICE

Principal registrar

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

Hong Kong branch share registrar and transfer office

TRICOR INVESTOR SERVICES LIMITED
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LISTING INFORMATION

Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 00618
Board Lot: 8,000 shares

COMPANY WEBSITE

www.pkurh.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

Looking back at 2024, the global landscape was marked by tumultuous changes amidst a high interest environment intertwined with geopolitical conflicts, posing severe challenges to the global economy. Against this complex and volatile backdrop, benefited from the support of the government's precise and effective macro control policies, China's economy demonstrated remarkable resilience and vitality. Gross domestic product grew steadily and consumption power of residents continued to be unleashed, which fueled market development with new momentum. Nonetheless, the Group still experienced immense hardships and challenges during the year.

During the Reporting Year, as affected by the intensive adjustment in the real estate industry, the Group achieved an operating income of RMB1.62 billion with a net loss of RMB2.52 billion. The loss was mainly due to: firstly, the significant decrease in gross profit of the property development business arising from the continuous decline in property sales prices; secondly, the increase in impairment of properties for sale due to the downward trend in real estate industry; thirdly, the increase in the provision for expected guarantee liabilities and litigation resulting from guarantees provided by the Group to subsidiaries of Hong Kong Huzi Limited which had been disposed of by the Group on 25 March 2022 with the guarantees continuing to be in effect, as well as the related litigations. As a result of the combined effect of various factors above, the equity attributable to owners of the Company turned from a surplus of RMB1.03 billion at the beginning of the year to a deficit of RMB1.26 billion. Facing the adversity, the management of the Group, leveraging its strong strategic focus and execution capability, resolutely pushed forward optimization of its asset structure and comprehensively strengthened its cash flow management and control, with a view to laying a solid foundation for its future development.

Despite these challenges, the Group has achieved strategic breakthroughs in its business transformation and upgrading. Through the acquisition of Wuhan Yekaitai Pharmaceutical Chain Co., Ltd* (武漢葉開泰藥業連鎖有限公司) ("Yekaitai Pharmaceutical") and the upgrade and revamp of its traditional pharmacies, we have successfully developed the innovative "big health+" model of "pharmacy + Chinese medicine diagnosis and treatment + Chinese pharmaceuticals' derivative services". As of March 2025, the Company efficiently operated 47 chain stores, 11 specialized Chinese medicine clinics and 3 specialty dermatology clinics, with a year-on-year growth in turnover of 117.3%. Notwithstanding the slight loss incurred at this stage due to the initial investment for new clinics, the positive growth in market demand has opened up substantial room for profitability in the future.

In terms of e-commerce and distribution business, upholding the principle of pursuing progress while ensuring stability, the Group continued to deepen its strategic transformation from a traditional IT distributor to the development of diversified e-commerce business. With a focus on developing the two key segments of the e-commerce business, namely electronics consumer products and health food products, we actively expanded our presence in mainstream e-commerce ecosystems and emerging social content platforms, hence successfully facilitated the expansion of the online market for several renowned brands. During the Reporting Year, the turnover of the e-commerce and distribution business grew by 14.6%. Meanwhile, strenuous efforts were made to optimize the product mix and inventory management efficiency to enhance profitability.

It is particularly worth noting that the Group has made leaping progress in the transformation of its real estate business. We intended to establish a partnership with Suzhou Aoze Enterprise Management Co., Ltd. ("Suzhou Aoze") and injected some of our property development business projects into the partnership. Upon the completion of this transaction, the related defaulted loans and provision for guarantees will no longer be consolidated in the consolidated financial statements of the Group, which will significantly improve the financial position of the Group. At the same time, the Group streamlined its businesses and will no longer own any property development projects that are in the development stage, allowing the Group to concentrate its resources on developing more profitable businesses, such as medical and pharmaceutical retail as well as e-commerce.

Looking ahead, the Group will focus on advancing three major strategies. Firstly, for the healthcare segment, we will promote the development of the full-chain service model of "pharmacy + Chinese medicine diagnosis and treatment + Chinese pharmaceuticals' derivative services" on an ongoing basis, and create differentiated competitive advantages through standardized operation and digital upgrades, with a view to fostering new-quality productive forces for digital and intelligent development of big healthcare. Secondly, in respect of the e-commerce business, the Group will focus on optimization of product mix, data-intelligence driven and refined operation, and expansion of omni-channel network, with active efforts in opening up new "blue ocean" opportunities for development of cross-border e-commerce businesses. Meanwhile, with a focus on special opportunity investment, the Group will direct major efforts towards developing the special opportunity asset investment business by relying on its subsidiary, an asset management company which has been granted a Type 9 (asset management) license by the Securities and Futures Commission of Hong Kong. This strategic layout will give full play to the synergistic advantages of the Group in various business segments, thereby fueling high-quality business development as a whole.

On behalf of the Board of Directors, I would like to acknowledge the relentless efforts of all employees with the highest regard. I would also like to express my sincere gratitude to all shareholders and business partners for their long-standing support and trust. Let us move forward together and jointly build a bright future.

Wong Kai Ho
Chairman
30 June 2025

Management Discussion and Analysis

MARKET REVIEW

During 2024, the global economy continued to grow at a low to medium pace, with increased uncertainties in the economy arising from impediments to globalisation, escalating geopolitical conflicts and the restructuring of industrial chains. China's economy withstood the downward pressure from numerous internal and external difficulties and challenges, while the national economy operated at a generally stable level with constantly developing new-quality productive forces. A series of incremental policies was launched to effectively boost social confidence, and the economy rebounded significantly. Gross domestic product calculated at constant prices reached RMB128.2 trillion, which grew by 5.0% over the previous year. The disposable income per capita grew by 5.1%. The total retail sales of social consumer goods amounted to RMB48.8 trillion, representing a growth of 3.5% over the previous year.

Medical and Pharmaceutical Retail

Since the beginning of 2024, industry profits have decreased due to the impact of overall consumer downgrading. The size of the prescription drug market declined slightly, with negative growth in the offline market and double-digit growth maintained in the online market. In May 2024, the Department of Pharmaceutical Pricing and Tendering and Procurement of the National Healthcare Security Administration issued the Letter on Launching the Special Action of "Visiting Online Stores, Checking Pharmaceutical Prices, Comparing Data and Enhancing Governance" (《關於開展"上網店，查藥價，比數據，抓治理"專項行動的函》), to further deepen the reform of the medical and healthcare system, strengthen the supervision of pharmaceutical prices, and give full play to the price identification function of various channels such as retail pharmacies and online pharmacies, so as to advance the governance of unfair high prices and discriminatory high prices, guide enterprises to independently and reasonably set their prices, and promote the innovative development of the pharmaceutical industry in terms of quality. In June 2024, the General Office of the State Council issued a circular on Deepening the Reform of the Medical and Healthcare System: Key Tasks for 2024 (《深化醫藥衛生體制改革2024年重點工作任務》), which specifies the key tasks of the medical reform in 2024, and explores the establishment of a mechanism for unified and efficient policy synergy, information connectivity and communication, and supervision and coordination of healthcare, medical insurance and medicines. The National Administration of Traditional Chinese Medicine (NATCM) issued a circular on the Action Plan for Standardization of Chinese Medicine (2024–2026) (《中醫藥標準化行動計劃（2024–2026年）》), which aims to promote the high-quality development of Chinese medicine standardization and facilitate the heritage and innovative development of Chinese medicine. In August 2024, the State Council issued the Opinions on Promoting High-Quality Development of Consumption of Services (《關於促進服務消費高質量發展的意見》). In particular, in terms of developing and expanding the new modes of healthcare consumption, it proposed to promote the development of "Internet + Healthcare", support the development of large and small time-honored brand enterprises in the traditional Chinese medicine industry, and enhance the functions of retail pharmacies in the areas of health promotion and nutritional care. In October 2024, the National Healthcare Security Administration issued the Notice of the Office of the National Healthcare Security Administration on Regulating the Management of Outpatient Prescription of Medicines under the Medical Insurance Scheme (《國家醫療保障局辦公室關於規範醫保藥品外配處方管理的通知》), which specifies that, in order to provide better protection for the participants' medical treatment and purchase of medicines, the State will comprehensively deploy the establishment of a mechanism for outpatient financial assistance for employees and their protection under a mutual relief scheme, improve and refine the mechanism for the protection with the medicines for "two diseases" of the urban and rural residents, and support the "dual-channel" supply of the negotiated medicines, and simultaneously accelerate the construction of electronic prescription centers for the purpose of medical insurance.

The pharmaceutical retail industry continues to expand under the policy dividend and technological support, but still faces challenges such as regional imbalance, cost pressure and model innovation. On the one hand, with the gradual regulatory upgrade at all levels in China, the compliance level of the pharmaceutical retail industry has continued to improve, the supervision of medical insurance prices has become more stringent, the transparency of market prices is increasingly higher, and the competition in the traditional retail industry tends to be more intense; on the other hand, the government provides stronger support for traditional Chinese medicine, and there are favoring policy supporting the transformation of traditional pharmacies into traditional Chinese medicine mode. In summary, there is a trend of the retail industry for the innovative practice of "pharmacy + clinic" and Internet + medical services, and gradually the mode of diversified community health service ecosystem under multi-industry integration through expanding presence of Chinese medicine clinics, community clinics, physical examination centers and other retail types. The pharmaceutical retail industry will develop in the direction of larger-scale of diversification and lifestyle.

E-commerce and Distribution Business

In recent years, China's consumer market has been developing in a diversified and rational manner. Against this backdrop, the e-commerce industry has successfully entered a stage of high-quality development. New business models are emerging in the industry, with content e-commerce, social e-commerce and real-time retailing rapidly emerging as the core drivers for the industry's continued growth by virtue of their innovative operation modes and consumption scenarios. From the perspective of consumer groups, different types of consumers show differentiated consumer preferences. The middle class and young consumers are more concerned about improving their quality of life, pursuing personalized consumption experience and have a strong demand for new and unique products and services, while mass consumers are more inclined to select familiar brands, highly concerned about brand reputation and the sense of value brought by the products, and inclined to purchase goods with high price-performance ratio and reliable quality.

While the industry was developing at a rapid pace, the government actively improved the relevant supporting laws and regulations to support the rapid development of the industry. In 2024, the General Administration of Market Supervision gave full play to its coordinating function and vigorously promoted the implementation of the E-Commerce Law of the People's Republic of China (《中華人民共和國電子商務法》), the Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), and the Regulations for the Implementation of the Law of the People's Republic of China on Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法實施條例》) to regulate the e-commerce market in a number of dimensions and protect the legitimate rights and interests of consumers and business operators. In December 2024, the Provisional Measures for Law Enforcement, Coordination and Investigation In Relation To Online Transactions (《網絡交易執法協查暫行辦法》) were launched, which further emphasizes the improvement of law enforcement, coordination and investigation mechanism for online transactions, and effectively resolves the difficulties in cross-regional law enforcement, thereby creating a favorable policy environment for the healthy development of the platform economy.

In the face of the complex and volatile external environment, the government launched a sustained "trade-in" incentive policy in 2024 to promote the development of the digital consumer economy, thereby facilitating the recovery and prosperity of the consumer market. Under the strong impetus of the policy, China's online retail market achieved a fast growth. In 2024, national online retail sales amounted to RMB15.5 trillion, representing an increase of 7.2% over the previous year. Among these, national online sales of physical commodities amounted to RMB13.1 trillion, representing an increase of 6.5%. In the first quarter of 2025, national online retail sales amounted to RMB3.6 trillion, representing an increase of 7.9% over the previous year. Among these, national online sales of physical commodities amounted to RMB3.0 trillion, representing a year-on-year increase of 5.7%.

Real Estate Business

In 2024, there are continuous and increasing policy support for the real estate industry, and the market gradually moved towards stabilization after an intensive adjustment. At the meeting of the Political Bureau of the CPC Central Committee held on 26 September 2024, it proposed for the first time to "halt the downtrend and promote the stabilization of the real estate market", releasing a strong signal for stabilizing the real estate market in the current downward cycle. Subsequently, "four cancellations, four reductions, two increases" and other policy packages have been frequently launched, removing the purchase and sale restriction policies, reducing the percentage of down payment and interest rates of housing mortgage, increasing the supply of affordable housing and the scale of the transformation of urban villages and other core measures. Coupling with the effective promotion under ancillary policies such as acquisition and reservation of the inventories of commodity housing and the revitalization of the inventories of idle land, market confidence has been significantly boosted. At the inception of the fourth quarter of 2024, market trade activity recovered significantly, and the decline in the sales of commodity housing for the year reduced month-on-month.

At the data level, the sales of commodity housing in China during 2024 amounted to approximately RMB9.7 trillion, and the sales area of commodity housing amounted to approximately 0.97 billion square meters, representing a decrease of 17.1% and 12.9% respectively, as compared to that of 2023. New construction area of properties in China was 740 million square meters, representing a decrease of 23.0% year-on-year. The investment in real estate development in China amounted to approximately RMB10.0 trillion, representing a decrease of 10.6% as compared to that of 2023. In the first quarter of 2025, the sales volume of commodity housing nationwide amounted to RMB2.1 trillion with a sales area of 220 million square meters, representing a decrease of 2.1% and 3.0% respectively year-on-year. New construction area of properties in China was 130 million square meters, representing a decrease of 24.4% year-on-year. The investment in real estate development in China amounted to approximately RMB2.0 trillion, representing a decrease of 9.9% year-on-year. Currently, the real estate market is continuing its downturn and bottoming cycle and there is a need for the further accumulation in the recovery momentum of the industry.

OPERATING REVIEW

Medical and Pharmaceutical Retail

The Group acquired 56% equity interest in Wuhan Yekaitai Pharmaceutical Chain Co., Ltd.* (武漢葉開泰藥業連鎖有限公司) ("Yekaitai Pharmaceutical") in August 2023, and acquired the remaining 44% equity shares in Yekaitai Pharmaceutical in November 2023. The Group has upgraded and revamped its traditional pharmacies, commenced the model of pharmacy + Chinese medicine outpatient, and upgraded some of its pharmacies to the "big health + model of pharmacy + Chinese medicine + peripheral Chinese pharmaceuticals" such as Chinese herbal tea and Chinese medicine cuisine. Since the acquisition of Yekaitai Pharmaceutical, we have upgraded a total of 9 pharmacies + Chinese medicine stores and opened a new Yekaitai Pharmaceutical Chinese-medicine hospital in Hangzhou. Leveraging the brand advantage of Yekaitai Pharmaceutical, the hospital will integrate traditional Chinese medicine with modern healthcare concepts, and adhere to the "big healthcare +" service system of "chronic disease healthcare and medical care" integrating Chinese and Western medicine. It will set up six major departments, including traditional Chinese medicine, dermatology, pediatrics, integrated Chinese and Western medicine, medical and surgery. As of March 2025, the Group operated a total of 47 chain stores, 11 Chinese medicine clinics, 3 dermatology clinics and online pharmacies. The Chinese-medicine outpatient clinics provide customers with diversified services such as medicine and rehabilitation, physiotherapy and medication consultancy. With the launch of a variety of projects, store traffic and sales have increased significantly.

* *For identification purposes only*

During the year ended 31 March 2025 (the "Reporting Year"), the medical and pharmaceutical retail business of the Group recorded a turnover of approximately RMB190.8 million (year ended 31 March 2024: RMB87.8 million), representing an increase of 117.3% as compared to the year ended 31 March 2024. The segment recorded a loss of RMB0.1 million (year ended 31 March 2024: a profit of RMB3.8 million).

During the Reporting Year, the turnover of the medical and pharmaceutical retail business grew steadily with keen market demand. Nonetheless, the preliminary costs of the newly added clinics during the year resulted in a mild loss for the year. The Group will focus on cost control and optimize various cost drivers in an effort to achieve sustainable profitability for the business.

E-commerce and Distribution

Since 2023, the Group has commenced a strategic transformation from a traditional IT distributor to an e-commerce platform, gradually downsizing its distribution business to concentrate the core resources on the development of its e-commerce business. With a focus on developing e-commerce business of electronics consumer products and health food products, the Group has successfully facilitated the expansion of the online market for renowned domestic brands such as Joyoung (九陽), Huawei (華為), Xiaomi (小米), Yihai Kerry Arawana (金龍魚) and AoDong (敖東), and accumulated valuable experience in brand management in practice, forging its core competitiveness in terms of data insight, marketing and operation and execution. In terms of platform layout, the Group has fully participated in various mainstream e-commerce ecosystems such as Jingdong (京東), Taobao (淘寶), Pinduoduo (拼多多) and vip.com (唯品會), thereby creating multi-format trade models and realizing all-dimensional channel exposure, promotion and sales to consumers for products. In the face of the fashionable wavefront of content marketing, the Group has precisely kept abreast of the market trend and operated in-depth emerging social content platforms such as Douyin (抖音), Xiaohongshu (小紅書), Kuaishou (快手) and WeChat Video Channel. Riding on its accurate analysis of consumer psychology as well as strong data insights and user profiling capabilities, the Group has created tailored content to cater to the tonality and user preferences of different platforms. Accordingly, it made use of scenario-based narratives to connect consumers and the brand with emotional links, thus achieving resonance-based communication and promoting an overwhelming growth in brand influence. The Group has efficiently boosted the commercialization of brands and fostered a differentiated competitive advantage through full-domain coordination between e-commerce ecosystems and content platforms.

During the Reporting Year, the e-commerce and distribution business of the Group recorded a turnover of approximately RMB711.9 million, representing an increase of 14.6% as compared to the Corresponding Period (year ended 31 March 2024: RMB621.4 million). The segment recorded a profit of RMB13.5 million (year ended 31 March 2024: RMB30.8 million).

The e-commerce and distribution business improved its structure by adjusting its product mix and introducing new product lines, resulting in an increase in segment turnover. At the same time, due to the increase in initial selling expenses, the profit recorded by the segment decreased as compared to the Corresponding Period. The Group will continue to optimize its business and inventory management to proactively respond to challenges and ensure a healthy development.

Real Estate Business

Property Development

During the Reporting Year, the turnover of the Group's property development business increased by 8.4% to approximately RMB605.2 million (year ended 31 March 2024: RMB558.2 million). The segment recorded a loss of approximately RMB2,184.3 million (year ended 31 March 2024: a loss of approximately RMB117.3 million). The segment loss was due to the decrease in gross profit of properties sold and the increase in provision for expected guarantee liabilities.

As at 31 March 2025, the Group had 11 property development projects across 7 cities in Mainland China. The total area of the properties held for sale, properties under development and area pending construction amounted to approximately 1,914,553 square meters. During the Reporting Year, the Group actively promoted the delivery guarantee work under the changes in the industry; contracted sales of properties and contracted gross floor area ("GFA") amounted to approximately RMB627.28 million and approximately 84,792 square meters, respectively, with an average selling price of approximately RMB7,398 per square meter.

Project List

As at 31 March 2025

Project Name	Project Location	Planning and Development	Planned GFA (sq.m)	Equity Share	Expected Year of Completion
Yihe Emerald Mansion	Yuxi, Yunnan	Residential/Commercial	456,507	100%	2026 (under construction)
Wei Ming 1898	Kaifeng, Henan	Residential/Commercial	384,569	100%	2025 (under construction)
580 Project	Chongqing	Residential/Commercial	434,167	100%	N/A
Boya Binjiang	Foshan, Guangdong	Residential/Commercial	909,598	51%	Completed
Zijing Mansion	Chongqing	Residential/Commercial	209,632	100%	Completed
Boya	Chongqing	Residential/Commercial	499,947	43%	Completed
Jiangshan Mingmen	Chongqing	Residential/Commercial	706,601	100%	Completed
Yuelai	Chongqing	Residential/Commercial	425,947	43%	Completed
Boya City Plaza	Chengdu, Sichuan	Commercial/Office	144,008	25%	Completed
Wei Ming Mansion	Hangzhou, Zhejiang	Residential/Commercial	193,736	94%	Completed
Shanshui Nianhua	Wuhan, Hubei	Residential/Commercial	278,437	70%	Completed

Note: Expected year of completion is not available for 580 project as it is still in the planning phase, and has neither received the planning approval nor commenced the construction.

On 7 May 2025, the Company (as subordinated limited partner) entered into a Partnership Agreement (the "Partnership") with Suzhou Aoze Enterprise Management Co., Ltd. ("Suzhou Aoze") (as general partner) and Chongqing Jingjiahui Industry Co., Ltd. ("Chongqing Jingjiahui") (as preferred limited partner). The capital contribution was completed by the Company by way of injecting the entire shareholding interest in the On Tai International Investment Group (Hong Kong) Limited ("Disposal Company") and its subsidiaries ("Disposal Group") into the Partnership. Each of the subsidiaries of the Disposal Company comprises all of the above real estate development projects in the development stage. Upon completion of the transaction, the Group will no longer own any real estate development projects which are in the development stage.

Property Investment and Management

During the Reporting Year, the turnover of property investment and management business decreased by 36.2% to approximately RMB110.6 million (year ended 31 March 2024: RMB173.6 million). The segment recorded a loss of approximately RMB133.0 million (year ended 31 March 2024: loss of RMB29.8 million). The decrease in segment revenue was mainly attributed to the fact that the segment recorded revenue from sale of properties of approximately RMB67.5 million in the year ended 31 March 2024 (the "Corresponding Period"). The segment loss was mainly due to the decrease in the fair value gain on investment properties during the Reporting Year to approximately RMB10.7 million (year ended 31 March 2024: RMB73.7 million) and the decrease in gross profit on rented GFA during the Reporting Year.

FINANCIAL REVIEW

Overall Performance

During the Reporting Year, the Group recorded a loss of approximately RMB2,519.6 million (year ended 31 March 2024: a loss of RMB750.2 million). The loss during the Reporting Year was mainly attributable to the combined effects of the following factors:

a. an increase in revenue of the Group by approximately RMB177.5 million to approximately RMB1,618.5 million (year ended 31 March 2024: RMB1,441.0 million), which was due to the increase in revenue from property development business by RMB47.0 million, the increase in revenue from e-commerce and distribution business by RMB90.5 million, the increase in revenue from the medical and pharmaceutical retail business by RMB103.0 million and decrease in revenue from property investment and management business by approximately RMB63.0 million;

b. the gross profit decreased by approximately RMB183.8 million to a loss of approximately RMB53.0 million (year ended 31 March 2024: a profit of RMB130.8 million), which was mainly due to the decrease in gross profit of properties delivered arising from the decline in property selling price;

c. a net provision of approximately RMB620.5 million for the impairment of properties for sale was made in the Reporting Year (year ended 31 March 2024: RMB196.0 million), which increased by approximately RMB424.5 million compared to the impairment of properties for sale recognised in the Corresponding Period as a result of the continued downturn in the property market in 2024, leading to a significant decrease in the net realizable value of certain properties;

d. other expenses of approximately RMB1,614.2 million (year ended 31 March 2024: RMB842.7 million) was made, which was mainly attributable to the provision for expected guarantee liabilities by the Group to subsidiaries of Hong Kong Huzi Limited which was subsequently disposed of by the Group on 25 March 2022 with the guarantees continuing in effect, as well as the related litigations;

e. an increase in finance costs by approximately RMB14.3 million year-on-year to approximately RMB126.7 million during the Reporting Year (year ended 31 March 2024: RMB112.4 million), which was attributable to the more interest-bearing bank borrowing utilised during the Reporting Year as new loans brought in December 2023; and

f. an increase in taxation by approximately RMB55.6 million to approximately RMB63.1 million (year ended 31 March 2024: RMB7.5 million) as a result of an increase in corporate income tax and land appreciation tax in the PRC during the Reporting Year.

The loss attributable to the owners of the Company for the Reporting Year was approximately RMB2,339.9 million (year ended 31 March 2024: loss of approximately RMB785.6 million) and the loss attributable to non-controlling interests of the Group was RMB179.7 million (year ended 31 March 2024: profit of RMB35.4 million).

Basic and diluted loss per share attributable to owners of the Company for the Reporting Year were approximately RMB85.99 cents (year ended 31 March 2024: loss of RMB32.93 cents).

Liquidity, Financial Resources and Capital Commitments

During the Reporting Year, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in the PRC. As at 31 March 2025, the Group had interest-bearing bank and other borrowings of approximately RMB1,767.3 million (31 March 2024: RMB1,748.1 million), of which approximately RMBNil (31 March 2024: RMB5 million) was floating interest bearing and RMB1,767.3 million (31 March 2024: RMB1,743.1 million) were fixed interest bearing. The borrowings, which were subject to little seasonality, consisted of mainly bank loans, trust loans and loans from Peking University Founder Group Limited ("Peking Founder") (北大方正集團有限公司), and borrowings from financial institutions. All interest-bearing bank and other borrowings are denominated in RMB, with approximately RMB1,566.1 million (31 March 2024: RMB636.4 million) repayable within one year, approximately RMB201.2 million (31 March 2024: RMB781.7 million) repayable within two years and approximately RMBNil (31 March 2024: RMB330.0 million) repayable within three years. The Group's banking facilities were secured by guarantee given by Peking Founder and Peking University Resources Group Co., Ltd. (北大資源集團有限公司) (each of them is a former controlling shareholder of the Company), and certain properties held for sale of the Group, investment properties, equity interests of certain subsidiaries of the Group, and assignment of return arising from the Group's certain properties under development and properties held for sale. The decrease in other payables and accruals by 8.0% to approximately RMB2,188.4 million (31 March 2024: RMB2,377.7 million) was due to partial repayment of other payables.

As at 31 March 2025, the Group recorded total assets of approximately RMB10,212.8 million (31 March 2024: RMB11,522.9 million), total liabilities of approximately RMB9,815.7 million (31 March 2024: RMB9,015.2 million), non-controlling interests of approximately RMB1,653.3 million (31 March 2024: RMB1,473.2 million) and deficit attributable to owners of the Company of approximately RMB1,256.2 million (31 March 2024: surplus attributable to owners of the Company of approximately RMB1,034.5 million). The Group's net asset value per share as at 31 March 2025 was RMB10.6 cents (31 March 2024: restated RMB96.8 cents). The decrease in net asset value per share was attributable to the loss for the Reporting Year.

As at 31 March 2025, the Group had total cash and cash equivalents and restricted cash of approximately RMB661.1 million (31 March 2024: RMB904.1 million). As at 31 March 2025, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity, was 4.45 (31 March 2024: 0.70) while the Group's current ratio was 0.88 (31 March 2024: 1.26).

As at 31 March 2025, the capital commitments for contracted, but not provided for, properties under development were approximately RMB766.0 million (31 March 2024: RMB1,655.9 million).

Treasury Policies

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are held mainly in Hong Kong Dollars ("HK$"), RMB and United States Dollars ("U.S. dollars"). Surplus cash is generally placed in short term deposits denominated in HK$, RMB and U.S. dollars.

Market risk

The Group's assets are predominantly in the form of land under development, properties under development, properties held for sale and investment properties. In the event of a severe downturn in the property market in China, these assets may not be readily realised.

Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's interest- bearing bank and other borrowings. The Group has not used derivative financial instruments to hedge any interest rate risk. The Group manages its interest cost using variable rate bank borrowings and other borrowings.

Foreign exchange risk

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, most of its revenues and expense are measured in RMB. For the operations in Hong Kong, most of the transactions are denominated in HK$ and U.S. dollars. The values of RMB against the U.S. dollars and other currencies may fluctuate and is affected by, among other things, changes in the PRC's political and economic conditions. The conversion of foreign currencies into RMB is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The Group has minimal exposure to exchange rate fluctuation. No financial instrument was used for hedging purposes.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings. Cash flows are closely monitored on an ongoing basis.

Charges on Assets

As at 31 March 2025, properties held for sale of approximately RMB634.5 million (31 March 2024: RMB1,342.0 million), investment properties of approximately RMBNil (31 March 2024: RMB295.8 million), accounts receivable of approximately RMB48.7 million (31 March 2024: RMBNil), bank deposits of approximately RMB59.7 million (31 March 2024: RMB13.9 million), certain equity interests of certain subsidiaries and the assignment of returns arising from certain properties under development and properties held for sale of the Group were pledged to banks and other financial institutions to secure general banking facilities and loans granted, as deposits for construction of the relevant properties and as guarantees deposits for certain mortgage loans granted by banks to purchasers of the Group's properties.

Contingent Liabilities

As at 31 March 2025, the Group had contingent liabilities as follows:

(1) The Group had contingent liabilities relating to guarantees mainly in respect of mortgage facilities granted by certain banks to certain purchasers of the Group's properties amounting to approximately RMB850.2 million (31 March 2024: RMB915.3 million). Pursuant to the terms of the guarantees, in the event of default in mortgage payments by these purchasers, the Group is liable for repayment of the outstanding mortgage principals owed by the defaulting purchasers together with the accrued interest and penalty to the banks, while the Group is entitled to take over the legal titles and possession of the relevant properties. The guarantees shall be discharged upon: (i) issuance of real estate ownership certificates which are generally issued within three months after the purchasers take possession of the relevant properties; and (ii) repayment of the mortgage loans by the purchasers of the properties, whichever is earlier.

    The Group considers that in the event of default by the purchasers of the properties, the net realisable value of the relevant properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in respect of such guarantees in the financial statements.

(2) The Group had outstanding litigations as detailed in "Major litigations" below.

MAJOR LITIGATIONS

As at 31 March 2025, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

(1) In August 2021, Minmetals International Trust Co., Ltd (五礦國際信託有限公司) ("Minmetals International"), filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against a subsidiary of HK Huzi, Dongguan Yihui Property Co., Limited* (東莞億輝地產有限公司) ("Dongguan Yihui"), and the Company's subsidiaries, Yuxi Runya Property Company Limited* (玉溪潤雅置業有限公司) ("Yuxi Runya") and Chongqing Yingfeng Property Co., Ltd.* (重慶盈豐地產有限公司) ("Chongqing Yingfeng"), in respect of the outstanding debts with principal amount of approximately RMB1,458.5 million. In February 2022, the Intermediate People's Court of Xining, Qinghai Province issued a civil judgement, which ruled that (i) Dongguan Yihui and Yuxi Runya shall jointly repay to Minmetals International the principal amount of the borrowings of approximately RMB1,458.5 million together with the related interest and the other costs, and (ii) Minmetals International has the priority of the compensation from the proceeds of auction and sale of the collateral provided by Yuxi Runya and Chongqing Yingfeng.

Yuxi Runya has appealed the judgement to the Higher People's Court of Qinghai Province. In July 2022, the Higher People's Court of Qinghai Province issued a civil judgement, ruling that the appeal of Yuxi Runya was dismissed and the first instance judgement was upheld. Currently, Minmetals International has filed an application for enforcement with the Intermediate People's Court of Xining; Minmetals International, Dongguan Yihui, Yuxi Runya and Chongqing Yingfeng are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.

(2) In August 2021, Minmetals International filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against Wuhan Tianhe Jinrui Property Development Company Limited* (武漢天合錦瑞房地產開發有限公司) ("Wuhan Tianhe"), Peking University Resources Group Investment Company Limited* (北大資源集團投資有限公司) ("Resources Investment"), both of which were subsidiaries of HK Huzi, as well as Yuxi Runya, in respect of the outstanding entrusted loans with principal of RMB620.0 million. In February 2022, the Intermediate People's Court of Xining, Qinghai Province issued a civil judgement, which ruled that Wuhan Tianhe and Yuxi Runya shall jointly repay to Minmetals International the outstanding principal of RMB620.0 million together with the related interest and other costs and Minmetals International has the priority of compensation from the proceeds of auction and sale of the collateral provided by Wuhan Tianhe and Resources Investment. Wuhan Tianhe appealed the judgement to the Higher People's Court of Qinghai Province. In July 2022, the Higher People's Court of Qinghai Province issued a civil judgement, ruling that the appeal of Wuhan Tianhe was dismissed and the first instance judgement was upheld. Currently, Minmetals International, Wuhan Tianhe, Yuxi Runya and Resources Investment are actively negotiating for the settlement of the outstanding debts under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.

* *For identification purposes only*

(3) Western Trust Co., Ltd* (西部信託有限公司) ("Western Trust") filed a civil complaint in the Intermediate People's Court of Xi'an, Shaanxi Province against Zhejiang Resources, in respect of the outstanding debts in relation to a loan provided to Zhejiang Resources with principal amount of approximately RMB300.0 million at interest of approximately 10.4% per annum which is secured by a land parcel in Yuhang District, Hangzhou as collateral for a term of three years, together with interest and penalty of approximately RMB389.4 million. On 1 April 2022, the court issued a first instance judgement in favour of the plaintiff, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Subsequently, Zhejiang Resources and Western Trust both appealed to the Higher People's Court of Shaanxi Province. In March 2023, the Higher People's Court of Shaanxi Province issued a civil judgement, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Western Trust has applied to the Intermediate People's Court of Xi'an, Shaanxi Province for enforcement of the effective judgement; and Zhejiang Resources is actively negotiating with Western Trust for the settlement of the repayment plan under this litigation.

(4) The Intermediate People's Court of Guiyang, Guizhou Province* (貴州省貴陽市中級人民法院) issued a judgement on 31 March 2023 in respect of a civil legal proceeding against Kaifeng Boyuan Real Estate Development Co., Ltd.* (開封博元房地產開發有限公司) ("Kaifeng Boyuan") and Chongqing Yingfeng, each an indirect subsidiary of the Company, among other co-defendants. According to the judgement, it was alleged by the plaintiff, Beijing Deyu Yuantong Technology Co., Ltd.* (北京德隅源通科技有限公司), that Kaifeng Boming Real Estate Development Co., Ltd.* (開封博明房地產開發有限公司) ("Kaifeng Boming") obtained a loan from Huaneng Guicheng Trust Corp., Ltd.* (華能貴誠信託有限公司) ("Huaneng Trust") in 2019 for a principal amount of RMB1 billion secured by, among others, the pledge of certain land parcels held by Kaifeng Boyuan, and the share charge of the entire equity interest in Kaifeng Boyuan held by Chongqing Yingfeng. Kaifeng Boming failed to repay the loan and the outstanding principal is RMB590.0 million. Huaneng Trust subsequently transferred the loan and security to the plaintiff, who initiated the litigation against the defendants. The judgement ruled that, among others: (i) Kaifeng Boming shall repay the plaintiff the outstanding principal of RMB590.0 million together with interest and default interest; (ii) the plaintiff has the priority in respect of the compensation from the proceeds of auction and sale of certain land parcels held by Kaifeng Boyuan; (iii) the plaintiff has the priority in respect of the compensation from the proceeds of auction and sale of the entire equity interest in Kaifeng Boyuan held by Chongqing Yingfeng; and (iv) Kaifeng Boyuan to be jointly liable for the amount payable by Kaifeng Boming mentioned in (i). Kaifeng Boming is a wholly-owned subsidiary of HK Huzi. In August 2023, the Higher People's Court of Guizhou Province issued a civil judgement, which ruled to uphold the foregoing judgement. Currently, the plaintiff has filed an application for enforcement with the Intermediate People's Court of Guiyang; Kaifeng Boyuan, Chongqing Yingfeng and Kaifeng Boming are actively negotiating with the plaintiff for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcements of the Company dated 21 April 2023 and dated 21 August 2023.

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(5) Beijing Financial Court issued a judgement on 29 December 2023 in respect of a civil legal proceeding filed by Beijing Branch of China Huarong Asset Management Co. Ltd.* (中國華融資產管理股份有限公司北京市分公司) ("China Huarong") against Chongqing Yingfeng, an indirect wholly-owned subsidiary of the Company, and certain former subsidiaries of the Company, namely, Dongguan Yihui, Dongguan Yida Property Co., Limited* (東莞億達地產有限公司) ("Dongguan Yida") and Kunshan Hi-Tech Electronic Arts Creative Industry Development Co., Limited* (昆山高科電子藝術創意產業發展有限公司) ("Kunshan Hi-Tech") in respect of a debt owed by Dongguan Yihui and Dongguan Yida to China Huarong (the "Debt"). According to the judgement, the Court has ruled that (i) Dongguan Yihui and Dongguan Yida shall jointly repay China Huarong the Debt with the principal amount of approximately RMB130.7 million, as well as the compensation for restructuring grace period (the "Restructuring Compensation") and penalties for breach of contract; (ii) China Huarong shall have the priority in compensation over the proceeds from the auction or sale of several properties held by Chongqing Yingfeng and Kunshan Hi-Tech; and (iii) Dongguan Yihui, Dongguan Yida, Kunshan Hi-Tech and Chongqing Yingfeng shall pay China Huarong attorney fee of RMB150,000. The relevant parties have been negotiating with China Huarong over the settlement of the Debt and the litigation. Dongguan Yihui, Dongguan Yida and China Huarong entered into a debt settlement agreement (the "Debt Settlement Agreement") on 30 June 2022, a supplemental agreement to the Debt Settlement Agreement (the "First Supplemental Agreement") on 29 December 2022 and the second supplemental agreement to the Debt Settlement Agreement on 20 December 2023 (the "Second Supplemental Agreement"). Under the Second Supplemental Agreement, the parties agreed that (i) Dongguan Yihui and Dongguan Yida shall repay part of the principal amount of the Debt each quarter, and all outstanding principal amount of the Debt shall be repaid by 20 December 2024; (ii) Dongguan Yihui and Dongguan Yida shall repay the Restructuring Compensation with respect to the Debt by 20 December 2024; and (iii) Dongguan Yihui and Dongguan Yida shall repay costs incurred by China Huarong in recovering the Debt. As advised by the PRC legal advisors, despite the issue of the judgement, the Second Supplemental Agreement is still legally binding and enforceable between the parties. Details of the litigation are set out in the announcement of the Company dated 11 January 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2025, the Group did not have any specific future plans for material investments or capital assets (31 March 2024: Nil). Nonetheless, the Group is always seeking new investment opportunities in the medical and pharmaceutical retail business and e-commerce business, in order to broaden the revenue stream and profitability of the Group and enhance long-term shareholders' value.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for the following, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures for the Reporting Year:

1. On 8 August 2024, an indirect wholly owned subsidiary of the Company and Suzhou Aoze entered into a joint venture agreement to form a joint venture. Pursuant to the terms of the joint venture agreement, the registered capital of the joint venture is RMB150,010,000, which will be contributed, and the joint venture will be held, as to approximately 99.99% by the Group and approximately 0.01% by Suzhou Aoze. The joint venture is primarily engaged in the investment and cooperation in the non-performing assets in the domestic real estate industry and the medical industry in China. Please refer to the announcement of the Company dated 8 August 2024.

* *For identification purposes only*

2. On 31 May 2024, the Group acquired 100% interest in Hubei Central Pharmaceutical Co., Ltd (湖北中樞藥業有限公司) ("Hubei Central") at the consideration of RMB500,000. Hubei Central provides traditional Chinese medicine diagnosis and treatment, traditional Chinese medicine health care, massage, acupuncture and other special medical services. Upon completion, Hubei Central became an indirect wholly-owned subsidiary of the Company.

3. On 16 May 2024, the Group entered into an agreement with an independent third party to dispose of 90% equity interest in a subsidiary, Ezhou Jinfeng Property Development Co., Ltd* (鄂州金豐房地產開發有限公司) ("Ezhou Jinfeng"), at the consideration of RMB900,000. The disposal was completed on 16 May 2024. Upon completion of the disposal, Ezhou Jinfeng ceased to be subsidiary of the Company.

4. On 14 September 2024, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group for the disposal of the Group's 100% interest in Guizhou Guanheng Enterprise Management Co., Ltd (貴州觀恒企業管理有限公司) ("Guizhou Guanheng"), an indirect wholly-owned subsidiary of the Company at a cash consideration of approximately RMB500,000. Guizhou Guanheng was principally engaged in property development in Mainland China. The disposal was completed on 5 December 2024. Upon completion of the disposal, Guizhou Guanheng ceased to be subsidiary of the Company.

5. On 3 March 2025, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group for the disposal of the Group's 75% interest in Chongqing Weijueli Commercial Operation Management Co., Ltd (重慶威覺利商業運營管理有限公司) ("Chongqing Weijueli"), an indirect wholly-owned subsidiary of the Company for nil consideration. Chongqing Weijueli was principally engaged in property development in Mainland China. The disposal was completed on 6 March 2025. Upon completion of the disposal, Chongqing Weijueli ceased to be subsidiary of the Company.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group has approximately 735 employees (31 March 2024: 744). The number of employees remained stable during the Reporting Year.

The Group formulates human resource policies and procedures based on the performance and merits of its employees. The Group ensures that the remuneration package for its employees is competitive and employees are rewarded based on work performance within the general framework of the Group's salary and bonus system. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance.

The Group operates a share option scheme (the "Share Option Scheme") to incentivise and reward eligible participants who contribute to the success of the Group's operations. The Share Option Scheme is a share incentive scheme established in accordance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

On 28 August 2023, the Group adopted a new share scheme (the "2023 Share Scheme"), which is valid and effective for a period of ten (10) years from the date of adoption and ending on 27 August 2033. Upon termination of the 2023 Share Scheme, no further awards will be granted but in respect of all awards which have been granted but have not been exercised, the provision of the 2023 Share Scheme shall remain in full force and effect.

* *For identification purposes only*

According to the 2023 Share Scheme, the Company may grant awards to the eligible participants during the scheme period, the nature and amount of which shall be determined by the Board during the scheme period, in the form of (a) share award which vests in the form of the right to receive such number of award shares at the issue price or the actual selling price of the award shares in cash, as the Board may in its absolute discretion determine in accordance with the terms of the scheme (the "Share Awards"), which is funded by the issuance of new Shares and/or the purchase of existing Shares by way of on-market transaction; or (b) share options which vest in the form of the right to subscribe for such number of award shares as the Board may determine during the exercise period at the exercise price in accordance with the terms of the scheme (the "Share Options"), which is funded by the issuance of new Shares.

The purpose of the 2023 Share Scheme is to recognise and motivate the contribution of eligible participants, to provide eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage eligible participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

Eligible participants of the 2023 Share Scheme include the following persons:

(1) Employee Participants: any directors (including executive directors, non-executive directors and independent non-executive directors), chief executive and employees (full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted award(s) under the 2023 Share Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);

(2) Service Provider Participants: any person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including (a) suppliers of services to any member of the Group; and (b) advisers (professional or otherwise) or consultants to any area of business or business development of any member of the Group, but for the avoidance of doubt excludes (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity; and

(3) Related Entity Participants: the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

According to the 2023 Share Scheme, all awards to be granted that involve the issuance of Shares of the Company shall not exceed 10% of the total number of Shares in issue as at the adoption date, being 912,966,911 Shares. The sublimit for service providers, being 91,296,691 shares, represents 1% of the total number of Shares in issue as at the adoption date of the 2023 Share Scheme, i.e. 28 August 2023. A special resolution of the Company was passed at the special general meeting held on 6 May 2024 to carry out a capital reorganisation of the Company. Upon the capital reorganisation, the total number of New Shares available for future grants under the 2023 Share Scheme was adjusted to 78,241,727 pursuant to the terms of the 2023 Share Scheme. Please refer to the circular and the notice of special general meeting of the Company both dated 28 March 2024, and the announcements of the Company dated 6 May 2024 and 7 May 2024.

The maximum number of Shares in respect of which awards may be granted to a single eligible participant in any 12-month period up to and including the date of such grant shall not exceed 1% of the Shares in issue.

A Share Option may be exercised during such period as the Board may determine, save that such period shall not be more than 10 years from the offer date.

The vesting period for awards shall not be less than 12 months, provided that the Board, may at its discretion, grant awards to the Employee Participants with a shorter vesting period under such circumstances the Board may consider appropriate and in alignment with the purposes of the 2023 Share Scheme. Awards granted under the 2023 Share Scheme may be subject to vesting conditions which must be satisfied before an award shall become vested. The Board may in its absolute discretion determine the vesting conditions (if any) applicable to any award and specify such vesting conditions in offer letter of the award, which may be a time-based vesting condition and/or a performance-based vesting condition requiring the grantee to meet certain performance target, which may relate to the revenue, the profitability and/or the business goals of the Group or any of its business unit, to be assessed based on such method as the Board may determine in its absolute discretion.

For awards which take the form of Share Awards, the issue price for the awards shall be such price determined by the Board and notified to the grantee in the letter containing the offer of the grant of the award, taking into consideration factors such as the prevailing closing price of the Shares, the purpose of the scheme, the performance and profile of the relevant grantee(s). The Board may determine the issue price to be at nil consideration.

For awards which take the form of Share Options, the exercise price for the exercise of such Share Options shall be such price determined by the Board in their absolute discretion and notified to the grantee in the letter containing the offer of the grant of the award but in any case the exercise price shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the relevant offer date in respect of such award, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding relevant offer date in respect of such award; or (iii) the nominal value of a Share. The Board may grant awards in respect of which the exercise price is fixed at different prices for certain periods during the exercise period.

The 2023 Share Scheme is a share incentive scheme established in accordance with Chapter 17 of the Listing Rules. On 29 December 2023, the Company granted an aggregate of 600,000,000 Share Options to subscribe for 600,000,000 Shares to certain employees of the Group in accordance with the terms of the 2023 Share Scheme, details of which are set out in the Company's announcement dated 29 December 2023.

Since the adoption of the 2023 Share Scheme and up to the date of this annual report, no awards were granted to any service provider participants under the 2023 Share Scheme. In consideration of the impact of the capital reorganization, as at 1 April 2024 (the beginning of the Reporting Year), the total number of Shares available for future grants under the 2023 Share Scheme was 78,241,727, and under the service provider sublimit was 22,824,172. As at 31 March 2025 (the end of the Reporting Year), the number of Shares available for future grants under the 2023 Share Scheme is 78,241,727, and under the service provider sublimit is 22,824,172.

The table below sets out the details of the outstanding options granted to the grantees under the Share Option Scheme and movements during the Reporting Year:

Name or category of participant	Position held	Date of grant	Vesting period	Closing price of the Shares immediately before the date of grant	Exercise period	Exercise price	Outstanding as at 1 April 2024	Capital Reorganisation (Note 3)	Granted during the period	Exercised during the period	Cancelled/ lapsed during the Reporting Year (Note 4)	Outstanding as at 31 March 2025	Closing price weighted average of the Shares immediately before the dates on which the options were exercised
Directors and chief executive, substantial shareholders and/or associates													
Wong Kai Ho	Executive director and Chairman of the Company and a director of several subsidiaries of the Company	29 December 2023	From the date of grant until the commencement of the exercise period	HK$0.098	From vesting date (Note 1) until 31 December 2027 (both days inclusive)	HK$0.101 per share at the time of grant (Note 2)	10,300,000	(7,725,000)	-	-	-	2,575,000	-
Xia Ding	Director, co-chief executive officer, the chief operational officer of the Company and the president of several subsidiaries of the Company					HK$0.404 per share after the capital reorganization (Note 3)	23,000,000	(17,250,000)	-	-	-	5,750,000	-
Jiang Xiaoping	Deputy chief executive officer of the Company and the president of several subsidiaries of the Company						22,000,000	(16,500,000)	-	-	-	5,500,000	-
Other employees							544,700,000	(408,525,000)	-	-	(3,125,000)	133,050,000	-
							600,000,000	(450,000,000)	-	-	(3,125,000)	146,875,000	-

Notes:

(1) The vesting period of the Share Options granted is subject to the terms of the 2023 Share Scheme and the decision of the Board: (i) one-third of the Share Options shall be vested and become exercisable on 31 December 2024; (ii) one-third of the Share Options shall be vested and become exercisable on 31 December 2025; and (iii) one-third of the Share Options shall be vested and become exercisable on 31 December 2026.

(2) The exercise price is HK$0.101 per Share, which is higher than the following: (i) the closing price of HK$0.10 per Share on the date of grant; (ii) the average closing price of HK$0.1002 per Share for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of HK$0.10 per Share.

(3) Immediately upon the Capital Reorganisation becoming effective on 8 May 2024, the exercise price of the outstanding share options granted under the 2023 Share Scheme was adjusted to HK$0.404 per Share and the number of New Shares to be issued upon the exercise of the Share Options was adjusted to 150,000,000, and the total number of New Shares available for future grants will be adjusted to 78,241,727 pursuant to the terms of the 2023 Share Scheme, of which the limit of Share Options that may be granted to any service provider participant was adjusted from 91,296,691 shares at the beginning of the Reporting Year to 22,824,172 shares at the end of the Reporting Year. Please refer to the circular and the notice of special general meeting of the Company dated 28 March 2024, the announcement dated 7 May 2024, and the announcements of the Company dated 7 May 2024 and 28 August 2024.

(4) During the Reporting Year, a total of five eligible grantees under the 2023 Share Scheme resigned. They were collectively granted but had not yet vested 3,125,000 Share Options, which automatically lapsed in accordance with the relevant terms and conditions of the 2023 Share Scheme.

No option or award was granted, exercised or vested during the Reporting Year. As at 31 March 2025, the total number of new Shares available for future grants under the 2023 Share Scheme was 78,241,727.

EVENTS AFTER THE REPORTING YEAR

Save as disclosed below, there is no other significant event affecting the Group after the Reporting Year and up to the date of this annual report:

(1) On 7 May 2025, the Company (as subordinated limited partner) entered into the Partnership Agreement with Suzhou Aoze (as general partner) and Chongqing Jingjiahui (as preferred limited partner). Pursuant to the Partnership Agreement, the Company, Suzhou Aoze and Chongqing Jingjiahui agreed to establish the Partnership with the aggregate capital commitment of RMB100,010,000, which shall be contributed by: (i) Suzhou Aoze as to RMB10,000; (ii) the Company as to RMB30,000,000; and (iii) Chongqing Jingjiahui as to RMB70,000,000. The capital contributions to be made by Suzhou Aoze and Chongqing Jingjiahui shall be paid in cash, and the Company shall contribute capital by way of injecting the entire shareholding interest in the Disposal Company to the Partnership. The Disposal Group comprised of sixteen subsidiaries held by the Disposal Company, of which six carry on substantive business, is principally engaged in property development business in the PRC. Each of the subsidiaries of the Disposal Company is either an intermediary holding company or a company holding property development project(s) in the PRC. Subsequent to the Company's contribution of the entire shareholding interest in the Disposal Company, the Group has no other real estate development projects at the development stage, and the Disposal Group will cease to be subsidiaries of the Company, where its results, assets and liabilities will no longer be consolidated in the consolidated financial statements of the Group. Please refer to the announcement of the Company dated 8 May 2025, the circular and the notice of special general meeting dated 26 June 2025.

The following is the consolidated financial position of the Disposal Group as at 31 March 2025:

	31 March 2025 RMB'000
NON-CURRENT ASSETS	
Property, plant and equipment	450
Investment properties	11,986
Right-of-use assets	171
Deferred tax assets	11,572
Total non-current assets	24,179
CURRENT ASSETS	
Properties for sale	
– under development	3,298,197
– completed	992,535
Trade and bills receivables	315
Prepayments, other receivables and other assets	1,387,885
Restricted cash	3,736
Cash and cash equivalents	98,166
Total current assets	5,780,834

	31 March 2025
	RMB'000
CURRENT LIABILITIES	
Trade and bills payables	316,962
Other payables and accruals	1,754,003
Provisions	2,835,817
Contract liabilities	763,876
Interest-bearing bank and other borrowings	1,461,890
Lease liabilities	116
Tax payable	488,839
Total current liabilities	7,621,503
NET CURRENT LIABILITIES	(1,840,669)
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,816,490)
NON-CURRENT LIABILITIES	
Lease liabilities	167
Deferred tax liabilities	56,224
Total non-current liabilities	56,391
Net liabilities	(1,872,881)
EQUITY	
Share capital	727,330
Reserves	(2,915,944)
Equity attributable to owners of the Company	(2,188,614)
Non-controlling interests	315,733
Total equity	(1,872,881)

Following the completion of the Disposal, the Group anticipates recognising a gain primarily attributable to the reduction of net liabilities, the derecognition of non-controlling interests, and the deemed contribution made by the Group to the Partnership.

BUSINESS DEVELOPMENT PROSPECTS

The Group is dedicated to a medium to long term development plan of maintaining a satisfactory growth in results and fulfilling its objective to enhance shareholders' value and will continue to seek outstanding and profitable investment opportunities that are in line with the Group's development strategy.

Pharmaceutical Retail Business

From the "12th Five-Year Plan" to the "14th Five-Year Plan", the State has continued to promulgate policies to support the development of chain pharmacies and encourage enterprises to strengthen their brand building, focus on promoting the enhancement of the brand influence of time-honored pharmacies, and actively provide guidance for the industry to advance in the direction of chain development, specialisation and digitalization. The State has continued to enrich the positioning of retail pharmacies regarding consumption, with particular emphasis on enhancing their functions in the areas of health promotion and nutritional care. This has indicated the policy direction for the social functions of retail pharmacies in the new consumer era and their future development trend.

In April 2025, 12 departments including the Ministry of Commerce and the National Health and Health Commission (NHHC) jointly issued the Special Action Program for Promoting Consumption on Health (《促進健康消費專項行動方案》) to further enhance the health promotion function of pharmacies. The program proposes to give full play to the role of industry associations to guide retail pharmacies to expand health management, nutritional consultation and other services; provide guidance for localities to include qualified medical service projects in the scope of health insurance reimbursement in compliance with regulations; support the innovation of the "Internet + medical service model", and further promote the application of electronic prescriptions for health insurance leveraging the nationwide centralised medical insurance information platform, and promote the efficient flow of electronic prescriptions in designated medical institutions to meet the public's demand for convenient medical services; give play to the professional strengths of practicing pharmacists in retail pharmacies, and launch consultation and publicity campaigns on health knowledge such as rational medication guidance and chronic disease management, so as to promote the concept of scientific consumption on health.

With years of business development and experience, Yekaitai has accumulated profound resources in the Chinese medicine and pharmaceutical sector and has a leading position in the industry with a solid customer base and a good regional reputation. In recent years, with the significant increase in the recognition of Chinese medicine by the general public, particularly the younger population, healthcare with traditional Chinese medicine and physical therapy have gradually become popular ways of health consumption. Capitalizing on the abundant Chinese medicine and pharmaceutical resources of Yekaitai, the Company has explored its path of featured operations by upgrading some of its pharmacies to the "big healthcare+" model of "pharmacy + Chinese medicine diagnosis and treatment + Chinese pharmaceuticals' derivative services" such as Chinese herbal tea and healthy cuisine since August 2023. The brand influence of Yekaitai has been continuously enhanced through the launch of featured-service projects such as self-developed herbal paste, Chinese herbal tea production, customized healthy cuisine, handmade Chinese medicine incense plaque DIY and Chinese costume culture experience in some of our stores. On 30 September 2024, the grand opening of Yekaitai Chinese Medicine Clinic (葉開泰國醫館) was hosted in Hangzhou, marking the official entry of the century-old pharmaceutical brand, Yekaitai, into Hangzhou market.

In the future, the Company will continue to cultivate the "Yekaitai" brand and inherit the reputation of time-honored pharmacies by ceaselessly improving the quality of our medicines and service standard. Besides, we will continue to upgrade the "big healthcare+" model to promote the in-depth integration of medicines sales and Chinese medicine diagnosis and treatment, and accelerate the replication and promotion of the model in multiple regions. At the same time, fully leveraging WeChat, Douyin (抖音), Xiaohongshu (小紅書) and other new media platforms, the Company has strengthened the promotion for the brand and its services through operation of official accounts and refined management of private domain traffic to scale up online sales. The Company is committed to developing Yekaitai into a comprehensive and diversified big healthcare service platform that integrates "pharmaceutical + medicine", "healthcare + experience" and "online + offline operation".

E-commerce Business

Driven by favorable policies, technology iteration and consumption upgrade, China's digital e-commerce market has maintained a rapid growth trend. Following years of development, the e-commerce industry has transitioned from extensive expansion to a new stage of refined operation. With the "14th Five-Year Plan" in further progress, the accelerated development of digital economy as well as the wide application of emerging technologies, including industrial Internet and artificial intelligence, have presented unprecedented opportunities for the development of e-commerce.

Having been deeply engaged in the e-commerce arena for many years, the Group is now capable of integrated product and sales operations on mainstream e-commerce platforms such as Jingdong (京東), Tmall (天貓), Taobao (淘寶), Pinduoduo (拼多多), Vipshop (唯品會), Douyin (抖音), Xiaohongshu (小紅書) and WeChat Video Channel. At the same time, the Group has actively explored and accumulated cross-platform closed-loop marketing experience, opening up chain channels such as diversion from Xiaohongshu to Jingdong/Tmall, and diversion from Douyin to Jingdong/Tmall, etc. We have helped our clients achieve platform-wide business growth through the practical multi-category and multi-brand operations.

In terms of service system development, the Group has fostered a one-stop service capability. At the front-end, with precise positioning of its brands and products fulfilled by a professional team, the Group has created distinctive brand visuals and product packaging designs, and provide online placement capabilities across the full domain. At the middle-end, the Group possesses a mature full-platform e-commerce operation system to ensure the efficient operation of its stores. At the back-end, it is equipped with a professional customer service team to ensure high-quality customer service experience, and provide customers with multi-dimensional value-added services holistically. In the face of stratified and diversified consumer demands, the Group has explored in-depth the operation of content-based scenarios to bring consumers more superior shopping experience by strengthening the value positioning of its products, optimizing the channel layout and enhancing the quality of services.

Looking ahead, the Group will seize the opportunities arising from the development of e-commerce, put greater efforts in all-channel marketing, focus on the refinement of private domain traffic operation, and enhance the data-driven decision-making mechanism. Meanwhile, the Group will actively expand cross-border e-commerce businesses, explore the scenarios for application of emerging technologies, and enhance cooperation with leading and small and medium-sized e-commerce operators to jointly create differentiated competitive advantages. By improving the supply chain system and building a highly efficient operation network, the Group aims to become a solid link between brands and consumers, providing brand operators with a full range of value-added services to help them stand out from the intense competition in the market.

Real Estate Business

Since the beginning of 2022, the Chinese real estate market has been in a prolonged downturn, with property investment and sales declining across the country. Despite a series of demand-side support policies introduced by the Chinese government in the past three years, including the easing of home purchase restrictions, lower mortgage rates and curbing down payment requirements, property sales have not recovered as expected. It will take a process to resolve the industry risks accumulated over the years before the new stimulus policies and measures can have an effect.

In response to the prevailing challenges in the industry, the Group will continue to place strong emphasis on financial security, innovate the organisational structure and enhance management efficiency. Maintaining liquidity for operations and mitigating existing debt issues are the Group's business priorities. After the Company injects the entire shareholding interest in Disposal Company into the Partnership, the Group has no other real estate development projects that are in the development stage. It enables the Group to streamline its business, reduce uncertainties in the Group's future development, and focus its resources on promoting the development of medical and pharmaceutical retail and other asset-light business areas, which the Group believes to have better prospects, greater development opportunities and stronger profitability.

Asset Management Business

In order to achieve the Group's strategic objective of sustainable development, the Group will gradually invest resources to actively develop new financial services businesses, including areas such as investment and management of special opportunity assets. Peking University Resources Asset Management Limited (the "Asset Management Company"), a wholly-owned subsidiary of the Group, has been granted a Type 9 (asset management) license by the Securities and Futures Commission in April 2023 to carry out regulated activities of asset management as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In December 2023, Asset Management Company was appointed as the investment manager of the Hong Kong Gateway Special Opportunities Return Limited Partnership Fund (the "Hong Kong Gateway Fund"). The Group will leverage its extensive experience in the real estate industry and build on its expertise in planning, design, construction and management to provide management services for its affiliated real estate development projects. On 8 August 2024, the Group jointly established a joint venture with Suzhou Aoze, which will be principally engaged in the investment or cooperation in respect of the non-performing assets in the domestic real estate industry and the medical industry in China. On 7 May 2025, the Group established another joint venture company with Suzhou Aoze, which will be principally engaged in debt restructuring and development of some of the Group's real estate development projects.

In the asset management business, the Group will focus on a number of areas, including but not limited to the real estate sector. Additionally, the Group believes that industries related to technology investment have huge potential and room for development, and will also pay attention to such related industries accordingly. In the future, the Group will maintain a prudent and sound principle of investment so as to create greater returns for its shareholders and clients.

DIVIDEND

No interim dividend was paid during the Reporting Year (six-month period ended 30 September 2024: Nil) and the Board did not recommend the payment of any final dividend for the Reporting Year (year ended 31 March 2024: Nil). As at the date of this annual report, there is no arrangement that any shareholder of the Company has waived or agreed to waive any dividend.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is firmly committed to the overall standards of corporate governance and has always recognised the importance of accountability and communication with its shareholders. The Company adopted all the code provisions of Corporate Governance Code (the "CG Code"), as set out in Appendix C1 (formerly known as Appendix 14) to the Listing Rules, as its own code on corporate governance practices. In the opinion of the Directors, the Company has fully complied with the code provisions as set out in the CG Code during the Reporting Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a model code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard as set out in the Model Code (the "Model Code") as set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules. Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the Model Code regarding directors' securities transactions throughout the Reporting Period.

BOARD OF DIRECTORS

As at 31 March 2025, the Board of Directors of the Company comprises four executive Directors and three independent non-executive Directors. To the best knowledge of the Directors, there is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board. The composition of the Board during the Reporting Period and up to the date of this annual report is set out as follows:

Executive Directors

Mr Wong Kai Ho *(Chairman)*
Mr Wang Guiwu (retired on 30 August 2024)
Mr Huang Zhuguang
Mr Hou Ruilin
Mr Xia Ding (appointed on 30 August 2024)

Independent non-executive Directors

Mr Chin Chi Ho, Stanley
Mr Chung Wai Man (resigned on 30 September 2024)
Mr Hua Yichun (resigned on 30 August 2024)
Ms Xu Nan (appointed on 30 August 2024)
Prof Cheung Ka Yue (appointed on 30 September 2024)

The biographical details of each current Director are disclosed on pages 110 to 114 of this annual report.

The Board oversees the Group's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls the operating and financial performance in pursuit of the Group's strategic objectives. Day-to-day management of the Group's business is delegated to the management of the Company under the supervision of the executive Directors. The functions and powers that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment and retirement of Directors, remuneration policy and other major operational and financial matters. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives. The Directors have access to appropriate business documents and information about the Group on a timely basis. All the Directors have access to the company secretary who is responsible for ensuring that the Board procedures, and related rules and regulations, are followed. Minutes of Board/Committee meetings are kept by the company secretary and are open for inspection by the Directors. All Directors and Board committees have recourse to external legal counsels and other professionals for independent advice at the Group's expense upon their request. Appropriate directors' liability insurance cover has also been arranged to indemnify the Directors for liabilities arising out of corporate activities.

The Board held four regular Board meetings at approximately quarterly intervals during the Reporting Period. Additional Board meetings were held when necessary. Due notices and Board papers were given to all Directors prior to the meetings in accordance with the Listing Rules and the CG Code.

The attendance records of each Director at the Board meetings and general meetings during the Reporting Period are as follows:

Name of directors	Board Meetings attended/ Eligible to attend	Annual General Meeting attended/ Eligible to attend	Special General Meeting attended/ Eligible to attend
Executive Directors			
Mr Wong Kai Ho *(Chairman)*	6/6	1/1	1/1
Mr Wang Guiwu (retired on 30 August 2024)	1/2	0/1	0/1
Mr Huang Zhuguang	5/6	0/1	0/1
Mr Hou Ruilin	6/6	0/1	0/1
Mr Xia Ding (appointed on 30 August 2024)	4/4	N/A	N/A
Independent Non-executive Directors			
Mr Chin Chi Ho, Stanley	6/6	1/1	0/1
Mr Chung Wai Man (resigned on 30 September 2024)	3/3	1/1	0/1
Mr Hua Yichun (resigned on 30 August 2024)	1/2	0/1	0/1
Ms Xu Nan (appointed on 30 August 2024)	4/4	N/A	N/A
Prof Cheung Ka Yue (appointed on 30 September 2024)	3/3	N/A	N/A

There are also three Board committees under the Board, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee.

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operation and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

Mr Xia Ding, who was appointed as an executive Director on 30 August 2024, Ms Xu Nan, who was appointed as an independent non-executive Director on 30 August 2024, and Prof. Cheung Ka Yue, who was appointed as an independent non-executive Director on 30 September 2024, each of them obtained the legal advice referred to in Declaration and Undertaking with Regard to Directors (Form B) pursuant to the relevant Listing Rules effective at the material time, which is equivalent to Rule 3.09D of the Listing Rules. Each of them understood his/her obligations as a Director.

Directors' training is an ongoing process. In addition, all Directors are encouraged to participate in continuous professional development trainings to develop and refresh their knowledge and skills. The Company updates the Directors on the latest updates regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

Our current Directors have participated in continuous professional development and have provided to the Company the records of the training they received during the Reporting Period. The individual training record of each current Director received for the Reporting Period is summarised below:

Name of directors	Briefings and updates on the business, operations and corporate governance matters	Attending seminars, workshops or self-study of materials relevant to the business or directors' duties
Executive Directors		
Mr Wong Kai Ho *(Chairman)*	✓	✓
Mr Wang Guiwu (retired on 30 August 2024)	✓	✓
Mr Huang Zhuguang	✓	✓
Mr Hou Ruilin	✓	✓
Mr Xia Ding (appointed on 30 August 2024)	✓	✓
Independent Non-executive Directors		
Mr Chin Chi Ho, Stanley	✓	✓
Mr Chung Wai Man (resigned on 30 September 2024)	✓	✓
Mr Hua Yichun (resigned on 30 August 2024)	✓	✓
Ms Xu Nan (appointed on 30 August 2024)	✓	✓
Prof Cheung Ka Yue (appointed on 30 September 2024)	✓	✓

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors, the Company's policies and practices in compliance with legal and regulatory requirements, the Model Code, and the CG Code and disclosure in this Corporate Governance Report.

CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and the Chief Executive are separate and are not exercised by the same individual. During the Reporting Period, Mr Wong Kai Ho is the Chairman of the Board. 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. During the Reporting Period, Mr Shi Lei and Mr Xia Ding are the co-chief executive officers of the Company. The co-chief executive officers are responsible for the day-to-day management of the Group's business. Their respective role and responsibilities are set out in writing which have been approved by the Board.

NON-EXECUTIVE DIRECTORS

As at 31 March 2025, there were three non-executive Directors, and all of them were independent. Each independent non-executive Director has entered into a letter of appointment with the Company for a period of one year. Pursuant to the Bye-laws of the Company, one third of all the Directors, including the non-executive Directors, shall be subject to retirement by rotation at each annual general meeting.

Two of the independent non-executive Directors as at 31 March 2025 have appropriate professional qualifications or accounting or related financial management expertise. This composition is in compliance with the requirement of Rule 3.10 of the Listing Rules. Each independent non-executive Director as at 31 March 2025 has, pursuant to Rule 3.13 of the Listing Rules, provided an annual confirmation of his/her independence to the Company and the Company also considers them to be independent.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board was established in 2005 with specific written terms of reference which deal clearly with its authorities and duties. The role and functions of the Remuneration Committee include formulating the remuneration policy, making recommendations to the Board the remuneration packages of all executive Directors and senior management, making recommendations to the Board on the remuneration of non-executive Directors, reviewing and approving performance-based remuneration, including reviewing and approving matters relating to share schemes, and ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the Reporting Period, the Remuneration Committee met twice to review and discuss the remuneration policy for the Directors and the remuneration packages of all Directors. The Company's policy on remuneration is to maintain fair and competitive packages based on business needs and industry practice. For determining the level of fees paid to the Directors, market rates and factors such as each Director's workload and required commitment will be taken into account. No individual Director will be involved in decisions relating to his/her own remuneration. The Remuneration Committee adopts the model of making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. Information relating to the remuneration of each Director for the Reporting Period is set out in note 10 to the consolidated financial statements.

The members of the Remuneration Committee during the Reporting Period and their attendance record at the meeting are as follows:

Name of member and their position during the Reporting Period		Meeting attended/Eligible to attend
Prof Cheung Ka Yue *(Chairman)* (appointed on 30 September 2024)	*(Independent non-executive Director)*	N/A
Mr Chung Wai Man (resigned on 30 September 2024)	*(Independent non-executive Director)*	2/2
Mr Wong Kai Ho	*(Executive Director)*	2/2
Mr Chin Chi Ho, Stanley	*(Independent non-executive Director)*	2/2

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the two members of the senior management (other than Directors) whose particular are contained in the section headed "Biographical Details of Directors and Senior Management" in the annual report for the Reporting Period by band is set out below:

Remuneration Bands	Number of Senior Management
RMBNil to RMB1,000,000	1
RMB2,000,000 to RMB3,000,000	1

In relation to the grant of share options on 29 December 2023, the share options were granted without performance targets. In view that (i) the grantees were employees of the Group who would contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; (ii) the grant was a recognition for the grantees' past contributions to the Group; and (iii) the share options were time-vesting and subject to terms of the 2023 Share Scheme, which already cover situations where the share options will lapse in the event that the grantees cease to be employees of the Group, the Remuneration Committee was of the view that the grant of share options to certain employees without performance targets was market competitive and aligned with the purpose of the 2023 Share Scheme.

NOMINATION COMMITTEE

The Nomination Committee of the Board was established in 2012 with specific written terms of reference which deal clearly with its authorities and duties. Its terms of reference amended and adopted by the Board in December 2018 can be found in the Company's website (www.pkurh.com) and the Stock Exchange's website (www.hkexnews.hk). The role and functions of the Nomination Committee include determining the policy for the nomination of the Directors, setting out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board for selection. Appointments of Directors are first considered by the Nomination Committee and recommendations of the Nomination Committee are then put to the Board for decision. The Nomination Committee is also responsible for reviewing the structure, size and diversity of the Board.

The Board Diversity Policy was adopted by the Board on 30 April 2013. In designing the Board's composition, the diversity of the Board has been considered from a number of aspects including, but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of services. Candidates will be considered against objective criteria, having due regard for the benefits or diversity of the Board. The Nomination Committee is responsible for reviewing the Board Diversity Policy, as appropriate; and reviewing the measurable objectives that have been set for implementing the Board Diversity Policy, and reviewing the progress on achieving the objectives.

Out of the seven Directors comprising the Board as at 31 March 2025, three Directors were independent non-executive Directors, thereby promoting critical review and control of the management process. The implementation and effectiveness of the mechanism to ensure that independent views and input are available to the Board is reviewed on an annual basis. The Board is also characterised by significant diversity, whether considered in terms of age, cultural and educational background, professional expertise and skills. The Board endeavours to steer forward and ensure that the Board has a balance of skills, experience and diversity of aspects appropriate to the requirements of the Company's business. The Company appointed one female Director, Ms Xu Nan as an independent non-executive Director on 30 August 2024. Going forward, the Board is dedicated to maintain at least one female Director while the ultimate decision will be based on merits and contributions which the selected candidates will bring to the Board. The Company values gender diversity at all levels of the Group. The table below sets forth the gender ratio of the Group's employees.

As of 31 March 2025, the breakdown of the Group's employees within the Reporting Scope[1] was as follows:

	As of 31 March 2025	As of 31 March 2024	As of 31 March 2023	As of 31 March 2022	As of 31 December 2020
Total employees	735	744	478	891	1,041
By gender					
Male	261	287	241	457	546
Female	474	457	237	434	495
By age group					
Aged under 35	194	191	184	401	506
Aged 35 to 55	474	477	269	468	518
Aged over 55	67	76	25	22	17
By region					
Hong Kong	11	10	7	3	0
Mainland China	724	733	470	888	0
Others	0	1	1	0	0

The nomination policy of Directors of the Company was adopted by the Board on 28 December 2018. The policy sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board.

1 The number of employees within the Reporting Scope as of 31 March 2025 was 735, which was used for the calculation and disclosure of the relevant intensity. The number of employees as of 31 December 2020 did not include the number of employees by region (Hong Kong, Mainland China and others).

Selection Criteria

When evaluating and selecting candidates for directorships, the members of the Nomination Committee or the Board shall consider the following criteria:

(a) character and integrity;

(b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategies;

(c) the Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;

(d) willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;

(e) in case of independent non-executive Directors, whether the candidates would be considered independent in accordance with the Listing Rules;

(f) in case of re-election, the overall contribution and service to the Company of the Director to be re-elected and the level of participation and performance on the Board and the other criteria set out in this section; and

(g) such other perspectives appropriate to the Company's business.

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

Nomination Procedures

(a) the Nomination Committee and/or the Board identifies potential candidates including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agencies and/or advisors. The Nomination Committee then develops a short list of candidates and agrees on proposed candidate(s);

(b) proposed candidate(s) will be asked to submit the necessary personal information, biographical details, together with their written consent to be appointed as a Director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary;

(c) the Nomination Committee shall, upon receipt of the proposal on appointment of new Director(s) and the personal information (or relevant details) of the proposed candidate(s), evaluate such candidate(s) based on the criteria as set out above to determine whether such candidate(s) is qualified for directorship;

(d) for any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;

(e) if the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

(f) the secretary of the Nomination Committee shall convene a meeting of the Nomination Committee. For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for re-election or election at a general meeting, the Nomination Committee shall make nominations or recommendations for the Board's consideration and the Board shall make recommendations to shareholders in respect of the proposed re-election or election of Director(s) at the general meeting;

(g) in order to provide information of the candidates nominated by the Board to stand for election or re-election at a general meeting, a circular will be sent to shareholders. The circular will set out the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations including the Listing Rules, of the proposed candidates; and

(h) the Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting.

During the Reporting Period, the Nomination Committee met once to review the structure, size and diversity of the Board, nomination procedure and the independence of the independent non-executive Directors, and to recommend the Board on the appointment and reappointment of Directors and the succession planning for Directors.

The members of the Nomination Committee during the Reporting Period and their attendance records at the meeting are as follows:

Name of member and their position during the Reporting Period		Meeting attended/Eligible to attend
Mr Wong Kai Ho *(Chairman)*	*(Executive Director)*	1/1
Mr Hua Yichun (resigned on 30 August 2024)	*(Independent non-executive Director)*	N/A
Mr Chung Wai Man (resigned on 30 September 2024)	*(Independent non-executive Director)*	1/1
Ms Xu Nan (appointed on 30 August 2024)	*(Independent non-executive Director)*	1/1
Prof Cheung Ka Yue (appointed on 30 September 2024)	*(Independent non-executive Director)*	N/A

AUDIT COMMITTEE

The Audit Committee of the Board was established in 1998 in compliance with Rule 3.21 of the Listing Rules with specific written terms of reference which deal clearly with its authorities and duties. Its terms of reference amended and adopted by the Board in December 2018 can be found the Company's website (www.pkurh.com) and the Stock Exchange's website (www.hkexnews.hk). As at 31 March 2025, the Audit Committee solely comprises independent non-executive Directors, namely, Mr Chin Chi Ho, Stanley *(Chairman)*, Ms Xu Nan and Prof Cheung Ka Yue. Majority of the committee members have appropriate professional qualifications or accounting or related financial management expertise.

The primary responsibilities of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, developing and implementing policy on the engagement of external auditors to provide non-audit services, monitoring the integrity of the financial statements and the reports of the Company, overseeing the Company's financial reporting system, risk management and internal control systems and developing and reviewing policies and practices or corporate governance.

During the Reporting Period, the Audit Committee met three times. During the meetings, the Audit Committee reviewed the reports from the independent auditors regarding their audit on annual financial statements, reviewed on interim financial results, discussed the internal control of the Group, and met with the independent auditors.

The attendance records of the members of the Audit Committee at the meetings during the Reporting Period are as follows:

Name of member and their position during the Reporting Period		Meetings attended/Eligible to attend
Mr Chin Chi Ho, Stanley *(Chairman)*	*(Independent non-executive Director)*	3/3
Mr Hua Yichun (resigned on 30 August 2024)	*(Independent non-executive Director)*	2/2
Mr Chung Wai Man (resigned on 30 September 2024)	*(Independent non-executive Director)*	2/2
Ms Xu Nan (appointed on 30 August 2024)	*(Independent non-executive Director)*	1/1
Prof Cheung Ka Yue (appointed on 30 September 2024)	*(Independent non-executive Director)*	1/1

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the ultimate responsibility to maintain appropriate and effective risk management and internal control systems for the Group to safeguard the interests of shareholders and the Group as a whole and to ensure strict compliance with relevant laws, rules and regulations. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems covering all material controls, including financial, operational and compliance controls, resolving any material internal control defects and reporting to the Board.

During the Reporting Period, the internal audit department has carried out an overview on the effectiveness of the risk management and internal control systems of the Group for the Reporting Period. Based on the risk-based approach, the internal audit department continuously review and monitor the sufficiency of the risk control measures of every business unit of the Group and to examine if relevant measures have been implemented for risk management. The procedures involve assuring the existence of related risks in the first place, then assessing the levels to which the potential risks are attributed based on the following two risk factors, i.e., the level of significance of the risk and the possibility of occurrence. The Company considers its risk management and internal control systems effective and adequate.

INSIDE INFORMATION DISCLOSURE POLICY

An Inside Information Policy was adopted by the Company which sets out guidelines to the Directors of the Company, senior officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the "Inside Information") of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also established Group Internal Notification Policies and Procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules). The Company has also adopted an enterprise management system which enables the employees of the Company to raise concerns, in confidence and anonymity, about possible improprieties directly to the Board or the Audit Committee.

AUDITOR'S REMUNERATION

During the Reporting Period, the remuneration in respect of audit and other professional services provided by the Company's auditor, CCTH CPA Limited, is summarised as follows:

	RMB'000
Audit services	2,538

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors of the Company acknowledge their responsibility for the preparation of the financial statements of the Group for the Reporting Period. The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 125 to 131 of this annual report. Save as disclosed in this annual report, the Directors of the Company are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, therefore the Directors of the Company continue to adopt the going concern approach in preparing the consolidated financial statements.

COMPANY SECRETARY

Ms Leung Mei King was appointed as the company secretary of the Company since 11 July 2022. She is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations were followed. She has taken relevant professional trainings which are in compliance with Rule 3.29 of the Listing Rules for the Reporting Period.

COMMUNICATION WITH SHAREHOLDERS

The Company affirms its commitment to maintaining a high degree of corporate transparency, communicating regularly with its shareholders and ensuring, in appropriate circumstances, the investment community at large being provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable the shareholders to exercise their rights in an informed manner. The Board has reviewed the implementation and effectiveness of the shareholders' communication policy conducted during the Reporting Period, and the results thereof are satisfactory.

The Company's annual general meeting (the "AGM") is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to ask questions about the Company's performance. Separate resolutions will be proposed for each substantially separate issue at the AGM. Pursuant to code provision F.2.2 of the CG Code, the chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. Mr Wong Kai Ho (the Chairman of the Board, the chairman of the Nomination Committee and a member of the Remuneration Committee), and Mr Chin Chi Ho, Stanley (an independent non-executive Director and a member of each of the Audit Committee and the Remuneration Committee), have attended the annual general meeting of the Company held on 30 August 2024. The other Directors were unable to attend this annual general meeting as they had other engagements.

Under the Listing Rules, all resolutions proposed at general meetings must be voted by poll except where the chairman of a general meeting, in good faith and in compliance with the Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Details of the poll procedures will be explained during the proceedings of general meetings. The poll results will be released and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pkurh.com).

To provide effective communication, the Company maintains a website at www.pkurh.com. All the financial information and other disclosures including, *inter alia*, annual reports, interim reports, announcements, circulars, notices and Memorandum of Association and Amended and Restated Bye-Laws are available on the Company's website.

Shareholders may direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, TRICOR INVESTOR SERVICES LIMITED, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or contact the Customer Service Hotline of the Company's Hong Kong branch share registrar and transfer office at (852) 2980 1333. Shareholders may send their enquiries to the Board or the company secretary in written form to the head office and principal place of business in Hong Kong of the Company.

SHAREHOLDERS' RIGHTS

Convene a Special General Meeting

Pursuant to Section 74 of the Companies Act 1981 of Bermuda (as amended) and Bye-law 62A of the Bye-laws of the Company, a special general meeting shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, shares in the share capital of the Company that represent not less than one tenth of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meeting of the Company on a one vote per share basis. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting of the Company to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within three months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

Put forward proposals at shareholders' meetings

Shareholder(s) representing not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company or of not less than 100 shareholders of the Company may by requisition, at their own expense unless the Company otherwise resolves, to put forward proposals at general meetings of the Company pursuant to Sections 79 and 80 of the Companies Act 1981 of Bermuda (as amended). A written notice to that effect signed by the shareholder(s) concerned together with a sum reasonably sufficient to meet the expenses in giving effect thereto must be deposited at the registered office of the Company not less than six weeks before the meeting for requisition(s) requiring notice of a resolution, or not less than one week before the meeting for any other requisition(s).

DIVIDEND POLICY

Policy on Payment of Dividend of the Company is in place setting out the factors in determination of dividend payment of the Company, including results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Board may consider relevant from time to time. The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

CONSTITUTIONAL DOCUMENTS

The Company did not make any changes in its Memorandum of Association and New Bye-laws during the Reporting Period.

1. ABOUT THIS REPORT

Overview

This Environmental, Social and Governance Report (the "Report") summarises the environmental, social and governance (the "ESG") initiatives, plans and performance of Peking University Resources (Holdings) Company Limited (the "Company", together with its subsidiaries, the "Group", "Resources Holdings", "we" or "us") and demonstrates its commitment to sustainable development. Adhering to the management policy of sustainable ESG development, the Group is committed to handling its ESG affairs effectively and responsibly. This principle serves as a core part of our business strategy as we believe that this is the key to our continued success in the future.

Scope of Reporting

The Report mainly covers the three major scopes of operation, namely the medical and pharmaceutical retail business, the e-commerce and distribution business, as well as the real estate development and property investment business, operated by the Group at its Beijing headquarters, Hong Kong office and various cities in the People's Republic of China (the "PRC"), including Foshan, Hangzhou, Chengdu, Yuxi, Chongqing, Wuhan and Kaifeng. As the Group continues to refine its data collection system and promote sustainable development, it maintains a scope of disclosure that complies with the regulatory requirements.

Benchmark of Preparation

The Report is prepared pursuant to the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") under Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Reporting Principles

During the preparation of the Report, the Group has adopted the principles of reporting in the ESG Reporting Guide as follows:

Reporting Principles	Implications	Our Responses
Materiality	The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported by the issuer.	The Group considered that the ESG report is of significant influence to investors and stakeholders. Based on the communication mechanism and the principle of materiality adopted between us and stakeholders, significant issues were identified through materiality assessments during the twelve months ended 31 March 2025 and those identified and their corresponding measures were used as the focus for the preparation of the Report. For further details, please refer to the "Communication with Stakeholders" and "ESG Materiality Assessment" sections.
Quantitative	The KPIs shall be disclosed in a measurable manner. Information in relation to the standards, methods, assumptions or calculation tools used, and sources of conversion factors used, for the reporting of emissions and energy consumption shall be disclosed.	The Report disclosed KPIs in a quantitative manner, and supplementary notes have been added to the disclosed data to explain the information on the standards, methods, assumptions or calculation tools used, and sources of conversion factors used in the calculation of emissions and energy consumption, which are applicable to valid comparisons under appropriate conditions.
Balance	The ESG Report should provide an unbiased picture to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Report disclosed the challenges encountered and endeavours made by the Group in terms of sustainability, and objectively reflected the operation of the Group.

Reporting Principles	Implications	Our Responses
Consistency	The issuer should use consistent disclosure and statistical methodologies for meaningful comparisons of ESG data in the future and complementing the discussions on ESG issues in the section headed "Business Review" under the Report of the Directors.	The scope of reporting and the method of preparation of the ESG Report are substantially the same as that of the previous year, with explanations of changes in the scope of the disclosure and in the method of calculation of data. Since the financial year 2022, the financial year end date of the Group would be 31 March of the following year, covering the twelve-month reporting period from 1 April of each year to 31 March of the following year. Accordingly, the data in the Report covers the period from 1 April 2024 to 31 March 2025 for the year of 2024, 1 April 2023 to 31 March 2024 for the year of 2023, 1 April 2022 to 31 March 2023 for the year of 2022, the 15-month period from 1 January 2021 to 31 March 2022 for the year of 2021, and the period from 1 January to 31 December 2020 for the year of 2020.

Reporting Period

The Report details the Group's activities, challenges and measures taken in ESG aspects during the twelve months from 1 April 2024 to 31 March 2025 (the "Reporting Period").

Source of Information

The Group regularly collects information from all business segments through its internal mechanism. Information cited in the Report is mainly sourced from the Group's statistics and official documents. The Board monitors the content of the Report, to ensure that there are no false representations, misleading statements or material omissions.

Forward-looking Statements

The Report contains forward-looking statements that are based on the current expectation, estimation, projection, belief and assumption regarding the business of the Company and its subsidiaries and the markets in which they operate, and are not guarantees of future performance. Our performance is subject to market risks, uncertainties and factors beyond the control of the Company. As such, the actual results and returns may differ materially from the assumptions made and statements set out in the Report.

Availability of the Report

The electronic version of the Report can be downloaded from the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.pkurh.com).

Stakeholders' Feedback

We welcome opinions and suggestions from stakeholders. You may provide your valuable opinions on the Report or our sustainability performance by emailing ir@pkurh.com.

BOARD'S STATEMENT

The Board is the top decision-making body of the Group for ESG management and has ultimate responsibility for the Group's ESG management approaches, strategies and reporting. The Board is responsible for deciding the risk level and risk tolerance of the Group, reviewing the Group's risk management and internal control systems, ESG policies and guidelines, to ensure the effective implementation of the risk management, internal control systems and ESG work. The ESG Taskforce will report to the Board on material ESG matters on a regular basis.

The ESG Taskforce is responsible for managing ESG-related matters, and monitoring and collecting the information in relation to ESG on a regular basis. The ESG Taskforce, comprises of core members from different departments of the Group, assists each business segment in promoting ESG-related policies, conducting materiality assessments and preparing ESG reports in the course of operations, and reports to the Board from time to time on potential ESG risks and opportunities that the Group may come across.

Based on the external economic and social macro environment and the Group's business development strategy, the Group conducts an annual materiality assessment of ESG issues, and ranks and manages important ESG-related issues (including the risks to the Group's business) through the process of analysis, assessment, confirmation and evaluation, to discuss and identify ESG-related risks and opportunities for the Group. The Board reviews and confirms the results of materiality assessment, considers the management and improvement of material issues as its annual priorities, and supervises the management and performance of such issues.

Through a top-down and inside-out approach, the Group aims to have its management, employees and each of the stakeholders uphold the Group's ESG development philosophy and incorporate environmental and social responsibilities into their daily work and lives. The Board regards creating long-term value for stakeholders as an imperative goal, promotes each business segment to formulate policies, measures and measurable goals or directional, forward-looking statements, on ESG materiality issues based on their own business characteristics and development strategies, and regularly reviews the progress in achieving the goals during the Board meetings. It adopts various measures, including collecting, comparing and analysing data on a consecutive basis over the years, summarizing past experiences regularly, optimizing internal control and management and boosting cost-effectiveness ratio, to make targeted improvements.

The Group is well aware of the close link between the formulation of scientific and rational ESG goals based on the actual circumstances and the sustainability of the Group's business. It strengthens feasibility analysis and assessment and implements practical plans and measures to drive the continuous advancement of environmental and social performance, which becomes the development trend of this era and is in line with the development strategy of "Carbon Peak and Carbon Neutrality" of the PRC. In the long run, it is beneficial to the further cost reduction and efficiency enhancement for the business development of the Group, thereby leading to a greater integrated efficiency, and at the same time, shouldering greater social responsibilities.

The Group will disclose in detail the Group's governance of ESG matters, ESG management approaches and strategies, ESG-related goals and progress review, and the management progress and effectiveness of material issues through its annual report.

2. CORPORATE GOVERNANCE

2.1 ESG Governance Structure

The Company fulfils corporate social responsibility while striving to create values for its shareholders. We consider ESG commitment as a part of our corporate social responsibility and we pledge to embed ESG considerations into our decision-making process. To achieve this, we have developed a core governance framework to ensure the alignment of ESG governance with our strategic growth, while advocating ESG integration into our business operations. Our ESG governance structure is divided into two components, namely the board of directors of the Company (the "Board") and the ESG Taskforce.

Board

- Oversee all ESG matters
- Provide management approaches and strategies
- Examine ESG-related goals and indicators and review the progress

ESG Taskforce

- Collect and analyse ESG data, and evaluate the effectiveness of the policies and procedures
- Ensure the implementation of plans, so as to achieve ESG goals and indicators
- Ensure compliance with ESG-related laws and regulations
- Report to the Board and prepare annual ESG report

The Board has ultimate oversight responsibility for the Group's ESG matters, including ESG approaches, strategies and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board, with the assistance of the ESG Taskforce, conducts regular materiality assessments, taking into account the views of various stakeholders, to assess and prioritise key ESG-related issues.

2.2 ESG Taskforce

The Board and the senior management are responsible for ensuring that the Group's ESG strategies and the relevant activities, including climate-related issues, are practical and effective. Authorized by the Board, the ESG Taskforce is responsible for executing all daily tasks in relation to ESG responsibility of the Group.

The Group's ESG Taskforce comprises of core members from different departments of the Group who facilitates the Board in supervising ESG matters. The ESG Taskforce is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performances, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports.

The ESG Taskforce meets regularly to evaluate the effectiveness of existing ESG policies and procedures, and formulate appropriate solutions to enhance the overall performance of the ESG policies. At the meetings, the ESG Taskforce discusses existing and future plans to monitor and manage the Group's strategic goals, actions and measures for sustainable development, reduce potential risks, and minimise the negative effects on its business operations. By formulating ESG-related goals and indicators to reduce the negative impact of the Group's operations on the environment, the Group will strive to integrate sustainable development into its business operations and fulfil its corporate responsibility. The ESG Taskforce will report to the Board on a regular basis to evaluate the implementation and effectiveness of the internal control mechanism, and to review the progress of established goals and indicators. The ESG Taskforce will also be involved in enterprise risk management to assist in the assessment and identification of the Group's ESG risks and opportunities.

2.3 Sustainable Development Philosophy and Performance Highlights

The Group actively performs its environmental and social responsibilities and develops sustainable development strategies to continuously reduce the adverse impacts of its business operations on the environment and society with an aspiration to further create sustainable development values for its stakeholders. As it forges ahead with robust business growth, the Group regards environmental and social responsibilities as one of the core values in its business operations, and the Board is fully aware of the importance of sustainable development to the long-term development of the Group. We are committed to becoming a sustainable enterprise, with an aim to create long-term value for all stakeholders in the society.

We will actively manage the environmental and social impacts arising from our operation and integrate sustainability concepts into all of our business segments. Through a top-down and inside-out approach, the Group aims to have its management, employees and stakeholders adhere to the Group's sustainable development philosophy thoroughly, and incorporate environmental and social responsibilities into their daily work and lives. The Group plans to gradually improve our information transparency and shoulder greater environmental and social responsibilities, for the purpose of creating a green and sustainable future for our next generation.

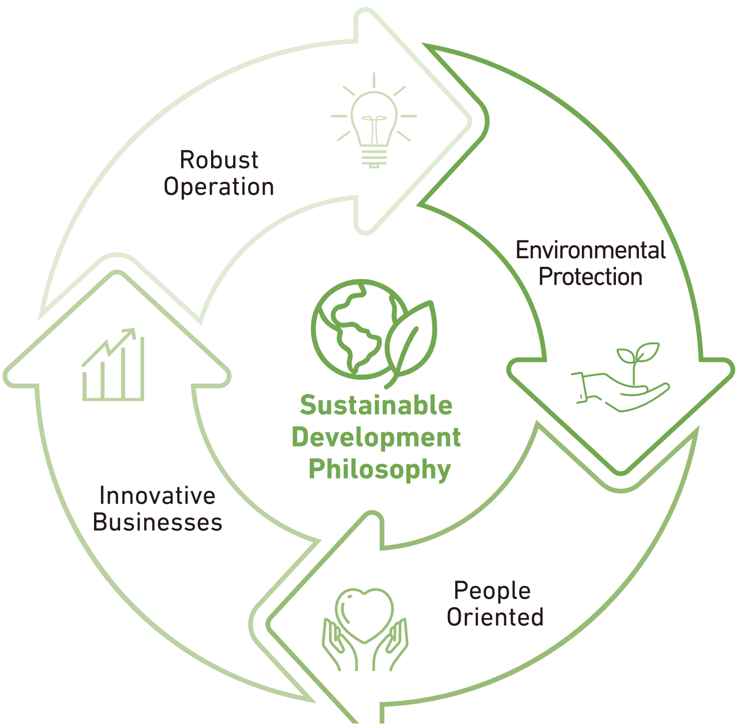
The environment, employees, customers, supply chain and community are determined as the five core pillars of the Group's sustainability strategy, affirming our unwavering commitment to creating long-term value for our stakeholders.

To support the United Nations' Sustainable Development Goals (SDGs), we take proactive actions to unite all stakeholders, in a bid to better leverage our corporate power to address social and environmental challenges. By mapping our sustainability strategy with SDGs, we join the universal call by the United Nations Member States to end poverty, protect the planet and ensure that everyone enjoys peace and prosperity by 2030. 11 of the 17 SDGs, which we believe are the most relevant to our business profile, were selected and mapped onto the five core pillars of sustainable development. By interacting with various stakeholders and enhancing our internal capability on sustainability management, the Group has been striving to identify areas for improvement and stepping up our sustainability efforts.

Eleven Sustainable Development Goals of the United Nations

SDGs	Our Actions
17 Partnerships for the Goals	Following the pattern of economic development, the Group adheres to the concept of win-win cooperation and actively explores partnerships for the goals to develop a new business service platform and hence provide quality services to customers. It also propels sound collaboration across upstream and downstream supply chains to promote joint development of its partners.
13 Climate Action	The Group establishes the climate change management framework and system, sets goals and plans for climate change management, and conducts regular reviews. It exercises stringent management and control over greenhouse gas emission in the course of production to facilitate low-carbon transformation of the enterprise, while encouraging employees to lead a low-carbon lifestyle.
9 Industry, Innovation and Infrastructure	Attaching great importance to product quality assurance and service innovation, the Group offers quality medical services and pharmaceutical products, consumer electronics and health food products, as well as real estate and property management services. In addition, it opens up new sources of business growth by acquiring medical and pharmaceutical retail businesses and tapping into the big healthcare and medical industry.
11 Sustainable Cities and Communities	The Group operates its real estate business in compliance with laws and regulations, protects the legitimate rights and interests of property owners and enhances the property management services, with a view to building a model community for harmonious living.
12 Responsible Consumption and Production	The Group develops the medical and pharmaceutical retail businesses through acquisition and places emphasis on compliance operation, pharmaceutical safety and responsible marketing to avoid excessive publicity. Taking responsibilities for the health of customers, it employs specialists and adopts professional standards to guide customers to carry out appropriate treatments based on their needs.
1 No Poverty 2 Zero Hunger 8 Decent Work and Economic Growth	The Group puts in place a comprehensive Remuneration Management System and Performance Appraisal Management Plan, which are reviewed and updated annually, and provides attractive remuneration and benefits to employees. It actively pushes forward business transformation, pursues innovative development and acquires medical and pharmaceutical retail businesses to drive business growth. Apart from focusing on business development, the Group also takes the initiative to participate in community charity events, striving to promote the sustainable development of the community.

SDGs	Our Actions
3 Good Health and Well-Being 5 Gender Equality 10 Reduced Inequalities	The Group is committed to building a healthy and safe working environment by providing safe working conditions and implementing protective measures to safeguard employees from occupational hazards. The Group also respects all employees and tolerates no discrimination against any employees due to differences in race, religion, gender, nationality, sexual orientation, marital status and disability during recruitment, training, performance management, selection, promotion and remuneration adjustment, in order to foster an inclusive and diverse workplace.



Sustainable Development Philosophy

The Group's Sustainable Development Philosophy is set to focus on Robust Operation, Innovative Businesses, Environmental Protection, and People-oriented. To implement the Group's sustainable development philosophy and to create long-term value for its stakeholders, we are committed to:

- operating the Group's businesses with good ethical practices and in compliance with applicable laws and regulations;
- integrating environmental education into the Group and encouraging stakeholders to contribute to environmental protection to reduce environmental impact;
- striving to protect the safety and health of the Group's employees and customers;
- with regard to the medical and pharmaceutical retail business, introducing international resources from Singapore and innovating medical services and products to enrich pharmaceutical product variety and upgrade various services;
- with regard to the e-commerce and distribution business, adjusting the product structure and optimizing services and products, controlling various operating risks and promoting the innovative development of e-commerce platform business; and
- with regard to the real estate business, innovating business model based on the macro policies, facilitating project delivery and providing high-quality property management services, so as to continuously create greater values for all customers.

Sustainability Performance Highlights

Indicator	Unit	2024	Year-on-year
Total other indirect GHG emissions (Scope 3)	tCO_2e	44.40	-29.77%
Total GHG emission	tCO_2e	559.65	15.75%
Total GHG emissions intensity	tCO_2e/employee	0.76	16.92%

Indicator	Unit	2024	Year-on-year
Density of non-hazardous waste disposed	tonnes/employee	0.03	–

Indicator	Unit	2024	Year-on-year
Energy consumption density	kWh'000/employee	1.79	32.59%
Water consumption density	m^3/employee	7.54	-7.82%

Indicator	Unit	2024
Amount of loss due to climate change	RMB	0

Indicator	2024
Number of work-related fatality and injury	0 employee
Work-related injury rate	0%
Lost days due to work injury	0 day

2.4 ESG Rating

In order to achieve the sustainable development goals, the Group constantly optimises its comprehensive ESG management and thoroughly implements its ESG philosophy, striving to enhance ESG performance. The Group's ESG proposition and management practices have attracted attention from multiple ESG rating organisations, and the Group was rated BBB in the Wind ESG Rating with an overall score ranking at the intermediate level in the industry.

2.5 ESG Development Planning

Joining ESG International or Industry Organisations

The Group recognises the importance of joining ESG international or industry organisations for the sustainable development of an enterprise. Adopting a multi-pronged approach, the Group has actively explored diversified channels to participate in the overall ESG development and enhance its ESG management. In the future, the Group will select and seek to join ESG international or industry organisations that are in line with the Group's business and development, thereby contributing to the promotion of global sustainable development.

Conducting Research on Performance-linked Remuneration

The Group has noted that the International Sustainability Standards Board (ISSB) is currently promoting ESG performance-linked remuneration, which is actively supported and implemented by leading enterprises in the industry. The Group also actively studies the feasibility of ESG performance-linked remuneration, and is committed to integrating ESG goals with business and compliance objectives to formulate the assessment indicators for the Group's development. Looking ahead, ESG will connect the value between each business segment, which will drive the Group to optimise its sustainable development strategies and determine the ESG objectives and ways to achieve them for each business segment.

Conducting Research on the Third-party Assurance of ESG Report

The Group is well aware of the domestic and international ESG development trends and actively participates in ESG ratings and ESG awards based on its actual business. Meanwhile, assurance of ESG report is an integral part of an ESG report. In order to further enhance the transparency of information and enable stakeholders to have a better understanding of the ESG progress of enterprises, the Group will strengthen the research on third-party assurance of ESG reports and improve the standardization and digitisation of the ESG workflow, so as to further enhance the quality of ESG report disclosures in the future.

2.6 Robust Operation

The Group strictly complies with laws, regulations and industry regulatory requirements that have a significant impact on the Group's operations. Relevant departments regularly review the updates on current laws and regulations and change the Group's policies accordingly to ensure that the relevant internal control systems of the Group align with pertinent requirements, while providing compliance training to employees. Meanwhile, in response to the changing operational environment, the Group kept optimising their organizational and staffing structures according to its business attributes and characteristics. Efforts were also made to focus on business positioning and core business resources, integrate and explore development potential, and boost our competitiveness against the uncertainties of the external environment.

Risk Control and Compliance Management

The Group has established a risk management and internal control organisational structure comprising the Board, the Audit Committee and the senior management of the Company. The Board has the ultimate responsibility for maintaining an appropriate and effective risk management and internal control system of the Group. The Audit Committee is responsible for assessing and determining the nature and level of risks that the Group is willing to take in achieving its strategic goals, and overseeing the management of the Group in design, implementation and monitoring of the risk management and internal control system. The Group has formulated and adopted risk management policies to provide guidance on effective identification, assessment and management of significant risks. The Group has also developed an internal audit function to assist the Board and the Audit Committee to monitor the Group's risk management and internal control system on an ongoing basis, identify deficiencies in the design and operation of internal controls and make recommendations for improvement.

Adherence to Scientific and Ethical Standards

Strictly complying with the scientific and ethical standards and upholding the four principles of usable, knowable, reliable and controllable innovation, the Group actively promotes responsible business innovation, actively satisfies practical needs through innovation and implements the requirements of technological ethics throughout the entire innovation process. The Group organizes regular training for technical staff and maintains regular communication with them. Only technical staff with sound awareness and understanding of technological ethics can better practice the concept of tech for good.

Intellectual Property Rights and Information Protection

Protection of Intellectual Property Rights

The Group is fully aware of the importance of intellectual property rights and strictly complies with the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Patent Law of the People's Republic of China and other laws and regulations. The Group has formulated measures and procedures for the management of intellectual property rights to strengthen the Group's management of intellectual property rights such as patents, copyrights and trademarks. The Group has stipulated that the names of new companies or new products must undergo trademark screening or patent registration before establishment or launch to comply with the relevant regulations on intellectual property rights. The Group shall file trademark or patent applications timely and follow up on the feedback of the applications on an ongoing basis with the relevant documents filed by respective business segments in a standardised manner. The Group has formulated the Marketing and Promotion Guidelines, stipulating that all marketing materials shall meet regulatory requirements, and in addition, certain materials that may be subject to copyright or license restrictions could only be reproduced, distributed or used when permissions are obtained and the fees are paid.

Protection of Customers' Privacy

The Group attaches great importance to the information security and privacy protection of its customers and manages the Group's operational processes from various aspects such as information security and data security to safeguard the privacy of its customers on all fronts and to protect their right to information. The Group strictly complies with the Personal Information Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Information Security Technology – Personal Information Security Specification and other relevant laws and regulations. The Group has adopted an encrypted document management system, which regulates that only authorised staff can access the collected personal data. The Group has also closely monitored the processing of personal data collected from customers and put in place a Personal Information Collection Statement to ensure the appropriate use of customers' information.

Advertising and Labelling Management

The Group is fully aware of the importance of advertisements and media and strictly follows the Advertising Law of the People's Republic of China, the Law of the People's Republic of China on the Administration of Urban Real Estate and the relevant national regulations, which stipulate that advertisements shall not contain information on feng shui and other feudal superstitions. The advertising campaigns should contain clear information about the location and provide schematic diagrams that are accurate, clear and properly proportioned for promoting purpose. Advertisements on property listings should be truthful and should not contain misleading information. In this regard, the Group has implemented policies and management to ensure that there is no false advertising and misleading or incomplete data in the advertisement to protect the interests of customers from infringement.

Anti-monopoly and Fair Competition

The Group strictly follows the Anti-unfair Competition Law of the People's Republic of China and places great emphasis on improving the compliance management in respect of anti-monopoly and fair competition, and has formulated and issued institutional documents in relation to anti-monopoly and fair competition compliance. For compliance management process, it has established anti-monopoly and fair competition compliance management mechanisms and procedures with regular update and review, which clarify the responsibilities of various departments in the compliance management process, improve the compliance risk assessment process and reinforce internal audit procedures. The Group fully respects the intellectual property rights of others, encourages and supports fair competition, prevents unfair competition and endeavors to protect its own and others' legitimate rights and interests from infringement. The Group has also organized training on anti-monopoly and fair competition for employees, covering topics such as basic regulations of anti-monopoly, operational guidelines on business compliance and typical case studies of anti-monopoly, with an aim to actively guide and help them understand and comply with the principle of fair competition as well as provide guidelines on conducting business activities in compliance with laws and regulations.

ESG Risks and Opportunities

Mishandling of ESG risks may lead to significant financial losses and reputational damage to an enterprise, and thus early identification of ESG opportunities would help the Group enhance its market competitiveness. Based on the characteristics of our business development, the Group conducted analysis and research on significant ESG risks and opportunities, and identified six categories of ESG risks and four categories of ESG opportunities that are of utmost significance. The ESG risks are mainly focus on climate change, product responsibility, transition risk, operational risk, regulatory disclosure risk and negative public opinion risk, while the ESG opportunities include aspects of revenue growth opportunity, cost reduction, productivity improvement, and responsible investment and asset enhancement.

3. COMMUNICATION WITH STAKEHOLDERS

The Group values communication with different stakeholders and takes the initiative to understand their feedbacks on its business and ESG-related matters, striving to integrate sustainable development into every aspect of the operation. In order to fully understand, respond and address the key concerns of different stakeholders, we have always maintained close communications with major stakeholders, including but not limited to investors and shareholders, customers, suppliers, employees, government and regulatory bodies, communities, nongovernmental organizations ("NGOs") and media, via various communication channels.

Through different stakeholder engagement and communication channels, we will incorporate stakeholders' expectations into the ESG strategies of the Group. The communication channels for the Group and stakeholders, and their corresponding expectations are as follows:

Stakeholders	Communication Channels	Expectations
Investors and Shareholders	• Annual general meeting and other general meetings • Financial reports • Announcements and circulars	• Complying with relevant laws and regulations • Disclosing the latest corporate information in due course • Financial results • Corporate sustainable development
Customers	• Customer satisfaction survey • Customer service centre • Customer manager • Complaint review meetings • Hotline • Social media platform • Email and website	• Perform product and service responsibility • Customer information protection • Compliant operation
Suppliers	• Supplier meetings and events • Supplier on-site audit and management	• Fair competition • Business ethics and reputation • Cooperation with mutual benefits
Employees	• Employee opinion survey • Channels for employees' feedback (forms, suggestion boxes, etc.) • Work performance reviews • Internal media platforms	• Health and safety • Equal opportunities • Remuneration and benefits • Career development
Government and Regulatory Bodies	• Regular performance reports • Written response to public consultation	• Tax payment in accordance with laws • Business ethics • Complying with relevant laws and regulations
Communities, NGOs and Media	• Public and community activities • Community investment programs • ESG reports	• Giving back to society • Environmental protection • Compliant operation

The Group is committed to working with our stakeholders to improve the Group's ESG performance, and to continue creating greater value for the wider society.

4. ESG MATERIALITY ASSESSMENT

Apart from referencing its own business development strategies and industry practices, the Group identified major ESG issues of the Group based on the results from last year's materiality assessment while taking into account the international reporting guidelines as well as sustainability and industry trends. The Group's stakeholders and management and staff in major functions are able to assist the Group in reviewing its operations and identifying the relevant ESG issues, and assess the importance of relevant issues to the Group's business and its stakeholders.

The Group reviewed the result of the materiality assessment. Following an analysis on the changes in the business of the Group and the inspection by the management, a total of 8 environmental issues and 14 social issues were selected to be of high importance from the sustainability issues pool based on the operational focus for the financial year 2024, and were particularly elaborated in the Report. The Group will continue to monitor its business operation and ESG performance on a regular basis.

The Group's materiality assessment process for the financial year 2024 is as follows:

The First Step – Analysis

The ESG Taskforce re-examined and updated the sustainability issues pool of the Group with consideration given to the Group's business operation and development direction for the financial year 2024 and the material issues in previous years, while making comparative analysis of the focus areas of companies in the same industry as well as referencing international reporting guidelines. Based on the focus of the Group's business operation management for the financial year 2024, the sustainability issues pool of the Group for the financial year 2024 comprises a total of 10 environmental issues and 16 social issues.

The following table outlines the sustainability issues of the Group for the financial year 2024:

Environmental Issues	
1. Air emission and management	2. Wastewater discharge and management
3. Water source and water efficiency	4. Use of resources
5. The environment and natural resources	6. Green building
7. Climate change	8. Environmental education, publicity and practice
9. Biodiversity conservation	10. Green office

Social Issues	
1. Employment benefits and welfare	2. Labour standards
3. Health and safety	4. Product innovation and quality control
5. Protection of intellectual property rights	6. Supply chain management
7. Customer satisfaction and privacy	8. Anti-corruption and integrity management
9. Social development	10. Development and training
11. Anti-discrimination, diversity and equal opportunity	12. Operational risk control and management
13. Responsible investment	14. Responsible marketing
15. Sustainable innovation and development planning	16. Healthcare accessibility and inclusion

The Second Step – Assessment

Following the review of the sustainability issues pool, the ESG Taskforce led a discussion with the Group's management and the responsible personnel of each business segment to examine and adjust the level of importance of each sustainability issue in the pool to the Group. A total of 8 environmental issues and 14 social issues were considered to be of high importance for the financial year 2024.

The Third Step – Confirmation

The ESG Taskforce presented the materiality assessment results to the Board for review and confirmation of the issues of high importance for the financial year 2024.

The Fourth Step – Evaluation

The Group regularly communicates with stakeholders as a means to evaluate the issues of high importance and the impact they bring forth to ensure that the Group's sustainable development direction is in line with stakeholders' expectations.

The Report elaborates in the subsequent sections the work and progress made by the Group in the financial year 2024 regarding the 8 environmental issues and the 14 social issues that were considered highly important. We will place emphasis on managing the issues of high importance in our operations by formulating corresponding strategic approaches, making policy improvements and setting long-term goals so as to continuously respond to stakeholders' expectations, while reporting on the efforts the Group put forth on ESG.

The following table lists out the issues of high importance to the Group for the financial year 2024:

Issues of High Importance	Aspect	Corresponding Sections in the Report
1. Air emission and management	Environment	6.1 Emissions
2. Water source and water efficiency	Environment	6.1 Emissions
3. Use of resources	Environment	6.2 Use of Resources
4. Green building	Environment	6.1 Emissions
5. Environmental education, publicity and practice	Environment	6.3 The Environment and Natural Resources
6. Biodiversity conservation	Environment	6.2 Use of Resources
7. Green office	Environment	6.3 The Environment and Natural Resources
8. Climate change	Environment	6.4 Climate Change
9. Employment benefits and welfare	Social	7.1 Employment
10. Anti-corruption	Social	7.8 Anti-corruption and Integrity Management
11. Health and safety	Social	7.2 Health and Safety
12. Product innovation and quality control	Social	7.7 Product Responsibility
13. Supply chain management	Social	7.6 Supply Chain Management
14. Customer satisfaction and privacy	Social	7.7 Product Responsibility
15. Development and training	Social	7.3 Development and Training
16. Diversity and equal opportunity	Social	7.1 Employment
17. Operational risk control and management	Social	2.6 Robust Operation
18. Social development	Social	7.9 Charity
19. Responsible investment	Social	5. Business Transformation and Innovation
20. Responsible marketing	Social	7.3 Development and Training
21. Sustainable innovation and development planning	Social	2.6 Robust Operation
22. Healthcare accessibility and inclusion	Social	7.2 Health and Safety

5. BUSINESS TRANSFORMATION AND INNOVATION

Founded in 1975 and listed on the Main Board of the Stock Exchange since 1991, the Group has developed a diversified eco-development pattern that integrates businesses such as medical and pharmaceutical retail, online sales of consumer electronics, health food products and distribution of relevant products, real estate development and property investment after almost five decades of development. Upholding the mission of "creating technology-driven and quality life with happiness", the corporate vision of "achieving corporate excellence and creating quality life" and the corporate values of "innovation, creation and enjoyment", the Group is committed to the exploration, research and development of green and low-carbon eco-products, the implementation of an asset-light and high-quality development model and the improvement of the integrated operation of the industrial ecosystem, so as to establish a new strategic structure. In view of the sustainable development in the future, the Group will facilitate global resource integration based on the concepts of culture, technology, intelligence, quality, health and ecology. Adhering to innovation and sustainability, the Group will develop a brand-new business with a new mission through business restructuring as well as merger and acquisition of quality projects.

The United Nations Principles for Responsible Investment

The Group actively supports and implements the six principles for responsible investment of the United Nations Principles for Responsible Investment (PRI) during business transformation, and follows the relevant requirements of the PRI in business transformation, mergers and acquisitions, as shown in the table below:

Principles	Our Actions
1. Incorporating ESG issues into investment analysis and decision-making processes	• Promoting the development of ESG-related tools, metrics and analyses • Assessing the capabilities of internal and external investment managers to incorporate ESG issues • Integrating ESG factors into evolving research and analysis • Encouraging ESG-related academic research and ESG training for investors
2. Being active owners	• Incorporating ESG issues into management policies and practices • Developing an engagement capability in management practices • Engaging with professional firms on ESG issues • Motivating invested entities to carry out and report on ESG-related activities
3. Seeking appropriate disclosure on ESG issues by invested entities	• Asking invested entities for standardised reporting on ESG issues by using tools such as the Global Reporting Initiative (GRI) and the reporting guide • Asking invested entities for integrating ESG issues in annual report for disclosure • Asking invested entities for the compliance with ESG-related norms, standards and codes of conduct

Principles	Our Actions
4. Promoting acceptance and implementation of the PRI within the investment industry	• Aligning investment monitoring procedures and mechanisms accordingly, and facilitating investment management processes with a focus on long-term development • Communicating ESG expectations to invested entities and re-evaluating partnerships with invested entities that fail to meet ESG requirements • Supporting formulation of ESG policies and regulatory policies for facilitating the implementation of the PRI
5. Working together to enhance the effectiveness in implementing the PRI	• Supporting and participating in information platforms for responsible investment to pool resources • Collectively addressing ESG-related news and issues • Supporting appropriate collaborative initiatives
6. Reporting on activities and progress towards implementing the PRI	• Communicating with stakeholders on ESG issues and the PRI • Striving to determine the impact of the implementation of the PRI and actively disclosing relevant information to raise awareness of responsible investment

Medical and Pharmaceutical Retail Business

Since the beginning of 2024, industry profits have decreased due to the impact of overall consumer downgrading. The size of the prescription drug market declined slightly, with negative growth in the offline market and double-digit growth maintained in the online market. In May 2024, the Department of Pharmaceutical Pricing and Tendering and Procurement of the National Healthcare Security Administration issued the Letter on Launching the Special Action of "Visiting Online Stores, Checking Pharmaceutical Prices, Comparing Data and Enhancing Governance" (《關於開展"上網店，查藥價，比數據，抓治理"專項行動的函》), to further deepen the reform of the medical and healthcare system, strengthen the supervision of pharmaceutical prices, and give full play to the price identification function of various channels such as retail pharmacies and online pharmacies, so as to advance the governance of unfair high prices and discriminatory high prices, guide enterprises to independently and reasonably set their prices, and promote the innovative development of the pharmaceutical industry in terms of quality. In June 2024, the General Office of the State Council issued a circular on Deepening the Reform of the Medical and Healthcare System: Key Tasks for 2024 (《深化醫藥衛生體制改革2024年重點工作任務》), which specifies the key tasks of the medical reform in 2024, and explores the establishment of a mechanism for unified and efficient policy synergy, information connectivity and communication, and supervision and coordination of healthcare, medical insurance and medicines. The National Administration of Traditional Chinese Medicine (NATCM) issued a circular on the Action Plan for Standardization of Chinese Medicine (2024–2026) (《中醫藥標準化行動計劃(2024–2026年)》), which will greatly promote the high-quality development of Chinese medicine standardization and facilitate the heritage and innovative development of Chinese medicine. In August 2024, the State Council issued the Opinions on Promoting High-Quality Development of Consumption of Services (《關於促進服務消費高質量發展的意見》). In particular, in terms of developing and expanding the new modes of healthcare consumption, it proposed to promote the development of "Internet + Healthcare", support the development of large and small time-honored brand enterprises in the traditional Chinese medicine industry, and enhance the functions of retail pharmacies in the areas of health promotion and nutritional care. In October 2024, the National Healthcare Security Administration issued the Notice of the Office of the National Healthcare Security Administration on Regulating the Management of Outpatient Prescription of Medicines under the Medical Insurance Scheme (《國家醫療保障局辦公室關於規範醫保藥品外配處方管理的通知》), which specifies that, in order to provide better protection for the participants' medical treatment and purchase of medicines, the State will comprehensively deploy the establishment of a mechanism for outpatient financial assistance for employees and their protection under a mutual relief scheme, improve and refine the mechanism for the protection with the medicines for "two diseases" of the urban and rural residents, and support the "dual-channel" supply of the negotiated medicines, and simultaneously accelerate the construction of electronic prescription centers for the purpose of medical insurance.

The pharmaceutical retail industry continues to expand under the policy dividend and technological support, but still faces challenges such as regional imbalance, cost pressure and model innovation. On the one hand, with the gradual regulatory upgrade at all levels in China, the compliance level of the pharmaceutical retail industry has continued to improve, the supervision of medical insurance prices has become more stringent, the transparency of market prices is increasingly higher, and the competition in the traditional retail industry tends to be more intense; on the other hand, the government gives stronger support for traditional Chinese medicine, and the transformation of traditional pharmacies into traditional Chinese medicine mode has favoring policy support and market prospects accordingly. In summary, the retail industry is seeking to invest in the innovative practice of "pharmacy + clinic" and Internet + medical services, and gradually explores the mode of diversified community health service ecosystem under multi-industry integration through expanding presence of Chinese medicine clinics, community clinics, physical examination centers and other retail types. The pharmaceutical retail industry will develop in the direction of larger-scale, diversification and lifestyle.

Since the Group has acquired the remaining 44% equity shares in Wuhan Yekaitai Pharmaceutical Chain Co., Ltd.* (武漢葉開泰藥業連鎖有限公司) ("Yekaitai Pharmaceutical") in November 2023, the Group has upgraded and revamped its traditional pharmacies, commenced the model of pharmacy + Chinese medicine outpatient, and upgraded some of its pharmacies to the "big health +" model of pharmacy + Chinese medicine + peripheral Chinese pharmaceuticals such as Chinese herbal tea and Chinese medicine cuisine. The Group have upgraded a total of 9 pharmacies + Chinese medicine stores and opened a new Yekaitai Pharmaceutical Chinese-medicine hospital in Hangzhou. Leveraging the brand advantage of Yekaitai Pharmaceutical, the hospital will integrate traditional Chinese medicine with modern healthcare concepts, and adhere to the "big healthcare +" service system of "chronic disease healthcare and medical care" integrating Chinese and Western medicine. It will set up six major departments, including traditional Chinese medicine, dermatology, pediatrics, integrated Chinese and Western medicine, medical and surgery. As of March 2025, the Group operated a total of 47 chain stores, 11 Chinese medicine clinics, 3 dermatology clinics and online pharmacies. The Chinese-medicine outpatient clinics provide customers with diversified services such as medicine + rehabilitation, physiotherapy and medication consultancy. With the launch of a variety of projects, store traffic and sales have increased significantly.

* *For identification purposes only*

E-commerce and Distribution Business

In recent years, China's consumer market has been developing in a diversified and rational manner. Against this backdrop, the e-commerce industry has successfully entered a stage of high-quality development. New business models are emerging in the industry, with content e-commerce, social e-commerce and real-time retailing rapidly emerging as the core drivers for the industry's continued growth by virtue of their innovative operation modes and consumption scenarios. From the perspective of consumer groups, different types of consumers show differentiated consumer preferences. The middle class and young consumers are more concerned about improving their quality of life, pursuing personalized consumption experience and have a strong demand for new and unique products and services, while mass consumers are more inclined to select familiar brands, highly concerned about brand reputation and the sense of value brought by the products, and inclined to purchase goods with high price-performance ratio and reliable quality.

While the industry was developing at a rapid pace, the government actively improved the relevant supporting laws and regulations to support the rapid development of the industry. In 2024, the General Administration of Market Supervision gave full play to its coordinating function and vigorously promoted the implementation of the E-Commerce Law of the People's Republic of China (《中華人民共和國電子商務法》), the Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), and the Regulations for the Implementation of the Law of the People's Republic of China on Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法實施條例》) to regulate the order of the e-commerce market in a number of dimensions and protect the legitimate rights and interests of consumers and business operators. In December 2024, the Provisional Measures for Law Enforcement, Coordination and Investigation In Relation To Online Transactions (《網絡交易執法協查暫行辦法》) were launched, which further emphasizes the improvement of law enforcement, coordination and investigation mechanism for online transactions, and effectively resolves the difficulties in cross-regional law enforcement, thereby creating a favorable policy environment for the healthy development of the platform economy.

In the face of the complex and volatile external environment, the government launched a sustained "trade-in" incentive policy in 2024 to promote the development of the digital consumer economy, thereby facilitating the recovery and prosperity of the consumer market. Under the strong impetus of the policy, China's online retail market achieved a faster growth.

Since 2023, the Group has commenced a strategic transformation from a traditional IT distributor to an e-commerce platform, gradually downsizing its distribution business to concentrate the core resources on the development of its e-commerce business. With a focus on developing e-commerce business of electronics consumer products and health food products, the Group has successfully facilitated the expansion of the online market for renowned domestic brands such as Joyoung (九陽), Huawei (華為), Xiaomi (小米), Yihai Kerry Arawana (金龍魚) and AoDong (敖東), and accumulated valuable experience in brand management in practice, forging its core competitiveness in terms of data insight, marketing and operation and execution.

In terms of platform layout, the Group has fully participated in various mainstream e-commerce ecosystems such as Jingdong (京東), Taobao(淘寶), Pinduoduo (拼多多) and vip.com (唯品會), thereby creating multi-format trade models and realizing all-dimensional channel exposure, promotion and sales to consumers for products. In the face of the fashionable wavefront of content marketing, the Group has precisely kept abreast of the market trend and operated in-depth emerging social content platforms such as Douyin (抖音), Xiaohongshu (小紅書), Kuaishou (快手) and WeChat Video Channel.

Riding on its accurate analysis of consumer psychology as well as strong data insights and user profiling capabilities, the Group has created tailored content to cater to the tonality and user preferences of different platforms. Accordingly, the Group made use of scenario-based narratives to connect consumers and the brand with emotional links, thus achieving resonance-based communication and promoting an overwhelming growth in brand influence. The Group has efficiently boosted the commercialization of brands and fostered a differentiated competitive advantage through full-domain coordination between e-commerce ecosystems and content platforms.

Real Estate Business

In 2024, the real estate industry received continuous and increased policy support, and the market gradually moved towards stabilization after an intensive adjustment. At the meeting of the Political Bureau of the CPC Central Committee held on 26 September 2024, it proposed for the first time to "halt the downtrend and promote the stabilization of the real estate market", releasing the strongest signal for stabilizing the real estate market in the current downward cycle. Subsequently, "four cancellations, four reductions, two increases" and other policy packages have been frequently launched, covering the abolition of the purchase and sale restriction policies, reduction of the percentage of down payment and interest rates of housing mortgage, increasing the supply of affordable housing and the scale of the transformation of urban villages and other core measures. Coupling with the effective promotion under ancillary policies such as acquisition and reservation of the inventories of commodity housing and the revitalization of the inventories of idle land, market confidence has been significantly boosted. At the inception of the fourth quarter of 2024, market trade activity recovered significantly, and the decline in the sales of commodity housing for the year reduced month-on-month.

As at 31 March 2025, the Group had 11 property development projects across 7 cities in Mainland China. During the Reporting Period, the Group actively promoted the delivery guarantee work under the changes in the industry.

On 7 May 2025, the Company (as subordinated limited partner) entered into a partnership agreement with Suzhou Aoze (as general partner) and Chongqing Jingjiahui (as preferred limited partner). The capital contribution was completed by the Company by way of injecting the entire shareholding interest in the Disposal Company to the Partnership. Each of the subsidiaries of the Disposal Company comprises all of the real estate development projects in the development stage. Upon completion of the transaction, the Group will no longer own any real estate development projects which are in the development stage.

6. ENVIRONMENT

From the strategic perspective of promoting sustainable development of both the environment and the society, the Group has incorporated the concept of green operation across all business segments with due consideration given to the impact of each business segment on the environment and the society, exerting its utmost to create environmentally-friendly communities. Fully aware that the construction process of the real estate business would potentially affect the environment to a certain extent, the Group has therefore proactively set up measures to mitigate the negative impact of the construction projects and the construction process on the environment, such as practising the concept of green development, adopting green building practices and incorporating green elements into the design, construction and operation. Furthermore, the Group practically promoted resource conservation, environmental protection and pollution reduction, and provided people with healthy, suitable and efficient spaces for living and working in an effort to foster the harmonious coexistence with the nature. Meanwhile, the Group recognizes that it is an integral part of environmental protection to raise environmental awareness among its staff, and proactively promotes environmental education in various project sites and offices to encourage all staff to develop sound environmentally-friendly practices.

During the Reporting Period, the Group was not aware of any material non-compliance with the laws and regulations in relation to exhaust gas and greenhouse gas ("GHG"), emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. The Group closely followed international standards to ensure that its strategies and measures complied with the relevant environmental laws and regulations of the Hong Kong SAR Government, including but not limited to the Environmental Protection Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste, the Waste Disposal Ordinance and the Water Pollution Control Ordinance of Hong Kong.

In response to the climate changes, the Group has enhanced its climate change management and disclosure with reference to the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD).

Environmental Management Objectives

In echo with the national strategy of "Carbon Peak and Carbon Neutrality", the objective of the Group's environmental actions is to highlight the importance of environmental protection in practicing corporate social responsibility and sustainable development. In this regard, the Group proactively formulated environmental indicator targets and initiatives thereof, and reviewed whether its performance is in line with the targets, in a bid to promote the construction, implementation and execution of the environmental protection management system.

Environmental Goals for Financial Year 2030

Taking 2021 as the baseline year, the Group aims to exceed compliance requirements and accomplish the Group's long-term objectives on or before the year 2030, as follows:

Energy Consumption	Water Consumption	Non-hazardous	GHG Emission
↓ 5%	↓ 5%	↓ 8%	↓ 10%

Guided by these targets, the Group has formulated corresponding business strategies. The steps to be taken to achieve these goals are detailed below.

6.1 Emissions

Green Building

The buildings and construction sector accounts for about one-third of global energy consumption and GHG emission. In view of the impact of climate change-related natural disasters on the Group's operation, we have adopted green building practices, which in turn also created numerous opportunities for us. The Group has strived to enhance sustainability performance and incorporated green elements into the design, construction and operation during the entire life cycle of our buildings.

The Group vigorously promotes green buildings and the sustainable development of domestic green and low-carbon construction business, aiming to maximize resource conservation, protect the environment and reduce pollution, and realize energy conservation and emission reduction of construction projects, thereby contributing to the successful realization of the dual carbon goals in the construction field, as well as providing people with healthy, suitable and efficient spaces for use and living in harmony with nature. We have protected the natural environment and water resources around the buildings, prevented large-scale "artificialization" and made reasonable use of the regulating effect of planting and greening system to enhance the communication between human and nature. We have paid attention to the entire life cycle of our buildings, thoroughly considered and utilized environmental factors in the planning and design, ensured that the construction process reduced energy consumption and pollution, and provided people with healthy, comfortable, low-consumption and harmless space in the operation of green buildings, and minimized the environmental hazards in the demolition process.

Exhaust Gas Emissions

In compliance with the "Integrated Emission Standard of Air Pollutants of the People's Republic of China" (GB16297-1996) and other relevant laws and regulations, the Group has formulated the "Exhaust Gas Management System" and complied with various exhaust gas-related laws, regulations and industry standards applicable of the places in which it operates. In addition, the Group has optimized its exhaust gas management system with proactive efforts made to monitor, control and manage the exhaust gases emitted during the course of its business activities, through which it has ensured compliant emission of exhaust gases consistently, hence protecting and improving the lives of its customers and working environment of its staff as well as their physical and mental health, at the same time preventing pollution caused by exhaust gases. The Technical Department is responsible for overseeing the inspection of the operation, repair and maintenance of the exhaust gas treatment facilities by each responsible unit, which shall be accountable for organizing regular monitoring.

The Group's exhaust gas emissions are mainly nitrogen oxides, sulphur oxides, respirable particulate matter and fine particulate matter emitted from the operation of the Group's business vehicles. To reduce exhaust gas emissions from mobile emission sources, the Group has integrated environmental protection concepts into its daily execution and has developed and implemented the following measures:

- Regular maintenance and servicing of the vehicle to protect the normal working condition of the engine, chassis and other components, and effectively reduce fuel consumption, thereby curbing carbon emissions and exhaust gas emissions;
- Replacing leaded petrol with unleaded petrol can reduce emissions of toxic substances from vehicle exhaust fumes;
- Strengthen administrative management, eliminate obsolete vehicles that fail to meet environmental protection requirements, strictly enforce national quality and technological standards and fuel control standards; and
- When the Group replaces its vehicles, it gives priority to new energy vehicles that are environmentally-friendly, in line with national policies.

During the Reporting Period, the Group's exhaust gas emission[1] performance is summarized below:

Type of exhaust gas	Unit	2024	2023	2022	2021	2020
Sulphur oxides (SO_x)	kg	0.99	0.78	0.60	2.21	0.22
Nitrogen oxides (NO_x)	kg	55.67	107.60	85.63	90.63	84.08
Particulate matter (PM)	kg	3.88	9.32	7.51	6.67	8.06

1 The main sources of emissions during the statistical period are vehicle emissions, and the main air pollutants emitted are nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

Sewage Discharge

The Group adopted the design concept of "Sponge City" to better utilize the rainwater outside the buildings. Roof rainwater could be used directly for flushing toilets, irrigating green areas or water features with minor treatment, or could be directed into infiltration pipes or through the soil for initial infiltration before entering the pipe network. A typical roof rainwater harvesting system includes a collection area, roof gutter and downspout system, initial rainwater diversion and filtering system, water storage facilities, water conveyance system and treatment system.

Moreover, the design of the building has included water recycling facilities to lower the demand for fresh tap water and the energy needed to transfer them. The Group's business activities do not consume significant volume of water, therefore the Group's business activities did not generate a material portion of sewage. As the sewage discharged by the Group will be sent to the regional water purification plant through the municipal sewage pipe network for treatment, the water consumption of the Group is considered as the amount of sewage discharged.

Hazardous Waste Emissions

The Group manages its hazardous wastes in accordance with the "National Catalogue of Hazardous Wastes" and the "Standard for Pollution Control on Hazardous Waste Storage", and collects and stores them in categories by purpose, source, nature and harmfulness. In compliance with the requirements of "Measures for the Management of Hazardous Waste Transfer Manifest", it transfers the wastes to qualified organisations for disposal. Besides, the Group has strengthened employees' understanding of and protection skills against hazardous wastes to ensure safety and efficiency during the transfer process, adopted preventive measures against leakage of hazardous wastes to avoid contamination, and pressed ahead with its waste reduction goals. Meanwhile, in order to mitigate the environmental impact of its operations, the Group has developed and implemented a corresponding environmental assessment and prevention system to better identify and avoid the risks involved in the Company's operations including the operating environment, the infrastructure, office environment, construction and maintenance materials, cleaning utensils and supply, green materials and the pollution from the possible emissions. In addition, the Group has coordinated environmental management and overseen the implementation of environmental prevention and improvement measures for the Group's companies and various departments, and assisted all functional departments in the identification, evaluation and improvement of environmental factors.

The Group's 185 waste batteries and 27 waste ink cartridges generated during the Reporting Period have been entrusted to qualified waste disposal companies for treatment (landfill, incineration or special treatment). After treatment, the Group has no hazardous waste emissions for the time being.

Non-hazardous Waste Emissions

During the Reporting Period, the total non-hazardous waste disposed decreased by approximately 21.21% over 2023, while the density of non-hazardous waste disposed remains the same as compared with that in 2023. Comparing to the base year 2021, the non-hazardous waste emission reduction target of 8% has been attained ahead of schedule.

The Group has taken a three-step approach to reduce non-hazardous waste, namely waste avoidance, waste reduction and finally recycling in the descending order. For non-hazardous waste, the Group has separated and recycled the recyclable materials to improve the utilization rate of resources, thereby achieving effective reduction in pollution. The Group has also installed waste separation bins in the local districts where the properties are located to encourage owners to actively participate in waste separation and recycling.

The non-hazardous wastes generated by the Group's business activities are mainly paper, domestic waste and food waste. After collection and sorting, such wastes will eventually be collected and processed collectively by qualified waste disposal service providers. Recyclables (such as paper) will be recycled and reused. After collection and sorting, the recovered waste paper will be reprocessed to obtain qualified fiber for use in the production of paper products. The recycling and utilization of waste paper is conducive to environmental protection, forest conservation and resource saving. In the process of domestic and food waste treatment, qualified suppliers engaged by the Group will adopt advanced craftsmanship and technology to mitigate the environmental impact of waste and its derivatives, reduce waste discharge and boost the recycling and utilization rates of resources.

To create a green office environment, the Group has formulated relevant internal standards and systems, including "Office Management Rule", for reference and compliance by our employees. The Group's offices have also provided suitable facilities and encouraged employees to sort waste at its source and recycle waste, striving to achieve the goals of "reduce, reuse, recycle and replace" during operations. Meanwhile, the Group places importance on increasing greenery in all the areas of its residential and commercial properties that are under construction or have been delivered, and continuously enhances the greening ratio of the property areas by means of planting trees and lawns, etc..

The Group has implemented waste reduction measures in its offices. Such waste reduction measures include:

- recycling and reusing express packaging;
- emptying rubbish bins regularly to reduce the frequency of replacing plastic rubbish bin bags;
- reducing the use of disposable cups for serving guests;
- providing reusable utensils for employees to cut down on the use of disposable tableware;
- placing waste paper collection boxes next to printers for reuse by employees; and
- putting waste newspapers and paper in recycling bins for paper recycling.

During the Reporting Period, the Group's non-hazardous waste emission performance is summarized below:

Indicator	Unit	2024	2023	2022	2021
Total non-hazardous waste disposed[2]	tonnes	20.10	25.51	24.72	117.00
Density of non-hazardous waste disposed	tonnes/employee	0.03	0.03	0.05	0.13

Noise Control

The Group's noise pollution is emanated from the construction processes of its real estate business. To reduce noise pollution, the Group has established the "Noise Protection Management System" for noise-generating areas. With a focus on controlling the noise sources and blocking noise transmission path, the Group has taken the initiative to adopt different noise reduction measures based on the features of different equipment, including installing sound absorbing panels, sound insulation cotton and other sound dampening materials, enhancing the efficiency of construction works and strictly controlling the hours and periods of the construction. The Group also regularly monitors the noise level in the vicinity of the project construction area to ensure that the noise level generated from the construction process complies with relevant standards and requirements, so as to reduce and prevent noise nuisance to neighbouring residents.

6.2 Use of Resources

Improving resource efficiency and reducing energy consumption are both important environmental issues for the Group. The Group's objective is to actively promote the efficient use of resources and monitor the potential impact of its business operations on the environment in a real-time manner. In order to fulfil its corporate responsibility for environmental protection, the Group reviews and evaluates the efficiency and effectiveness of its environmental programmes from time to time, enabling it to strike a good balance between environmental protection and business growth.

Energy Management

The Group gradually establishes an energy management system and policies, while exploring objectives and plans for energy management. It also strictly regulates the use of energy, promotes energy conservation, consumption reduction, quality improvement, as well as efficiency enhancement, and encourages employees to actively propose energy-saving and consumption reduction measures, seeking opportunities to reduce the use of energy with concerted efforts.

In active response to energy conservation and environmental protection initiatives, the Group has adopted a series of effective measures, such as optimizing the thermal insulation system of its enclosure structure, installing energy efficient facilities, upgrading and revamping the lighting equipment, maintaining, iterating and upgrading air conditioning units and strictly implementing paperless office practices. It has also determined a reasonable frequency and duration for using lighting, water dispensers, refrigerators, monitors and other electrical appliances, promoted the use of energy-saving appliances and phased out appliances with low efficiency and high energy

2 Non-hazardous waste mainly includes office and food waste, and is not accounted for in 2020.

consumption, with a view to achieving better results in terms of energy conservation and emission reduction.

The Group's direct energy consumption is mainly from stationary power-consuming equipment and fuel-consuming business vehicles; and the Group's indirect energy consumption is mainly from purchased electricity. Air conditioners are identified as the biggest part of building's electricity consumption of the Group, and therefore the Group adopts the design concept of "green building" to reduce electricity consumption. In addition, the Group strictly complies with the requirements under the "Law of the People's Republic of China on Energy Conservation" in respect of its property management operations.

During the Reporting Period, the Group's total energy consumption was approximately 1,314.35 kWh'000, and the energy consumption intensity was 1.79 kWh'000/employee, representing an increase of approximately 30.74% and 32.59% respectively as compared to 2023.

The Group places emphasis on the publicity and education on energy conservation and environmental protection. It has organized regular employee trainings on such topics and posted relevant promotional materials at the offices and business areas of the Company, in a bid to foster the awareness of energy conservation and environmental protection among employees. The Group has also urged all employees to actively practice the aforementioned concepts and participate in various related activities of the Group and the community.

For the effective control of total electricity consumption and improvement of energy efficiency, the Group has implemented the following energy saving measures:

- actively responding to the call of the country for energy saving and increasing energy saving and consumption reduction efforts;
- replacing existing lighting and electrical equipment at the end of their useful life with energy-efficient products and purchasing energy-saving appliances;
- adopting advanced energy-saving equipment and reasonable operation control methods, implementing the principle of "whoever is on duty manages" in all departments to develop the good habit of turning lights off after use;
- encouraging employees to use stairs more often and reduce the use of lifts;
- using daylight and LED lighting;
- adjusting the number of light fixtures for public lighting within the industry park and shifting to low-power energy-saving light bulbs;
- turning off lights after working hours;
- setting air conditioners to an appropriate temperature;
- installing smart meters to improve energy performance management and monitor electricity consumption in office areas;

- adjusting the number of power transformers based on the power load and switching off transformers with no load;
- adopting reactive compensation to improve the efficiency of power distribution system and electrical equipment;
- reducing carbon emissions from business travel by replacing long-distance physical meetings or business trips with telephone or video conferences;
- monitoring and analyzing energy consumption on a monthly basis and making a timely analysis on any energy consumption anomalies identified;
- implementing quarterly energy consumption limits to remind and penalize the target units and motivating those with good energy consumption performance; and
- immediately reporting, stopping and correcting any energy wastage.

Through the above measures, the Group aims to improve employees' awareness of energy conservation and emission reduction, which would effectively control its total energy consumption and enhance the energy efficiency.

Case:

During the financial year 2024, Qingdao Weida Property Management Co., Ltd.* (青島威達物業管理有限公司), a subsidiary of the Group, used advertising slogans such as that shown in the below photo to encourage energy conservation.

* For identification purposes only

During the Reporting Period, the Group's performance of energy consumption was as follows:

Types of energy	Unit	2024	2023	2022	2021	2020
Direct energy consumption	kWh'000	854.97	570.01	293.00	1,487.00	94.00
Indirect energy consumption (electricity)	kWh'000	459.38	435.28	397.00	1,030.00	216.00
Total energy consumption[3]	kWh'000	1,314.35	1,005.29	690.00	2,517.00	310.00
Density	kWh'000/ employee	1.79	1.35	1.44	2.83	0.30

Water Management

The Group's water use is mainly domestic water in offices and water for construction use in real estate projects. The water supply managed by the Group includes toilet water and water for washing and cleaning. The Group actively implements water management plans, promotes water conservation, enhances the recycling of water resources, and refines the management and utilization of water resources. During the Reporting Period, the Group's water use was entirely from the municipal water use and the Group has adopted the design concept of "Sponge City" to utilise the rainwater from outside the buildings. Such rooftop rainwater may be used directly to flush toilets, water green lands and as waterscape with simple steps.

In order to promote sustainable development, the Group has set a target of a 5% reduction in water consumption density by 2030. In the financial year 2024, water consumption density was approximately 7.54 m^3/employee, representing a year-on-year decrease of approximately 7.82% and a decrease of approximately 32.44% as compared to that of 2021. The 2030 target has been achieved ahead of schedule.

The target was achieved mainly through the following water saving measures:

- strengthening the management of water equipment, regularly inspecting pipelines to avoid running, bubbling, dripping and leaking phenomenon, and making repairment in a timely manner;

- selecting and using new water-saving equipment and products and recommending the use of faucets that can automatically turn on and off and control the flow of water outlets at the workplace where water consumption is high;

3 Energy consumption mainly refers to the use of non-renewable fuels (direct energy consumption) and the consumption of purchased electricity (indirect energy consumption). Data on energy consumption for the statistical periods of 2022, 2021 and 2020 are rounded to the nearest single digit.

- recommending the use of water-saving faucets and water-saving toilets in washrooms;
- choosing drought-tolerant plants for office greenery with micro or drip irrigation in the afternoon in summer and morning in winter and using reclaimed water for irrigation, landscaping, toilet flushing and car washing as far as possible; and
- conducting regular training, promoting and encouraging employees to save water, strengthening water conservation publicity and posting slogans in respect thereof.

During the Reporting Period, the Group's water consumption performance was as follows:

Indicator	Unit	2024	2023	2022	2021	2020
Total water consumption	m^3	5,545.50	6,083.70	4,731.50	9,946.51	2,362.00
Density	m^3/employee	7.54	8.18	9.90	11.16	2.30

Use of Paper and Packaging Materials

In the financial year 2024, the Group continued to push forward the development of an electronic and paperless office. In addition, it took proactive actions such as saving and reusing paper in offices, storing old newspapers and magazines, as well as collecting and sorting courier packaging materials in an effort to protect the environment and conserve the use of resources.

The Company's annual reports are available in Chinese and English versions, and are delivered to shareholders in their preferred language. Shareholders are encouraged to receive the reports in electronic form in order to reduce the number of printed copies and save paper. The paper used for the annual report is derived from responsible forest resources and certified by the Forest Stewardship Council.

Given its business nature, the Group does not consume a significant amount of packaging materials, and the use of packaging materials is deemed immaterial to the Group. During the Reporting Period, the Group's packaging consumption was approximately 97.00 tonnes, with an average of approximately 0.13 tonnes per employee.

Biodiversity Protection

The Group is committed to mitigating the adverse environmental impact of its corporate production and operations. Incorporating biodiversity protection into its development strategies as an integral part of corporate environmental management, the Group has also proactively implemented a number of measures to promote biodiversity protection in the course of its business development.

In selecting sites for and carrying out its production activities, the Group has strictly adhered to the philosophy of striking a balance among green development, ecological protection and economic development. With an aim to protect the key ecological functional zones, ecological protection red lines, nature reserve areas, as well as other areas with important ecological functions or ecologically sensitive and vulnerable areas located in the vicinity of its production and operation sites, the Group has also designated certain key biodiversity protection zones where production activities are prohibited. Furthermore, the Group has undergone technological transformations and improved craftsmanship for environmental protection to enhance the efficiency of resource utilization, at the same time reducing natural resource consumption and pollutant emissions, thereby mitigating its impact on the ecological environment.

6.3 The Environment and Natural Resources

The Group actively pursues the best practices for environmental protection and focuses on the impact of its business on the environment and natural resources with a view to realizing sustainable development. In addition to complying with the relevant environmental regulations and international standards for protecting the natural environment appropriately, the Group has also implemented a number of measures to reduce its potential impact on the environment, while instilling an awareness of resource conservation and environmental protection in the work and life of all employees by providing them with environmental education.

Employees' Environmental Awareness

Energy conservation and environmental protection is everyone's responsibility. The Group proactively promotes the concept of energy conservation and environmental protection, focuses on environmental education and the cultivation of environmental awareness among employees, encourages employees to actively participate in various public welfare activities in respect of environmental protection in the community, and guides employees to integrate environmental awareness into their daily work and life. In order to achieve sustainable development, the Group expects its employees to put environmentally-friendly lifestyles into practice and hence enhance their awareness and practices of environmental protection. The Group also promotes green travel with its best endeavours. The "Office Management Rule" not only applies to the working guidelines for each department, but also includes various green office measures to foster the employees' environmental awareness of emission reduction and carbon reduction.

Green Office

The Group strictly complies with the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other laws and regulations, which clearly set out the requirements for the discharge of pollutants and the management of energy conservation on the relevant enterprises. Therefore, the Group has established relevant internal standards and systems, including the "Office Management Rule", for the reference of and compliance by our employees, to manage the emissions and discharge of waste gases, waste water, solid wastes and GHGs from the workplace, and provide clear guidelines on daily environmental protection for employees, including the use of electricity, water, paper and office supplies and the management of business vehicles, as a fulfillment of its commitment to facilitating multiple emission reduction and energy conservation projects in its daily operations.

Specific green office measures include the following:

- encouraging employees to practice energy and water conservation in their daily operations;
- encouraging the use of natural light and reducing the use of unnecessary lighting systems;
- switching off lights and air-conditioners when leaving the office for a long period of time and after using the meeting room;
- turning off office equipment when not in use, including but not limited to computers, LED displays, printers, projectors, etc., for example, put the computer to sleep for each short-term absence from work;
- setting air conditioning systems to 24–26 degrees Celsius, and no heating is allowed in winter;
- turning off the tap after washing hands to reduce unnecessary water use;
- implementing a trade-in principle when re-collecting office supplies;
- promoting a paperless office to reduce paper consumption by using black and white and duplex or multi-sided printing where possible, as well as showing preview and making on-demand settings before printing to avoid excessive printing copies and reduce unnecessary waste;
- providing waste recycling facilities in office areas for the convenience of employees participating in source separation of waste so as to increase the collection of recyclables and reduce the amount of waste discarded; and
- reducing the use of high-emission vehicles for corporate business, and encouraging employees to travel by public transport or reasonable carpooling.

Indoor Air Quality Management

As employees spend most of their time in the office, air quality has become an increasing concern. The Group has installed indoor air monitors in the workplace and established an Internet of Things monitoring system to monitor indoor air quality in a real-time manner. With continuous data analysis and timely adjustments to the filtration system, the indoor air quality has been maintained at a high level all day. An alarm may be triggered in the event of any air quality abnormality, allowing the Group to identify and control the sources of pollution.

The Group always maintains good air circulation and increases the frequency of ventilation in the office, with daily general ventilation or local exhaust. Air purification equipment is placed in the office to filter out pollutants, impurities and dust particles, and the air conditioning system is regularly cleaned to ensure good air quality in the office.

6.4 Climate Change

The Group recognises that climate change poses a significant threat to the world and to business, and climate change has a profound impact on global economic development and people's consumption attitudes as it changes and affects the global ecosystem and the natural environment, which in turn affects the development of business.

Clearly recognising the importance of climate-related issues, the Group closely tracks the impacts and potential impacts of climate change and incorporates climate change strategies into its corporate governance scheme, adapts the Group's business model, closely monitors the potential impacts of climate change on our business and operations, proceeds with the establishment of a climate change management system and works to manage climate risks.

Climate Change Management System

Through the establishment of a climate change management system, the formulation of climate change rules and the setting of short-, medium- and long-term goals for climate change risk control to identify and respond to climate change risks and opportunities, the Group has established a comprehensive climate change management system within the Group in various aspects.

The Board of the Group acts as the ultimate decision-making body responsible for overseeing the management of climate change. The Group clarifies the responsibilities and collaboration mechanism of each business unit, formulates policies on climate change management, specifies the goals of various stages in addressing climate change, while assessing climate risks and formulating strategies to cope with climate change. The ESG Taskforce analyses the impact of climate change on the business development of the Group and is responsible for the implementation of specific measures as well as evaluating the effectiveness of policies and procedures.

The Group has integrated climate change response into the overall management strategies and ESG strategies of the enterprise, established a GHG emission management system, an energy management system and a supply chain management system, and strengthened publicity and training on climate adaptation to improve the overall climate resilience of the business.

Climate Change Management Goals

The Group has formulated a systematic plan for climate change management by setting short-term, medium-term and long-term goals as guidelines for the Group to cope with the challenges of climate risks at different stages and enhance the sustainable development of the business.

Short-term goals

The Group will pay attention to the direct impact of climate change on its business and avoid actual losses caused by natural disasters such as extreme weather, so as to prevent them from happening in the first place. At the same time, by splitting the climate goals into specific targets of various environmental indicators, such as GHG emission reduction, energy efficiency and resource consumption, and through the implementation of specific measures, the Group aims to enhance corporate environmental performance and lay the foundation for medium- and long-term climate response.

Medium-term goals

After achieving the milestones, the Group will focus more on the research and development and certification of green products. Through green innovations in various areas such as innovative design and supply chain reforms, the Group aims to significantly reduce GHG emissions and build up an image of sustainable development, for example, increasing the proportion of green buildings among the Group's development projects to reduce the adverse impact of construction and development on the environment, and improving measures for property management to enhance the efficiency of resource utilisation during management process.

Long-term goals

Focusing on the realisation of comprehensive transformation and sustainable development of the business in the field of climate change, the Group will, on the basis of achieving the medium-term goals, further level up the target through continuous energy conservation, emission reduction and green power projects, and focus on realising carbon neutrality and net-zero emission of the business, promoting the development of a circular economy, and driving the climate transition of the whole society with its own strength.

To address the impact of climate change on business operation and development, the Group continues to improve its climate change management system and update the climate change management rules to cope with the impact of climate change and extreme weather events on business operation. The Group actively responds to the Paris Agreement and understands the significance of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels" to the world. Starting from its own business, the Group has split the target of "pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels" into specific business processes, and set milestones in terms of resource utilisation, GHG emissions reduction, energy substitution, and research and development of low-carbon products, and made revisions depending on the actual progress and the climate change situation in order to ensure the active role played by the Group in mitigating climate change.

According to the reporting framework developed by TCFD, climate-related risks can be divided into two categories, namely physical risks and transition risks.

Physical Risks

The impact of physical risks on the production of a company is reflected in all dimensions of the corporate value chain. In the event of an extreme weather event, the Group's employees and business operations may be affected and corporate productivity may be decreased. To minimise potential risks and hazards, the Group has put in place contingency plans, including flexible working arrangements and precautionary measures under severe and extreme weather conditions. In respect of force majeure factors such as natural disasters, the Group has formulated an emergency evacuation and rescue plan to respond promptly and ensure employees' safety, and strengthened regular inspection on and maintenance of the working environment and equipment to ensure normal operation under adverse weather conditions. The Group will continue to improve contingency response plans to further reduce the vulnerability of our office operations and our response to extreme weather events.

In the course of operation of its business segments, the Group always takes into account the impact of extreme weather brought by weather changes. During the development of construction projects, the Group fully considers the impact of extreme weather on the façade and stability of buildings, and endeavours to develop buildings with better performance and resistance. Meanwhile, during the selection of project location, the Group fully considers the risk of extreme weather in different locations, and prioritises areas less affected by the impact of extreme weather, so as to ensure the long-term stability of the project. In the process of property management, the Group optimises the workflow to enhance management efficiency, while focusing on the maintenance and updating of equipment, as well as strengthening employee training to improve their emergency response capability. In the medical and pharmaceutical retail segment, the Group is well aware of the importance of a stable supply chain to the operation of its business. Therefore, the Group selects suppliers that are more stable, sustainable and less affected by weather conditions, and establishes long-term and stable relationships with those high-quality suppliers to minimise the impact of extreme weather conditions and ensure the stable operation of its business.

In order to minimise potential risks and hazards, the Group incorporates physical risks into strategic decision-making issues and potential physical risks are fully considered in making major corporate decisions. The Group also values and strengthens the monitoring and early warning of physical risks, and discloses climate risk information in a timely manner to minimise the impact on the normal production and operation of the company, as well as potential negative knock-on effects.

Transition Risks

Given the "Carbon Peak and Carbon Neutrality" policy of China and the current status of China's transition to a green and low-carbon economy, the Group also needs to transit as soon as possible to become a more environmentally-friendly and energy-efficient enterprise.

In line with national policies and to avoid corporate reputation risks, the Group has been taking comprehensive measures to protect the environment, including measures to reduce greenhouse gas emissions, and has set targets to gradually reduce the Group's energy consumption and greenhouse gas emissions in the future. Through the adoption of advanced energy-saving technologies and equipment and the optimisation of management processes, the Group is committed to further improving the efficiency of resource utilisation, reducing the impact on the environment and mitigating climate change.

The Group is clearly aware of the importance of identifying and managing the associated climate change risks arising from its operations and seeks to continuously minimise the environmental impact of its business activities to the best of its ability and safeguard the long-term interests of the Group. By strengthening internal management and training, the Group enhances employees' awareness of and participation in environmental protection work, with an aim to jointly safeguarding the long-term interests of the Group. Besides, the Group strengthens external publicity through various channels and methods, with greater efforts and intensity to promote the concepts of environmental protection and ESG, thus building up a more sustainable corporate image, maintaining the long-term reputation of the business and gaining the recognition of the society and the public.

Climate Resilience Strategy

Climate change is posing a significant threat to the world and to business, and the Group recognises the importance of improving climate resilience and developing mitigation measures. The Group's strategy has taken into account the TCFD's disclosure recommendations.

Governance

The Board oversees the climate change management and reviews the climate strategy. Climate-related risks and opportunities are regularly reported to the Board. The Group regularly reviews its climate change policy and oversees its short- and long-term environmental objectives to ensure that its business practices are adaptive, forward-looking, closely follow the changing environmental rules and are adjustable in a timely manner. In the process of transition, the Group also focuses on, monitors and reviews transition risks to make sure that the Group moves forward resiliently in responding to climate change.

Strategy

In response to the Hong Kong's Climate Action Plan 2050 developed by the Government of the Hong Kong Special Administrative Region, the Group makes active study and establishes strategies for the commitment to long-term net-zero carbon emissions.

Opportunity

The Group understands that climate change brings not only different types of physical and transition risks, but also opportunities to its business. With increasing market demand, the Group needs to incorporate more climate-resilient elements into new development projects, enhance the realisation of existing properties, and ultimately reduce operating and maintenance costs.

Indicators

The Group values climate-related targets, such as greenhouse gas emissions, energy and water-related targets, and tracks and monitors the greenhouse gas emissions and green building certification to keep track of its performance of climate change mitigation and also provide strong data support for the Group's green transformation in the future.

GHG Emissions

The first step in managing carbon emissions is to inventory and analyse GHG data. The Group has developed a GHG (Greenhouse Gas) inventory based on the major sources of carbon emissions. The Group's direct GHG emissions (Scope 1) were mainly generated from petrol and diesel consumed by transportation, and indirect GHG emissions (Scope 2) were mainly generated from purchased electricity of the Group. Other indirect GHG emissions (Scope 3) were mainly generated from carbon emissions from product materials, outsourced logistics and transportation, sewage treatment, employees' business trips and commutes, as well as the waste paper disposed to landfills.

From the GHG emissions inventory, petrol, diesel and electricity consumption are the major emission sources of the Group's Scope 1 and Scope 2 GHG emissions. The ESG Report also focuses on disclosing relevant data and performance comparison. Since Scope 3 involves difficulties in collecting and coordinating a substantial amount of external data, it is not yet possible to calculate such statistics. However, the Group is actively promoting the feasibility of relevant data collection and studying the calculation methods, and will gradually improve them in the future.

In order to mitigate the environmental impact of GHG emissions, the Group has strictly regulated the unnecessary use of various vehicles to reduce fuel consumption and exhaust emissions; motivated employees to use public transportation systems more frequently, which can reduce people's reliance on private car; and encouraged the use of major transport means such as airport buses or metro lines during business trips. Advocating electricity conservation, the Group has also implemented practical measures to reduce electricity consumption in the daily use of electrical appliances, such as lighting, computers and air-conditioners. In addition, it has promoted the use of online video conferencing and paperless office to effectively lower other indirect GHG emissions. Through the implementation of such measures, employees' awareness of GHG emissions reduction has been raised.

During the Reporting Period, the Group's total GHG emissions intensity increased to approximately 0.76 tCO_2e/employee, up by approximately 16.92% as compared with 2023. The total GHG emission increased by approximately 15.75% over 2023. Using 2021 as the base year, the GHG emissions reduction target of 10% has been attained ahead of schedule.

During the Reporting Period, the Group's GHG emission performance is summarized below:

Indicator	Unit	2024	2023	2022	2021	2020
Direct GHG emissions (Scope 1)	tCO_2e	211.32	155.32	95.89	399.43	25.62
Energy indirect GHG emissions (Scope 2)	tCO_2e	303.93	264.97	227.55	902.93	191.02
Total other indirect GHG emissions (Scope 3)	tCO_2e	44.40	63.22	485.38	–	16.32
Total GHG emission[4]	tCO_2e	559.65	483.50	808.82	1,302.36	232.97
Total GHG emissions intensity[5]	tCO_2e/employee[4]	0.76	0.65	1.69	1.46	0.22

7. SOCIETY

Talent is the core competitiveness for corporate development. The Group values each employee and protects the legitimate rights and interests of employees by improving the emolument distribution and performance appraisal system, as well as providing employees with multi-level welfare protection and occupational health and safety protection. The Group also established an open and democratic communication platform to improve employees' well-being and motivation at work.

7.1 Employment

Adhering to a people-oriented employment philosophy, the Group firmly believes that talent is a crucial factor for corporate success and that employees are important assets for the sustainable development of an enterprise. Through the establishment of a complete system for the protection of the legitimate rights and interests of employees and the creation of a diversified, equal and inclusive working environment, the Group aims to promote the mutual growth with its employees.

4 GHG emission data is presented in terms of carbon dioxide equivalent and is based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, and "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange. For calculating GHG emissions in 2024, the electricity emission factor for Hong Kong is 0.60kg CO_2/kWh, which is derived from the "Sustainability Report 2024" published by HK Electric Investments, and that for Mainland China is 0.66kg CO_2/kWh, which is derived from the "China Regional Power Grids Carbon Dioxide Emission Factors Research Report 2023" issued by the Ministry of Ecology and Environment.

5 During the Reporting Period, the Group had a total of 735 employees (2023: 744 employees; 2022: 478 employees; 2021: 891 employees; 2020: 1,041 employees) in respect of the scope of reporting (including Beijing headquarters and other points-of-sales and places of business in Hong Kong and Guangdong, Hangzhou, Chengdu, Chongqing, Guiyang, Kunming, Wuhan and Kaifeng in Mainland China). The data is also used for calculating other density data.

The Group strictly complies with relevant laws and regulations, including but not limited to the Employment Ordinance of Hong Kong, the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Production Safety Law of the People's Republic of China, Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the Regulations on Minimum Wages to respect and protect the legitimate rights and interests of employees. The Group creates a quality career development platform for its employees through the formulation of a comprehensive human resources management system and policies, including Peking University Resources (Holdings) Company Limited Remuneration Management Rules (北大資源(控股)有限公司薪酬管理規則), Peking University Resources (Holdings) Company Limited Recruitment Management Rules (北大資源(控股)有限公司招聘管理規則), Peking University Resources (Holdings) Company Limited Resignation Management Rules (北大資源(控股)有限公司離職管理規則), Peking University Resources (Holdings) Company Limited Attendance and Leave Management Rules (北大資源(控股)有限公司考勤差假管理規則), Peking University Resources (Holdings) Company Limited Welfare Management Rules (北大資源(控股)有限公司福利管理規則) and Peking University Resources (Holdings) Company Limited Staff Training Management Rules (北大資源(控股)有限公司員工培訓管理規則), which regulate the management of recruitment and dismissal, remuneration and promotion, working hours and leave, etc..

The Group regularly arranges for administration and human resources department to review and revise the systems, striving for offering a reasonable, fair and discrimination-free working atmosphere for our staff, so that they can work energetically under an environment with sound corporate culture to realise mutual growth and development between the staff and the Group. The Group establishes labour relations based on the principles of fairness and legality, equality and voluntariness, and honesty and trustworthiness. We sign internship agreements, labour contracts, and employment contracts with each employee based on the type of employee and renew contracts on a timely manner with employees whose contracts have expired.

During the Reporting Period, the Group was not aware of any material breach of the employment-related laws and regulations that would have a significant impact on the Group.

Remuneration and Welfare

The Group is fully committed to promoting a scientific and standardised remuneration management system, and continues to provide competitive working conditions and remuneration packages for its employees. Insisting on the "market-based salary, job-based salary, performance-based salary and ability-based salary" rules, the Group motivates employees with incentives distributed according to the performance appraisal based on their value of position, working performance and level of skills, ensuring that the personal value of all employees will be maximized. In addition, the Group makes contribution to the social security funds on time and continuously improves its welfare protection system to eliminate employees' worries. The Group also regulates employment management, provides public holidays and paid annual leaves, and implements systems relating to health checkups, employee health records and leave. The Group respects the rights of employees to take rests and holidays, and has relevant policies in place to supervise and regulate the working hours of employees and their rights to take various rest periods and holidays. The Group will also abide by the relevant laws and regulations to provide wages, overtime compensation, paid holidays, etc. The Group fully cares for its female employees and actively protects their legitimate rights and interests, as reflected by the provision of paid leaves such as pregnancy check-up leave, maternity leave and breastfeeding leave, and the setting up of baby-sitting and nursery rooms in the office building to provide a comfortable and safe environment for female employees during their breastfeeding period.

In order to further improve the sense of belonging and well-being of its employees, the Group provides various amenities, cultural and sports activities, welfare and care and psychological counselling to enhance employee satisfaction, relieve employees' hardship, balance their work and life, help them form a positive and healthy mindset and jointly create a harmonious working environment.

Remuneration Policy – Peking University Resources (Holdings) Company Limited Remuneration Management Rules

- The access of remuneration data and composition is highly restricted to responsible teams and departments heads including senior staff, human resources department and salary management personnel;
- The specific salary system, overall salary adjustment range, labour cost budget and implementation should be reported to the Board for approval;
- Differential remuneration system, which is calculated by yearly salary, monthly salary, or hourly rate systems according to different job positions;
- Specify the component of salary and bonus; and
- Specify the date and time of monthly salary payment.

Welfare Policy – Peking University Resources (Holdings) Company Limited Welfare Management Rules

- The Group will provide welfare benefit according to the requirements of laws in order to promote staff efficiency, enhance incentive and sustainability of the Group;
- Provide social insurance according to laws, including basic pension insurance, basic medical insurance, unemployment insurance, work injury insurance, maternity insurance, housing provident fund and other statutory benefits;
- Set up staff lounges, maternal and child rooms in order to create a caring and family-friendly working environment; and
- Organise various festival celebration activities, team building activities and department exchange to allow employees' interaction.

Recruitment, Promotion and Dismissal

Focusing on its overall strategy for human resources, the Group aims to attract, cultivate and develop a large group of diversified, compound and international high-quality professionals. The Group continuously improves its internal talent planning system, identifies recruitment needs and launches efficient and systematic recruitment campaigns through various recruitment channels to enrich the talent pool and ensure sufficient talent resources for the development of the Group. The Group has established a diversified talent acquisition mechanism for the effective supply of talents and optimization of talent structure.

The Group attaches great importance to the value of talents. Having given full consideration to the career development of its employees, the Group has established comprehensive employee career paths and stimulated employee development with an established performance appraisal mechanism. The Group conducts performance appraisals for its regular employees on a periodic basis, the results of which will be taken into account for salary adjustment, promotion and bonus in order to further boost employee engagement and motivate them more effectively. During the period of annual appraisal for promotion, all employees are eligible, by means of nomination or self-nomination, to gain a promotion upon evaluating their values, performance and competence, so as to ensure the fairness, impartiality and openness of the whole promotion process, as well as the authority and effectiveness of the results, which not only enables the development of all employees, but also motivates and retains talented people.

Recruitment Policy – Peking University Resources (Holdings) Company Limited Recruitment Management Rules

- The Group recruits talents in order to attain corporate objectives by analysing business development plans, external and other relevant factors, setting up relevant posts and establishing next year recruitment plan at the end of each year;
- The human resources department is responsible for establishing recruitment plans, reviewing the employment needs of various departments and the implementation of recruitment plans;
- Recruitment activities are organized in various forms, including internet recruitment, trainee programme, campus recruitment, etc.;
- Basic requirements for candidates are clearly listed out, including efficiency, cost awareness and commitment; and
- Candidates for human resources, finance, law, procurement and other related positions shall go through the background check process.

Dismissal Policy – Peking University Resources (Holdings) Company Limited Resignation Management Rules

- The definitions of active and passive resignation, as well as the subsequent corporate procedures, are clearly established;
- The resignation of employees must comply with law and regulations;
- The supervisor of any resignee and the human resources department shall conduct at least one resignation interview with the employee;
- Before conducting a resignation interview, the staff of the human resources department shall arrange a resignation questionnaire for the resignee to fill in; and
- The interviewers shall keep a written record of the resignation interview.

Leaves and Holidays Policy – Peking University Resources (Holdings) Company Limited Attendance and Leave Management Rules

- The Group manages the attendance and leave of the staff with a people-oriented principle;
- The Group implements a five-days-a-week and eight-hours-a-day working system. The working hours of employees in special positions (such as front desk clerks and drivers) shall be established independently according to their job duties; and
- Employees have the right to enjoy public holidays and paid annual leave.

Anti-Discrimination, Diversity and Equal Opportunity

The Group offers equal opportunities and strives for implementing the concepts of diversity and anti-discrimination, so that every employee, regardless of his/her position, gender, race and age, could feel respected. Creating a fair and respectful working environment and treating every employee equally enable employees to maximise their potential. To this end, the Group is committed to creating a fair mechanism and working environment that promote respect and equality, and adheres to the principles of fair recruitment and fair development. The Group continuously identifies and removes barriers that cause inequality and establishes systems to promote both bottom-up and top-down changes. Besides, the Group keeps exploring new practices to create a fair working environment, where resources are allocated to employees based on their abilities and strengths, so that everyone has an equal opportunity to achieve success.

In the course of recruiting talents, we avoid taking personal attributes such as nationalities, races, religious beliefs, cultural backgrounds, gender, age, marital status, physical fitness and so on as the necessary factors, so as to ensure that our employees are treated equally in the recruitment and promotion procedures, dismissal procedures, training, working performance assessment, remuneration and welfare, working hours, leaves and other holidays (including marriage leave, compassionate leave and maternity leave), etc. The Group's employees of the same position are remunerated on an equal basis regardless of their gender and any form of discrimination at work is prohibited. Our employees are encouraged to blow the whistles on any inequalities to relevant departments of the Company. The reported information will be independently investigated by the Company, and the management will be responsible for its subsequent follow-up and handling, so as to protect the legitimate rights and interests of employees.

As of 31 March 2025, the breakdown of the Group's employees within the Reporting Scope[6] was as follows:

	As of 31 March 2025	2023	2022	2021	2020
Total employees	735	744	478	891	1,041
By gender					
Male	261	287	241	457	546
Female	474	457	237	434	495
By age group					
Aged under 35	194	191	184	401	506
Aged 35 to 55	474	477	269	468	518
Aged over 55	67	76	25	22	17
By region					
Hong Kong	11	10	7	3	0
Mainland China	724	733	470	888	0
Others	0	1	1	0	0

6 The number of employees within the Reporting Scope as of 31 March 2025 was 735, which was used for the calculation and disclosure of the relevant intensity. The number of employees in 2020 did not include the number of employees by region (Hong Kong, Mainland China and others). All employees within the reporting scope are full-time employees.

During the Reporting Period, the employee turnover rate[7] of the Group was approximately 22%. The table below shows the turnover rate breakdown by gender, age and region:

	Statistical period	Total employees (A)	Number of employees left during the Reporting Period (B)	Sum (A+B)	Employee turnover rate B/(A+B) x100%
Total	As of 31 March 2025	735	202	937	22%
	2023	744	149	893	17%
	2022	478	431	909	47%
	2021	891	345	1,236	28%
	2020	1,041	628	1,669	38%
By gender					
Male	As of 31 March 2025	261	74	335	22%
	2023	287	70	357	20%
	2022	241	218	459	47%
	2021	457	199	656	30%
	2020	546	423	969	44%
Female	As of 31 March 2025	474	128	602	21%
	2023	457	79	536	15%
	2022	237	213	450	47%
	2021	434	146	580	25%
	2020	495	205	700	29%
By age group					
Aged under 35	As of 31 March 2025	194	69	263	26%
	2023	191	42	233	18%
	2022	184	192	376	51%
	2021	401	147	548	27%
Aged 35 to 55	As of 31 March 2025	474	111	585	19%
	2023	477	100	577	17%
	2022	269	226	495	46%
	2021	468	193	661	29%
Aged over 55	As of 31 March 2025	67	22	89	25%
	2023	76	7	83	8%
	2022	25	13	38	34%
	2021	22	5	27	19%

7 Calculation method of employee turnover rate = Number of employees left during the Reporting Period/(total number of employees within the Reporting Scope + number of employees left during the Reporting Period) × 100%. The turnover rate in 2020 did not include the turnover rate by age group (aged under 35, aged 35 to 55 and aged over 55) and region (Mainland China, Hong Kong and others).

By region	Statistical period	Total employees (A)	Number of employees left during the Reporting Period (B)	Sum (A+B)	Employee turnover rate B/(A+B) x100%
Hong Kong	As of 31 March 2025	11	2	13	15%
	2023	10	3	13	23%
	2022	7	0	7	0%
	2021	3	1	4	25%
Mainland China	As of 31 March 2025	724	200	924	22%
	2023	733	146	879	17%
	2022	470	431	901	48%
	2021	888	344	1,232	28%
Others	As of 31 March 2025	0	0	0	0%
	2023	1	0	1	0%
	2022	1	0	1	0%
	2021	0	0	0	0%

Diversity

Board diversity

The Company endeavours to maintain an appropriate balance in the diversity of skills, experience and views and perspectives of the Board members so as to support the execution of business strategies and the efficient operation of the Board. The Company has established a policy for the nomination of directors. The Nomination Committee is responsible for identifying individuals suitably qualified to be a member of the Board and may select individuals for nomination as Directors. In making recommendations to the Board for the appointment of Directors (including independent non-executive Directors), the Nomination Committee will consider various criteria for the evaluation and selection of candidates for appointment as Directors, including, *inter alia*, (i) character, integrity and reputation; (ii) qualifications relevant to the Group's business and corporate strategy, including professional qualifications, skills, knowledge and experience; (iii) willingness to devote sufficient time to perform the duties as a member of the Board and other directorships as well as significant commitments; (iv) the number of current directorships and other commitments that may require the attention of the relevant candidates; (v) the requirement for the Board to have independent non-executive Directors as required under the Listing Rules and whether the relevant candidates will be considered independent by reference to the requirements under the Listing Rules; (vi) the Company's policy on Board diversity and any measurable objectives adopted by the Board to achieve Board diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service; and (vii) such other aspects as appropriate to the Group's business.

The composition of the Board of the Group provides the Company with a good balance and diversity of skills and experience appropriate to the requirements of its business. The Company reviews its Board composition from time to time by taking into account the specific needs of the Group's business. In the future, the Board will introduce one or more female members after identifying suitable candidates. A pipeline of potential female successors already exists at the senior management level of the Company to achieve gender diversity.

Employee diversity

The Group firmly believes that the diversity of employees is one of the crucial factors in maintaining our competitive edge and unleashing the driving force for our development. The Group fully recognises, accepts and values the differences among individuals, regardless of gender, race, age, beliefs, values and life experiences, so that employees of different backgrounds can be treated with respect and equality in the enterprise, allowing them to give full play to their strengths to innovate and create. The Group believes that the diverse perspectives and styles of employees will make our team more creative, empathetic and responsible, which is helpful to the refinement of our products and services to customers. Therefore, during recruitment, the Group not only considers the candidates' comprehensive value for the Group's business development, but also takes the diversity of the Group into account, actively advocating diverse composition of employees' backgrounds.

The Group has established an anti-discrimination and diversity management system and policies, which advocate a diverse and inclusive working environment that enables people with different backgrounds to work together and thrive in the business. The Group's policies and guidelines, Code of Conduct, Human Rights and Equal Opportunities Policy and other relevant practices stipulate our commitment to human rights, equal opportunities and inclusive excellence in a discrimination-free working environment. In accordance with the Group's employment policies, discrimination, harassment or revenge on the grounds of employees' age, gender, marital status, pregnancy, disability, family status, race, colour, nationality or religion, sexual orientation, gender identity or expression, veteran status, etc. is not tolerated in order to build a culture and system of pluralism, equity and inclusion. The Group actively promotes democratic management by providing diversified channels of communication, incorporating diversified opinions, viewpoints and ways of thinking, and establishing a free and open working atmosphere to facilitate mutual respect and strong synergy among teams with different attributes. The Group encourages employees to provide feedback timely and listen to their suggestions on all aspects of the Group's business, with a view to enhancing employee satisfaction in all respects.

For the financial year 2024, female members accounted for approximately 64.49% of all employees (including senior management) of the Group. Based on the principle of talent orientation and in accordance with the business model and specific up-to-date needs of the Group, and taking full account of the benefits of employee gender diversity, the Company reviews the gender ratio from time to time to achieve a good balance in employee gender diversity.

7.2 Health and Safety

The Group highly values the health, safety and well-being in the workplace, and the occupational safety management system and policies of the Group ensure the effective management and reduction of the Group's business risks. Abiding by the laws and regulations such as the Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) and the Labour Law of the People's Republic of China, the Company is determined to create a safe and comfortable working environment for the employees. The Group earnestly implements the policy of "safety first, prevention oriented (安全第一、預防為主)", implements the safety responsibility system, and clarifies the responsibilities of each unit under the safety management system. The Group regularly conducts health and safety review and accident investigations at its places of business to identify and reduce existing and potential safety risks. In the process of business development, the Group has always implemented the principle of safety first, and formed a health and safety culture through organizational construction, strengthening employees' health and safety awareness, as well as establishing health and safety systems and other measures. The Group has long formulated safety training programs with a combination of online and offline modes to provide employees with various forms of safety and health training, including safe construction, safety protection, safety responsibilities, hazard sources, traffic safety, firefighting, emergency response, occupational disease prevention, psychological counseling, etc., to strengthen the safety awareness of all employees and improve their risk prevention capabilities.

The Group provides staff engaging in engineering construction with personal safety protection equipment that meet national standards, and provides employees with guaranteed labour protection equipment based on their working environment.

Other than commercial insurance for possible work-related injuries of employees and the related compensation, the Group also arranges a regular comprehensive body check for every employee. It has formed a medical team for patients in need, created staff rest areas and provided fitness equipment. We encourage employees to actively participate in the safety and health activities organized by the Group to enhance their awareness and vigilance towards workplace health, safety, and wellbeing.

Health and Safety in the Office

The Group attaches great importance to the health and safety of its employees in the office and has formulated relevant policies and measures. The Group describes in the Employee Handbook (《員工手冊》) the precautions to be taken for health and safety in the office working environment and has formulated the Anti-smoking Policy (《反吸煙政策》) to prohibit smoking in the office. The Group ensures the health and safety level of employees' office environment by controlling the optimal temperature, ventilation system, air purification and lighting equipment in the workplace. At the same time, the Group keeps records for regular assessment to ensure proper compliance with internal guidelines across offices and projects. The Group provides annual medical check-ups for its employees, organizes health seminars, safety education seminars and emergency preparedness training on cold and freezing prevention from time to time, places green plants in the office, and conducts cleaning of the air-conditioning system and carpet disinfection in the office on a regular basis. The Group also pays close attention to the mental health of its employees, and through daily communication, it understands the mental health status of its employees and provides them with relevant counseling in a timely manner. In addition, a number of the Group's offices are leased from Grade A office buildings in the CBD, and its employees regularly participate in simulated elevator entrapment drills, fire drills and fire safety training seminars organized by the property management company of the office buildings, to enhance the employees' ability to respond to fire emergencies.

The Group has achieved zero employee injuries and fatalities for five consecutive years (including the Reporting Period). During the Reporting Period, the Group had not lost any working days due to work injury.

Epidemic Prevention and Control and Safety

In order to improve the health standard of its employees, the Group continuously improves the disease prevention and control, infectious disease quarantine and medical check-ups management. During the financial year 2024, epidemics such as influenza A and B continued to recur. The Group strictly implemented the measures and requirements of the epidemic prevention and control policy by conducting regular sanitation and disinfection of office premises, organized seminars on the prevention of common occupational diseases as well as seminars on stress relief in the workplace and the change of roles of females in the workplace, created conditions for the establishment of rest areas for employees, installed relevant fitness equipment, and encouraged employees to balance work and rest and to do workout after work, so as to comprehensively protect the physical and mental health and safety of employees.

7.3 Development and Training

The Group values talents, regards them as an important component of the sustainable development of the Company, employs the concept of "selection, employment, education, promotion and preservation", and is committed to improving the employee training system by providing diversified training contents, reasonable motivation measures and promotion channels to attract, motivate and retain precious talents, so as to continuously strengthen and stabilize the talent team.

In order to further promote the popularity and effectiveness of training resources, the Group conducts professional training through a combination of online and offline training, integrates training resources and solves the limitations of time and geographical location on training courses. In order to ensure the effectiveness of training, the Group conducts evaluation and feedback on the effectiveness of training, and assesses the professional competence, work performance and other aspects of its employees during the training process.

The human resources department of the Group is responsible for updating employees' training plans and strategies annually, establishing scientific and comprehensive annual training plans, and considering the actual needs of employees at different levels by continuously expanding and optimizing course resources and providing multilevel and all-round training courses and corresponding examinations for employees at different positions and levels, so as to assist employees in achieving skill upgrading and self-development.

Training includes:

- New employment training: Through the promotion of corporate culture, learning of relevant systems, forums with senior management and other different forms, we have developed a growth plan that focuses on the individual qualities of our employees in order to enable new employees to fully understand the Company's history, philosophy, and code of conduct, and to enter their work roles as soon as possible;

- On-the-job training: We provide job skills training for employees and provide course training to enhance their professional skills and job qualification;

- Promotion training: This training is carried out to facilitate employees to meet the job requirements of higher-level positions. Courses on management, computer, quality enhancement, etc. are provided to enhance employees' ability to perform their jobs competently;

- Training for senior managers: The training is provided for senior staff in middle management, aiming to enhance the overall quality of the middle management team and to prepare for the selection of elites; and

- Seminars with middle-level-to-senior management: These seminars are organized in different formats, including strategic transformation, compliance and risk management, innovation and motivation, and action learning, providing a platform for middle-level to senior management, core staff and innovation team members to share their thoughts on management, business exploration, compliance, innovation, and work planning and other topics.

The Group organised internal training courses according to "Peking University Resources (Holdings) Company Limited Staff Training Management Rule". The human resources department arranged courses based on the follow five objectives:

- Set training objectives according to business development;
- Pay attention to the effectiveness and feasibility of trainings;
- Training resources should be allocated to the target employees;
- Training expenses are extracted from special funds exclusively; and
- Evaluate trainings to continuously improve the quality of trainings.

Case:

In the financial year 2024, the Chongqing Yueruihe Real Estate Co., Ltd.* (重慶悦睿和置業有限公司) has arranged a Fire Prevention Training session to all of its employees. The training session was lectured by Chongqing Limin Fire Prevention professional that the training content covers fire prevention, emergency evacuation, practical operation of fire extinguisher use, fire laws and regulations, etc. The training was conducted in a combined forms consisting of theory explanation, case analysis, demonstration and actual combat drills. The training fully complies with the requirement of the Fire Control Law of the People's Republic of China on regularly organising fire prevention drills for employees.

For identification purposes only

During the Reporting Period, the Group has achieved an approximately 52.52% overall training rate[8], total training hours of approximately 13,573.5 hours and total average training hours of approximately 18.47 hours. The average training hours of employees[9] are shown in the table below. The table below shows the training data by age and employee category:

Employee training data	The percentage of employees trained (%)[8]			
Statistical period	As of 31 March 2025	2023	2022	2021
Employee gender				
Male	22%	21%	58%	49%
Female	78%	79%	42%	36%
Employee category				
Directors	0.83%	0.63%	2.92%	9.43%
Accounting and finance team	9.97%	9.89%	12.87%	45.71%
Company secretary	0.55%	0.63%	0.00%	57.89%
Administration	5.26%	8.42%	47.37%	47.29%
Construction and operation	14.68%	13.26%	33.33%	43.40%
Property development sales staff	68.7%	67.16%	3.51%	45.34%

Employee training data	Average training hours of employees[9]			
Statistical period	As of 31 March 2025	2023	2022	2021
Employee gender				
Male	9.10	3.89	17.38	13.18
Female	23.63	8.74	8.69	15.40

8 Calculation method of training rate of employees = Number of employees trained during the Reporting Period/total number of employees within the Reporting Scope × 100%

Training rate of employees by respective categories = Number of employees trained in specific categories/number of employees trained during the Reporting Period × 100%

9 Average training hours of employees = Total training hours during the Reporting Period/total number of employees within the Reporting Scope

Average training hours of employees by respective categories = Total training hours of employees of specific categories/number of employees of specific categories

7.4 Attracting and Retaining Talents

The human resources department of the Group is committed to identifying and developing high-calibre talents. The management evaluates the performance and potential of employees according to the standards of the Group's employment policy, and attracts and retains outstanding talents by offering market-competitive remuneration and comprehensive welfare system to maintain the competitiveness of the Group.

The Group provides a variety of career development channels and diversified training support for each employee, builds a broad platform for employees to show their talents and creativity, broadens the development paths for employees, and provides a variety of career development options for employees to promote the comprehensive growth of employees.

The Group assesses, promotes and recognizes its employees with outstanding performance through performance appraisal, and awards them with prizes and bonuses to enhance their motivation and sense of belonging. The Group advocates an open corporate culture, values the voice of employees, collects employees' suggestions through online channels, and considers employees' opinions in the Group's operations. The Group also actively creates a warm and comfortable working atmosphere through comprehensive professional health services and colorful cultural team-building activities to enhance employees' happiness.

The Group also focuses on reshaping and upgrading its corporate culture in the process of business transformation and upgrading. Through new employee training, system training, monthly regular meetings and team-building activities, the Group enables employees to understand the basic situation, corporate culture, development strategy, rules and regulations of the Group, so as to enable employees to understand the core values of the Group, promote recognition of the corporate culture, and enhance employees' centripetal force and sense of belonging to the Group.

The Group is committed to innovation and development, actively explores new business opportunities, and encourages employees to actively explore business innovation methods. It inspires employees to innovate and improves their professional skills through expert sharing, mutual exchange and innovation motivation programs, with a view to bringing more development opportunities to the Group.

Case:

In the financial year 2024, the Chongqing Yueruihe Real Estate Co., Ltd.* (重慶悅睿和置業有限公司) organized a mental health talk named "Your smile is the most beautiful" for its female employees on the Women's Day in the aim of caring for working women. The talk revolved around the theme of women's mental health and was carried out through professional explanations, case analysis, and interactive Q&A, in which the professional speaker systematically explained the common psychological problems of women at different stages of life (such as workplace pressure, family relationships, emotional management, etc.) and the ways to cope with the difficult situations. The knowledge helps female employees to identify psychological suboptimal health signals and to master basic emotional adjusting skills. Through the talk, mental health importance and emotional counseling, team building are achieved and the goal of "caring for women's mental health and improving employee workplace happiness" are fulfilled.

* *For identification purposes only*

7.5 Labour Standards

Avoid Child and Forced Labour

The Group strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and the Provisions on the Prohibition of Using Child Labour and other laws and regulations in relation to the protection of the legitimate rights and interests of employees and the prohibition of the employment of persons under the age of 18 years. Prior to the commencement of employment, the human resources department will conduct background checks on employees and will not appoint those who do not meet the employment criteria. After employment, both parties shall specify the job positions, duties, locations and working hours, and shall agree on overtime work and shall not make overtime work mandatory. If overtime work is required for business purposes, overtime compensation shall be paid to employees for overtime work to protect the legitimate rights and interests of employees. The Group promises not to force or compel labour, and not to compel employees to work against their will under any circumstances. If any violation of laws and regulations on labour standards is found, we will penalize the person responsible for the incident depending on the severity of the situation, and we will analyze the causes of the problem and review and update and adjust the existing problems in the existing systems or management methods.

During the Reporting Period, the Group was not aware of any material violation against the relevant laws and regulations on child and forced labour that had a significant impact on the Group.

7.6 Supply Chain Management

In order to ensure product quality, the Group has established a new and effective supplier management, screening, and rating system, which mainly includes three major components:

In terms of supplier assessment, the Group selects potential suppliers rigorously according to the procurement management system, and has established a clear supplier assessment management system for supplier selection to assure the quality of materials. The procurement department comprehensively assess the potential suppliers from several areas, such as environmental risk, social risk, product quality, qualification, production plant capability, operational indices of the past three years, existing customer bases, production tools and equipment and relevant projects. For the purposes of ensuring the quality and efficiency of the Group's supplier bases, all suppliers shall go through a series of strict screening and assessment procedures before being officially selected, including tender invitation, competitive negotiable bidding, and direct negotiable bidding for procurement, aiming to ensure that the qualifications, product quality, price competitiveness, and service level of suppliers can meet the needs of the Group. The selected supplier is required to submit a list of corporate management information.

The standard procedure ensures that the selected suppliers must be able to meet the Group's quality standards. The procurement department will conduct production plant inspection to better understand the selected supplier's background. Openness and transparency are needed in reviewing suppliers' qualifications, and all departments shall cooperate actively, communicate comprehensively, share information, make collective decisions, announce results, and eliminate incompliant operations. Further, all kinds of procurement documents during this process, including supplier qualification review, supplier assessment, supplier rating, supplier privacy documents, agreement and contracts, are important confidential information of the Company and cannot be disclosed. Upon two rounds of evaluation and interviews, only the qualified suppliers may join the Group's supply chain. In addition, the suppliers shall comply with relevant laws and regulations, including regulations or requirements related to environment and labour rules in order to reduce environmental and social risks. Thereafter, the Group opts to conduct quality assessments, communication feedback and other actions regularly to review the list of suppliers and inspect project quality, in order to ensure that the best suppliers are maintained.

In respect of the selection and rating of suppliers, the Group selects the preferred suppliers with merits by evaluating the compliance of suppliers from the aspects of material attribute, environmental protection technology, plant condition, product characteristics, social image and the concept of sustainable development of the suppliers, and reviewing operation and production data of the suppliers, while combining with the concept of sustainable development of the Group. Suppliers, with explicit sustainability values, awarded sustainability certificates, whose sustainable development management system adopted has acquired the quality management system certification and taking environment and social factors into consideration, are selected in priority, to make sure that the relevant procurement conforms to specific standard. In addition, the Group highly values daily quality management of the suppliers, attaches great importance to evaluating the impact of product manufacturing process on the climate and environment, enhances the suppliers' awareness of conducting environmentally-friendly behaviours, and highlights regulations on hazard identification, the use of new energy, etc. as well as pollution limits, and particularly strengthens raw materials inspection.

In respect of the management of suppliers, the Group updates the supplier management system and process annually, and manages suppliers according to their categories, ratings, and affiliated enterprises. The supplier management system is established based on four major management procedures, namely qualification review, performance evaluation, rating management, and interactive communication. The suppliers are ranked and eliminated pursuant to their performance results. The Group selects suppliers from the qualified supplier pool according to the procurement requirements of the project, in the order of manufacturer, general agent, qualified agent, and others. Each qualified supplier signs a quality agreement. The Group conducts daily management of suppliers through performance monitoring, process auditing, quality statistics, etc., with a focus on the proportion of supplier's order allocation and supplier candidate tiers, to control the stability and safety of the supply chain as a whole, as well as the overall efficiency ratio of supply quality, price, after-sales and other aspects.

In the financial year 2024, the Group has a list of 880 suppliers, all from Mainland China, with 248 suppliers eliminated.

Green Procurement

The Group takes the concept of sustainable development as an important consideration factor, giving priority to suppliers with sustainable development concepts. We attach great importance to the responsibilities and actions of supply chain partners in building green supply chains. By establishing long-term and stable cooperative relationships with these suppliers, the Group encourages and guides partner suppliers to practice environmental responsibilities and jointly promote the green development of the industry. The Group shares environmental protection concepts and practical experience with suppliers to help them enhance their environmental awareness. The Group also adds green supply chain indicators in the annual supplier review to examine the actions and effectiveness of each supplier in environment protection, economic, and social aspects, promoting supply chain enterprises and the products provided by them to meet the requirements of green and sustainable development of environment, industry, and society, and reducing adverse impacts on the environment.

In order to reduce greenhouse gas emission and energy consumption generated during the process of material transportation, the Group is inclined to adopt local procurement policy, which will promote local economy development and employment.

In the process of supplier certification, the Group mainly considers the availability of green material certification, energy-efficient equipment in plant and emission reduction equipment. Also, the Group gives priority to suppliers and contractors sharing same environmental protection concept with us and encourages our partner suppliers to perform their social and environmental responsibilities. Besides, we prioritize suppliers with the concept of sustainable development. For instance, suppliers awarded environmental management system certification (ISO14001), quality management system certification (ISO9001) and occupational safety and health management system certification (OSHMS), or with national-level and industry-level qualification will be considered with higher priority, to ensure that the materials, products and services provided by partner suppliers meet the requirements of national standards of environmental protection, occupational health and safety and sustainable development.

Apart from environmental factors, the Group will also consider whether its suppliers comply with relevant laws and regulations in respect of health and safety, and forced and child labour. The Group requires suppliers to strictly comply with national and industry safety production standards, ensuring the physical health and life safety of employees during their work. We expect supply chain labour to operate in a safe and healthy working environment to prevent and reduce the occurrence of work-related accidents. Meanwhile, the Group firmly opposes any form of forced and child labour, and we will strictly verify the situation of suppliers' employees to ensure that there is no illegal employment behavior. These screening measures and processes are designed to lower potential environmental and social impacts on the Group.

7.7 Product Responsibility

Adhering to the customer-need-oriented principle and aiming to achieve customer satisfaction, the Group is committed to building residence with inhabitable value and humanistic value. Our Group has always regarded quality management and control of product design as the core of design administration. Also, the Group strictly complies with the Civil Code of the People's

Republic of China, the Property Management Regulations, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests as well as other laws and regulations in relation to rights entitled in property management activities, formulation and revision of management contracts and owners' meetings and owners' committee member elections that have brought material impact to our property management industry. Through all these efforts, the Group aims at providing more convenient and thoughtful services to owners, so as to improve the sense of happiness and satisfaction of our residents and property owners.

Our Group highly values the satisfaction of our property owners and their feedbacks on our services. In this regard, we investigate complaints and suggestions from the customers through customer satisfaction surveys and direct contact. Moreover, the Group has developed a process to deal with complaints, while conducting scientific and systematic analysis and statistics which functions as early warning on service quality, thereby reducing and preventing complaints and enhancing customers' satisfaction. Through continuous improvement and optimization of its service processes, the Group strives to reduce and prevent the occurrence of complaints and enhance customers' satisfaction. The Group believes that only by truly putting itself in the shoes of its customers and focusing on their needs and improvements, can it win the trust and support of its customers.

During the Reporting Period, the Group has not received any serious complaints regarding products and services and had no products that need to be recalled for safety or health reasons. It has responded to and resolved 100% of minor complaints about its products and services.

7.8 Anti-corruption and Integrity Management

The Group has zero tolerance to any corruption or fraud and strictly abides by the laws and regulations such as the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and the Anti-Corruption Law of the People's Republic of China. The Group's legal department has set up specific risk control position for supervision and has established integrity rules and regulations, from business department operation to project construction management, including detailed provisions for bidding, reimbursement and other contents. The Group also provides training to the employees of anti-commercial bribery and concept of integrity regularly through new employment training, middle to senior management training and special lectures. The Group strives to maintain the integrity image. During the Reporting Period, there was no concluded litigation cases regarding corruption raised by the Group or its employees. The Group was not aware of any material non-compliance with relevant laws and regulations of bribery, extortion, fraud, money laundering and corruption.

Anti-corruption Policy and Integrity Management

The Group attaches great importance to the integrity of its employees and is committed to maintaining ethical standards in its business operations, with zero tolerance for corruption and bribery. The Group strictly complies with anti-corruption laws and regulations that have a significant impact on the Group's operations, reviews and updates its anticorruption related policies on an annual basis, improves the relevant systems in accordance with the industry practices of each business, implements the concept of integrity, increases regular searches and monitoring of business partners on anti-corruption and bribery, and cautiously cooperates with or suspends the cooperation with any business partners who are involved in major corruption incidents, so as to build a clean working atmosphere and business partnership. During the financial year 2024, the Group was not aware of any confirmed incidents or public legal proceedings relating to corruption involving the Group or its employees, nor was the Group aware of any incidents breaching laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering, which had a material impact on the Group's operations.

Anti-corruption Training

The Group carries out anti-corruption training and ethics education for all categories of members, covering publicity and implementation topics such as finance, information confidentiality, compliance operation and business integrity, so as to clarify the positioning of the Group's red lines, strengthen the awareness of integrity and ethics, and create a transparent working environment. Since 2020, all employees of the Group have been required to complete various forms of anti-corruption training, and new employees are also required to receive integrity-related training. The Group provides anti-corruption training courses on its online platform, and participates in the studying of material "ANTI-CORRUPTION PROGRAMME – A GUIDE FOR LISTED COMPANIES" published by ICAC. We organize an anti-corruption seminar once a year to enable our staff to review the Group's ethical code. In addition, employees are required to complete examinations on business compliance and ethical standards, so as to re-emphasize the importance of anticorruption and strengthen employees' anticorruption awareness.

Case:

On December 27, 2024, a training on "Leading to Integrity Culture, and its Compliance Management and Risk Prevention" (引領廉潔文化建設，合規管理與風險防控) was held to popularize behavioral knowledge and preventive measures on anti-corruption, bribery, extortion, fraud and money laundering for all employees of the Foshan PKU Resources Real Estate Co., Ltd.* (佛山北大資源地產有限公司).

For identification purposes only

Reporting and Complaint Mechanism and Process

The Group has established a reporting and complaint mechanism and process, as well as formulated a reporting channel and handling rules. The Group will follow up on the reports in a serious and highly confidential manner, and is committed to protecting victims and whistleblowers to ensure that the reports are handled in a timely and appropriate manner. If employees discover suspected violations of the relevant mechanism, they can choose to report under their real names or anonymously. The Group encourages whistleblowers to leave their names and contact information so as to facilitate follow-up investigations and provide necessary feedback on the progress of the investigations.

For any suspected corruption, relevant rules such as "Peking University Resources (Holdings) Company Limited Reporting Management Rule" and "Peking University Resources (Holdings) Company Limited Bonus and Penalty Management Rule" should be followed for investigation. If any employee discovers or suspects any violation of the code of behaviour, a report could be made through a specific mailbox, telephone, e-mail, or at a specified location during reception time. All reports will be recorded in a conversation transcript. After receiving the report, the Group will initiate investigation strictly without disclosing the identity of the reporter and content of report, and the Group will set up a responsible investigation team to collect relevant evidence and information in a fair, justified, independent and efficient manner.

7.9 Charity

For many years, the Group has been committed to promoting the spirit of public welfare, publicizing public welfare behaviors and giving back to the society by adhering to the principle of "doing good". In addition to focusing on business development, the Group has also actively participated in social welfare activities to convey more warmth and care to the society. To this end, the Group has formulated community investment management systems and policies, allocated a certain proportion of the annual operating budget as project funds, formulated an annual plan, and reviewed the plan regularly.

Over the years, the Group has actively participated in different social welfare undertakings such as education, medical care and environmental protection, and actively fulfilled its social responsibilities. The Group has also launched community culture and social organizations to raise owners' awareness of civilized behavior, create a caring atmosphere in the neighborhood, and insist on using small acts of kindness to create social love that benefits a wider range of people! In previous years, under the guidance of the Xinan Sub-district General Union of Sanshui District, Foshan City (佛山市三水區西南街道總工會), the Group carried forward the spirit of model workers and built a green and beautiful Xinan by planting trees at the "Two New (兩新)" forest and making donations.

Over the years, the Group has continued to express care for groups with different needs in the society, deepen cooperation and exchange among industries and support the development of cultural undertakings. The Group was awarded "Livable Quality Project (宜居品質項目)" by Sanshui District Real Estate Industry Association of Foshan City (佛山市三水區房地產行業協會). In recent years, the Group has paid further attention to the future development of youth and strived to provide youth with a variety of development opportunities by providing diversified exchange and internship activities, so as to help youth pave the way for future success.

The Group requires its employees in the regions where it operates to comply with local laws and regulations and respect local cultures and customs, protects employees' wages and benefits, arranges holidays in accordance with legal requirements, advocates work-life balance for its employees, and encourages its employees to take care of their own health by undergoing annual medical check-ups and strengthening physical exercises. The Group continues to promote energy saving, emission reduction and cost efficiency, advocate waste management classification and prioritize green travel to address stakeholders' concerns and promote sustainable development in the community.

Case:

On March 8, 2025, the marketing department of the Foshan PKU Resources Real Estate Co., Ltd.* (佛山北大資源地產有限公司) held a free massage therapy event for community owners, which was well received by the owners who participated in the event.

For identification purposes only

8. LIST OF LAWS AND REGULATIONS

In the financial year 2024, the Company is not aware of any incidents of legal violation that had a significant impact on the Company. Laws and regulations that have a significant impact on the Group's operations in Mainland China and Hong Kong are as follows:

ESG Aspects	China	Hong Kong
Environmental	– Environmental Protection Law of the PRC – Law of the PRC on Environmental Impact Assessment – Environmental Protection Tax Law of the PRC – Regulation on the Implementation of the Environmental Protection Tax Law of the PRC – Atmospheric Pollution Prevention and Control Law of the PRC – Water Pollution Prevention and Control Law of the PRC – Law of the PRC on the Prevention and Control of Environment Pollution by Solid Wastes – Law of the PRC on Prevention and Control of Pollution from Environmental Noise – Energy Conservation Law of the People's Republic of China	– Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) – Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)
Employment and labour regulations	– Labour Law of the PRC – Labour Contract Laws of the PRC – Social Insurance Law of the PRC – Law of the PRC on the Protection of Minors – Provisions on the Prohibition of Using Child Labour – Regulations on Minimum Wages	– Employment Ordinance (Chapter 57 of the Laws of Hong Kong) – Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) – Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong) – Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong)

ESG Aspects	China	Hong Kong
Workplace health and safety	– Law of the PRC on the Prevention and Control of Occupational Diseases – Production Safety Law of the PRC – Fire Protection Regulation of the PRC – Regulation on the Safety Management of Hazardous Chemicals – Regulations on Safety Supervision over Special Equipment	– Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) – Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)
Product responsibility	– Copyright Law of the PRC – Patent Law of the PRC – Trademark Law of the PRC – Product Quality Law of the PRC – Civil Code of the People's Republic of China – Law of the People's Republic of China on the Protection of Consumer Rights and Interests – Advertising Law of the People's Republic of China	– Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) – Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) – Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) – Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Anti-corruption	– Anti-money Laundering Law of the PRC – Interim Provisions of the State Administration for Industry and Commerce on Banning Commercial Bribery	– Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) – Independent Commission Against Corruption Ordinance (Chapter 204 of the Laws of Hong Kong) – Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) – Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

9. ESG REPORTING GUIDE CONTENT INDEX

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6.1
KPI A1.1	The types of emissions and respective emissions data.	6.1
KPI A1.2 (Repealed 1 January 2025)	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4 (to be included in the Climate Change section as a whole)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.1
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.1
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.2
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.2
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	6.2
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.2

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6.3
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3
Aspect A4: Climate Change (Repealed 1 January 2025)		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.4 (to be included in the Climate Change section as a whole)
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.4 (to be included in the Climate Change section as a whole)
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	7.1
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	7.1
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	7.1

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	7.2
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.2
KPI B2.2	Lost days due to work injury.	7.2
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	7.2
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.3
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.3
KPI B3.2	The average training hours completed per employee by gender and employee category.	7.3
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	7.5
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	7.5
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	7.5

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.6
KPI B5.1	Number of suppliers by geographical region.	7.6
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	7.6
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.6
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.6
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.6, 7.7
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	7.7
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	7.7
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.6
KPI B6.4	Description of quality assurance process and recall procedures.	7.7
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.6

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7.9
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7.8
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.8
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7.8
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7.9
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7.9
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	7.9

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr Wong Kai Ho ("Mr Wong"), aged 45, is an executive Director and Chairman of the Company since 8 October 2021. He is also a director of a number of subsidiaries of the Company.

Mr Wong has more than 19 years of experience in financial and business management. Mr Wong worked as a finance analyst of Carter Holt Harvey New Zealand from November 2005 to December 2006 and as a senior auditor of the audit and assurance sector of Ernst & Young from February 2007 to February 2009. From March 2009 to June 2013, he was a senior associate of EHM International Ltd (London). From July 2013 to March 2014, he was a director of Katch Investment (Asia-Pacific) Limited. Mr Wong has experiences in the advisory and asset management industry since March 2014 where he currently is the director and responsible officer of advisory and asset management of Nebula Asset Management Limited. Mr Wong has also been the vice president and assistant chairman of Guoce Geoinformation Technology Industry Park Group Co., Ltd. (國測地理信息科技產業園有限公司) since March 2018.

Mr Wong obtained the Bachelor of Commerce & Administration in Accounting and Commercial Law and Information Systems from Victoria University of Wellington New Zealand in December 2002. He also obtained his professional qualification as a chartered accountant from the New Zealand Institute of Chartered Accountants and a certified public accountant from the Hong Kong Institute of Certified Public Accountants in February 2008 and January 2011, respectively.

As at the date of this annual report, Mr Wong directly holds 6,604,039 shares (long position) of the Company (representing approximately 0.24% of the Company's issued share capital) and is deemed to be interested in 604,500,000 shares (long position) and 125,000,000 shares (short position) of the Company (representing approximately 22.32% and 4.57%, respectively, of the Company's issued share capital) under the Securities and Futures Ordinance (the "SFO") by virtue of his interest in ULTRA FOUNDER INTERNATIONAL LTD and Eagle Wings Limited Partnership Fund.

Mr Huang Zhuguang ("Mr Huang"), aged 62, is an executive Director of the Company since 1 December 2021.

Mr Huang has over 32 years of experience in the cultural industry. Mr Huang is the chairman of GuangDong First Union Animation Technology Co., Ltd., a company engaging in production of intelligent electronic toys which he founded in 1998. Mr Huang also founded Firstunion Animation Technology (HK) Co., Limited in 2016 and Shunlian Animation Technology Vietnam Co., Ltd in 2019, respectively. In 2016, Mr Huang founded Guangdong Guancheng Industrial Investment Co., Ltd., a company which principally engages in industrial investments, equity investments and venture capital investments.

Mr Huang obtained a bachelor's degree in business administration from the Communication University of China.

As at the date of this annual report, Mr Huang is deemed to be interested in 319,203,743 shares (long position) of the Company (representing approximately 11.66% of the Company's issued share capital) under the SFO by virtue of his interest in Guangdong Guancheng Industrial Investment Co., Ltd.. Guangdong Guancheng Industrial Investment Co., Ltd holds entire the equity interest in GuangDong First Union Animation Technology Co., Ltd., and Guangdong First Union Animation Technology Co., Ltd. holds the entire equity interest in Firstunion Animation Technology (HK) Co., Limited.

* *For identification purposes only*

Mr Hou Ruilin ("Mr Hou"), aged 63, is an executive Director of the Company since 28 August 2023. He has over 27 years of experience in corporate management.

Mr Hou worked at Chinese People's Armed Police Force Gold Command* (中國人民武裝警察部隊黃金指揮部) from August 1984 to May 1997, and his last position was the director of computer centre of Gold Research Institute* (黃金研究所). He joined Beijing Xinlei Mining Company* (北京鑫磊礦業公司) as the deputy general manager in May 1997 and left the company in October 2002 with his last position as the chairman. He worked as the secretary of the board and office manager of CITIC Guoan Mengguli Power Co., Ltd.* (中信國安盟固利電源公司) from January to October 2000. Mr Hou served as the director and deputy general manager of Shandong Guoan Information Industry Co., Ltd.* (山東國安信息產業有限公司) from October 2000 to October 2002, and as the director and general manager of the company from November 2002 until March 2022. He was also the deputy general manager of CITIC Guoan Technology Co., Ltd.* (中信國安科技有限公司) from August 2007 to March 2012, and the deputy general manager of Beijing Honglian Nine Five Information Industry Co., Ltd.* (北京鴻聯九五信息產業有限公司) from May 2015 to March 2022.

Mr Hou obtained a bachelor's degree in mechanization from the College of Mining Engineering of Taiyuan University of Technology (太原理工大學) in 1984.

As at the date of this annual report, Mr Hou is deemed to be interested in 290,307,782 shares (long position) of the Company (representing approximately 10.61% of the Company's issued share capital) under the SFO by virtue of his interest in Wealth Elite Group Investment Limited.

Mr Xia Ding ("Mr Xia"), aged 56, is an executive Director of the Company since 30 August 2024. He is the co-chief executive officer of the Company since 4 July 2023, the executive vice president of the Company since 8 October 2021 and the president of Chongqing Peking University Resources Investment Company Limited* (重慶北大資源投資有限公司). He possesses 33 years of knowledge and experience in real estate development, operation and investment.

He obtained a bachelor degree in Industrial and Civil Construction from Chongqing Construction Engineering University (now merged into Chongqing University) in July 1989.

As at the Latest Practicable Date, Mr Xia is interested in 9,500,000 shares (long position) of the Company (representing approximately 0.35% of the Company's issued share capital).

* *For identification purposes only*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Chin Chi Ho, Stanley (“Mr Chin”), aged 42, is an independent non-executive Director of the Company since 8 October 2021.

Mr Chin has over 17 years of experience in the areas of audit, financial management, corporate governance and operations in capital markets. Mr Chin served as an audit specialist in PricewaterhouseCoopers and KPMG for 7 years. Mr Chin has extensive experience serving as senior management for multiple Hong Kong listed companies. Mr Chin is currently the independent non-executive director of Champion Alliance International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1629).

Mr Chin has obtained a Master of Business Administration degree from the University of Hong Kong. He was admitted as a Certified Public Accountant (CPA) in 2009. He has also been awarded the qualification of Financial Risk Manager (FRM) in 2009 and Chartered Financial Analyst (CFA) in 2010.

Ms Xu Nan (“Ms Xu”), aged 50, is an independent non-executive Director of the Company since 30 August 2024. She has over 25 years in corporate management.

Ms Xu worked from April 1996 to September 2009 as director of overseas planning department at Sanseido Bookstore Ltd., Japan. She was the general manager of Marco Polo (Tianjin) International Trading Co., Ltd.* (馬可波羅(天津)國際貿易有限公司) from January 2011 to November 2015. Since December 2015, she is the chief representative and legal representative of the Japan liaison office of Beijing Poly International Auction Co. Ltd.* (北京保利國際拍賣有限公司).

Ms Xu obtained a bachelor’s degree in Japanese and Japanese literature from Gakushuin University, Japan in 1996. She obtained a master’s degree in business administration from the Tasmac London School of Business in 2011.

* *For identification purposes only*

Professor Cheung Ka Yue ("Prof Cheung"), aged 52, is an independent non-executive Director of the Company since 30 September 2024.

He obtained a degree of Bachelor of Arts in Accounting from Edinburgh Napier University (formerly known as Napier University) in the United Kingdom in November 1999, a degree of Master of Laws in International Corporate and Financial Law from University of Wolverhampton in the United Kingdom in November 2014, a degree of Master of Science in Professional Accountancy from University of London in the United Kingdom in December 2018 and a degree of Doctor of Business Administration from William Howard Taft University in the United States of America in September 2020. Prof Cheung is a practicing accountant in Hong Kong. He is an honorary professor. He is actively involved in public and community service. He also serves as the secretary-general of the honorary consulate of the Republic of Fiji in Hong Kong.

Prof Cheung has profound knowledge and extensive experience in the regulatory, corporate finance, compliance, corporate governance and academic fields. He is currently an independent non-executive director of Success Dragon International Holdings Limited (listed on the Main Board of the Stock Exchange with stock code: 1182), China Hongbao Holdings Limited (listed on the GEM of Stock Exchange with stock code: 8316) and MaxWin International Holdings Limited (listed on the GEM of Stock Exchange with stock code: 8513). He (i) was appointed as an independent non-executive director from 9 November 2021; (ii) was re-designated as a non-executive director from 30 November 2021; (iii) was further re-designated as an executive director since 26 April 2022 of Mayer Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange with stock code: 1116). He was an independent non-executive director of Crown International Corporation Limited (the shares of which are listed on the Main Board of the Stock Exchange with stock code: 727) from 15 December 2022 and resigned with effect from 1 August 2023.

SENIOR MANAGEMENT

Mr Shi Lei ("Mr Shi"), aged 51, was appointed as the chief executive officer of the Company on 8 October 2021 and re-designated as the co-chief executive officer of the Company on 4 July 2023. Mr Shi obtained a bachelor's degree in electrical engineering and a bachelor's degree in industrial engineering from Tsinghua University in 1997. In 2000, he obtained a master's degree in electrical engineering from Tsinghua University. Mr Shi was the elected president of Tsinghua University Student Union in 1996, and was the chairman of Tsinghua University Graduate Association in 1997. Before joining the Company, he worked in a number of companies, including A. T. Kearney, Bohai Industrial Investment Fund (渤海產業投資基金), Hunan Caixin Financial Holding Group (湖南財信金融控股集團) and Guoce Geoinformation Technology Industry Park Group Co., Ltd. (國測地理信息科技產業園有限公司), and was a director of NanHua Bio-medicine Co., Ltd. (南華生物醫藥股份有限公司) (stock code: 000504), a company listed on the Shenzhen Stock Exchange. Mr Shi has over 23 years of experience in business management and the finance industry.

Mr Jiang Xiaoping ("Mr Jiang"), aged 61, has served as the deputy chief executive officer of the Company since 8 October 2021 and the president of several subsidiaries of the Company in Wuhan since 2010, and is responsible for the overall operation of the Group's business in Wuhan. Mr Jiang obtained a bachelor's degree in law from Southwest University of Political Science & Law in 1986 and is qualified as a practising lawyer in the PRC. From 1996 to 2010, Mr Jiang worked for various law firms and companies in the financial industry, and held the posts of manager of the legal department, the assistant president of the general office and the vice president of the general office, responsible for equity investment, corporate restructuring and mergers and acquisitions of various companies. Mr Jiang has over 26 years of work experience in the fields of finance and real estate development.

As at the date of this annual report, Mr Jiang is interested in 8,500,000 shares (long position) of the Company (representing approximately 0.31% of the Company's issued share capital).

* *For identification purposes only*

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company and the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 1 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the Reporting Period and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 132 to 262 of this annual report.

The Directors do not recommend the payment of any dividend in respect of the Reporting Period.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Period and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are set out in the section headed "Management Discussion and Analysis" on pages 6 to 27 of this annual report.

The financial risk management objectives and policies of the Group are set out in note 49 to the consolidated financial statements.

An analysis of Group's performance during the Reporting Period using financial key performance indicators is set out in the sections headed "Management Discussion and Analysis" on pages 6 to 27 and "Financial Highlights" on page 266 of this annual report.

Discussions on the Group's environmental policies, relationships with its employees, customers, suppliers and other key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the section headed "Environmental, Social and Governance Report" on pages 41 to 109 of this annual report.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 265 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the Reporting Period are set out in notes 15 and 16 to the consolidated financial statements, respectively. Further details of the Group's investment properties are set out on pages 263 to 264 of this annual report.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the Reporting Period are set out in notes 35 and 36 to the consolidated financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief or exemption available to its shareholders by reason of their holding of the Company's securities.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("2025 AGM") will be held on Wednesday, 27 August 2025. The notice of the 2025 AGM will be published and dispatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 22 August 2025 to Wednesday, 27 August 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2025 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, TRICOR INVESTOR SERVICES LIMITED at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 21 August 2025. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the AGM is therefore Wednesday, 27 August 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY AND USE OF PROCEEDS

Saved as disclosed in the table below, there has been no purchase, redemption or sale of any of its listed securities during the Reporting Year.

Date of the announcement or circular for further details	Fundraising activities	Subscribers	Market price per Share when the terms were fixed	Aggregate nominal value	Subscription price per share	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this report
25 October 2023 and 29 November 2023	Issue and allotment of 1,220,000,000 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 28 August 2023	CHEERING NOBLE LIMITED, SEA RAY INVESTMENT GROUP PTE. LTD., SLEEK CHARM PTE. LTD. and Whimsy Star Developments Limited	HK$0.113 (25 October 2023)	HK$122,000,000	HK$0.10	HK$121,500,000	General working capital	Fully utilised as intended
9 February 2024, 2 April 2024 and 10 May 2024	Issue and allotment of 150,000,000 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 28 August 2023	SEA RAY INVESTMENT GROUP PTE. LTD. and SLEEK CHARM PTE. LTD.	HK$0.063 (9 February 2024)	HK$15,000,000	HK$0.228	HK$34,000,000	General working capital	Fully utilised as intended

There has been no change in the intended use of proceeds as previously disclosed. The Group has been gradually utilizing the proceeds according to the manner and proportions disclosed.

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

Save as disclosed in this annual report, the Company did not have any other disclosure obligations under Rules 13.20, 13.21, 13.22, 14.36B and 14A.63 of the Listing Rules.

MANAGEMENT CONTRACT

No contracts in respect of the management or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Reporting Period.

DONATIONS

During the Reporting Period, the Group made charitable donations and other contributions in the total amount of RMB2,768.40.

DISTRIBUTABLE RESERVES

In accordance with the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution or payment of dividends to shareholders provided that, immediately following such distribution or payment, the Company is able to pay off its debts as and when they fall due. As at 31 March 2025, the Company's reserves available for distribution comprised contributed surplus of approximately RMB1,306,591,000. The Company's share premium account, with a balance of approximately RMB11,754,000 as at 31 March 2025, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the Reporting Period, sales to the Group's five largest customers accounted for 37.6% of the total sales for the Reporting Period and sales to the largest customer included therein amounted to 17.9%. Purchases from the Group's five largest suppliers accounted for 27.1% of the total purchase for the Reporting Period and purchase from the largest supplier included therein amounted to 16.7%.

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

DIRECTORS

The Directors of the Company during the Reporting Period and up to the date of this Directors' report were:

Executive Directors

Mr Wong Kai Ho *(Chairman)*
Mr Wang Guiwu (retired on 30 August 2024)
Mr Huang Zhuguang
Mr Hou Ruilin
Mr Xia Ding (appointed on 30 August 2024)

Independent non-executive Directors

Mr Chin Chi Ho, Stanley
Mr Chung Wai Man (resigned on 30 September 2024)
Mr Hua Yichun (resigned on 30 August 2024)
Ms Xu Nan (appointed on 30 August 2024)
Prof Cheung Ka Yue (appointed on 30 September 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmations of independence from each of its independent non-executive Directors as at 31 March 2025, and still considers them to be independent as at 31 March 2025.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the current Directors of the Company and the senior management of the Group are set out on pages 110 to 114 of this annual report.

CHANGE IN DIRECTORS' INFORMATION

During the Reporting Period and up to the date of this report, there has been no change in the Directors' information which has been disclosed or is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company are determined by reference to the market rates, commitment, contribution and their duties and responsibilities within the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Period. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor an entity connected with a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of the Company's subsidiaries was a party during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2025, the interests and short positions of the Directors and the chief executive of the Company in the share capital, underlying shares and debenture of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

		Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's issued share capital
Name of Director	Notes	Directly beneficially owned	Through controlled corporation	Total	
Mr Wong Kai Ho	1	6,604,039 (long position)	604,500,000 (long position)	611,104,039 (long position)	22.32 (long position)
			125,000,000 (short position)	125,000,000 (short position)	4.57 (short position)

Name of Director	Notes	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's issued share capital
		Directly beneficially owned	Through controlled corporation	Total	
Mr Huang Zhuguang	2	–	319,203,743 (long position)	319,203,743 (long position)	11.66
Mr Hou Ruilin	3	–	290,307,782 (long position)	290,307,782 (long position)	10.61
Mr Xia Ding	4	9,500,000 (long position)	–	9,500,000 (long position)	0.35
Mr Jiang Xiaoping	5	8,500,000 (long position)	–	8,500,000 (long position)	0.31

Notes:

1. Mr Wong Kai Ho is interested in 611,104,039 shares (long position) and 125,000,000 shares (short position) comprising 6,604,039 shares (long position) directly owned by him, 604,500,000 shares (long position) through his interest in ULTRA FOUNDER INTERNATIONAL LTD and Eagle Wings Limited Partnership Fund, and 125,000,000 shares (short position) through his interest in Eagle Wings Limited Partnership Fund.

2. Mr Huang Zhuguang is interested in 319,203,743 shares through his interest in Firstunion Animation Technology (HK) Co., Limited.

3. Mr Hou Ruilin is interested in 290,307,782 shares (long position) through his interest in Wealth Elite Group Investment Limited.

4. Mr Xia Ding directly owns 9,500,000 shares.

5. Mr Jiang Xiaoping directly owns 8,500,000 shares.

Save as disclosed above, as at 31 March 2025, none of the Directors nor the chief executive of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors of the Company had any interest in a business (other than those businesses where the Directors of the Company were appointed as directors to represent the interests of the Company and/or any member of the Group) which is considered to compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

* *For identification purposes only*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 March 2025, so far it is known to the Directors of the Company, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Name	Notes	Capacity and nature of interest	Long positions: Number of ordinary shares held	Long positions: Percentage of the Company's issued share capital	Short positions: Number of ordinary shares held	Short positions: Percentage of the Company's issued share capital
Mr Wong Kai Ho	1	Through controlled corporations	604,500,000	22.08	125,000,000	4.57
		Directly beneficially owned	6,604,039	0.24	–	–
ULTRA FOUNDER INTERNATIONAL LTD	2	Directly beneficially owned	479,500,000	17.52	–	–
Firstunion Animation Technology (HK) Co., Limited ("Firstunion")	3	Directly beneficially owned	319,203,743	11.66	–	–
廣東順聯動漫科技有限公司 (Guangdong First Union Animation Technology Co., Ltd.*) ("Guangdong Firstunion")	4	Through a controlled corporation	319,203,743	11.66	–	–
廣東貫成實業投資有限公司 (Guangdong Guancheng Industrial Investment Co., Ltd*) ("Guangdong Guancheng")	5	Through a controlled corporation	319,203,743	11.66	–	–
Mr Huang Zhuguang	6	Through a controlled corporation	319,203,743	11.66	–	–
Wealth Elite Group Investment Limited	7	Directly beneficially owned	290,307,782	10.61	–	–
Mr Hou Ruilin	8	Through a controlled corporation	290,307,782	10.61	–	–

Name	Notes	Capacity and nature of interest	Long positions: Number of ordinary shares held	Long positions: Percentage of the Company's issued share capital	Short positions: Number of ordinary shares held	Short positions: Percentage of the Company's issued share capital
Sea Ray Investment Group Pte. Ltd.	9	Directly beneficially owned	175,000,000	6.39	–	–
Rainbow Sail Investment Group Limited	10	Through a controlled corporation	175,000,000	6.39	–	–
Mr Wu Wenbo	11	Through controlled corporations	175,000,000	6.39	–	–
Sleek Charm Pte. Ltd.	12	Directly beneficially owned	175,000,000	6.39	–	–
Sleek Charm Limited	13	Through a controlled corporation	175,000,000	6.39	–	–
Ms Chen Mengyi	14	Through controlled corporations	175,000,000	6.39	–	–

Notes:

1. Mr Wong Kai Ho directly holds 6,604,039 shares of the Company and is deemed to be interested in 604,500,000 shares of the Company under the SFO by virtue of his interest in ULTRA FOUNDER INTERNATIONAL LTD and Eagle Wings Limited Partnership Fund. He is deemed to have a short position in 125,000,000 shares of the Company under the SFO by virtue of his interest in Eagle Wings Limited Partnership Fund.

2. ULTRA FOUNDER INTERNATIONAL LTD is interested in 479,500,000 shares of the Company.

3. Firstunion is interested in 319,203,743 shares of the Company.

4. Guangdong Firstunion is deemed to be interested in 319,203,743 shares of the Company under the SFO by virtue of its interest in Firstunion.

5. Guangdong Guancheng is deemed to be interested in 319,203,743 shares of the Company under the SFO by virtue of its interest in Guangdong Firstunion.

6. Mr Huang Zhuguang is deemed to be interested in 319,203,743 shares of the Company under the SFO by virtue of his interest in Guangdong Guancheng.

7. Wealth Elite Group Investment Limited is interested in 290,307,782 shares of the Company.

8. Mr Hou Ruilin is deemed to be interested in 290,307,782 shares of the Company under the SFO by virtue of his interest in Wealth Elite Group Investment Limited.

9. Sea Ray Investment Group Pte. Ltd. is interested in 175,000,000 shares of the Company.

10. Rainbow Sail Investment Group Limited is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of its interest in Sea Ray Investment Group Pte. Ltd..

11. Mr Wu Wenbo is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of his interest in Sea Ray Investment Group Pte. Ltd. and Rainbow Sail Investment Group Limited.

12. Sleek Charm Pte. Ltd. is interested in 175,000,000 shares of the Company.

13. Sleek Charm Limited is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of its interest in Sleek Charm Pte. Ltd..

14. Ms Chen Mengyi is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of her interest in Sleek Charm Pte. Ltd. and Sleek Charm Limited.

Save as disclosed above, so far it is known to the Directors of the Company, as at 31 March 2025, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CAPITAL REORGANISATION

A special resolution of the Company was passed at the special general meeting held on 6 May 2024 to carry out a capital reorganisation of the Company: (i) every four (4) issued and unissued existing shares in the share capital of par value of HK$0.10 each be consolidated into one (1) consolidated share of par value of HK$0.40 each; (ii) immediately following the Share Consolidation, a cancellation of HK$0.39 of the paid-up capital of the Company on each issued Consolidated Share so that the par value of each issued New Share be reduced from HK$0.40 to HK$0.01; (iii) each authorised but unissued Consolidated Share be subdivided into forty (40) authorised but unissued New Shares of par value HK$0.01 each. Upon completion of the Capital Reorganisation on 8 May 2024, the authorised share capital of the Company is HK$1,500,000,000 divided into 150,000,000,000 New Shares of par value of HK$0.01 each, of which 2,587,417,279 New Shares have been issued and fully paid and 147,412,582,721 New Shares remain unissued. Please refer to the circular and the notice of special general meeting of the Company both dated 28 March 2024, and the announcements of the Company dated 6 May 2024 and 7 May 2024.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Group did not enter into any connected transaction or continuing connected transaction which is required to comply with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Certain related party transactions, as disclosed in note 44 to the consolidated financial statements in this report, also constituted connected transactions or continuing connected transactions of the Company but these transactions are fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to Rules 14A.76 and 14A.95 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

Ernst & Young retired as auditor of the Company upon expiration of its term of office at the conclusion of the annual general meeting of the Company held on 1 March 2022. With effect from 1 March 2022, CCTH CPA Limited has been appointed as the auditor of the Company following the retirement of Ernest & Young. Save as the aforesaid, there has been no change in the auditors of the Company in the preceding three years.

The consolidated financial statements for the year ended 31 March 2025 of the Company have been audited by CCTH CPA Limited. CCTH CPA Limited will retire at the 2025 AGM and, being eligible, will offer itself for re-appointment at the 2025 AGM.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the annual report, consolidated financial statements and results of the Group for the year ended 31 March 2025.

ON BEHALF OF THE BOARD

Wong Kai Ho
Chairman

Hong Kong
30 June 2025

INDEPENDENT AUDITOR'S REPORT

CCTH CPA LIMITED
中正天恆會計師有限公司

To the shareholders of Peking University Resources (Holdings) Company Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Peking University Resources (Holdings) Company Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 132 to 262, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTIES RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which states that the Group reported a net loss of approximately RMB2,519,612,000 for the year ended 31 March 2025. As at 31 March 2025, the current liabilities exceed its current assets by approximately RMB1,130,447,000 of which approximately RMB510,354,000 of the interest-bearing bank and other borrowings was defaulted, while as at 31 March 2025, its cash and cash equivalents amounted to RMB601,400,000 only. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

EMPHASIS OF MATTER

We draw attention to note 52 of the consolidated financial statements, which describes the estimated financial effects to the Group in relation to the disposal of certain subsidiaries subsequent to 31 March 2025. Our opinion is not modified regarding this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainties related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

KEY AUDIT MATTERS (continued)

Assessment of net realisable value of properties for sale – under development and properties for sale – completed

Refer to notes 22 and 23 to the consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group had properties for sale – under development and properties for sale – completed amounted to approximately RMB3,298,197,000 and RMB2,577,405,000 respectively as at 31 March 2025. The carrying amounts of properties for sale – under development and properties for sale – completed are stated at the lower of cost and net realisable value ("NRV"). Determination of NRV of properties for sale – under development and properties for sale – completed involved critical accounting estimates on the selling price, variable selling expenses and, for properties for sale – under development, the costs to completion. The judgements and estimations are subject to high degree of estimation uncertainty. The inherent risk in relation to the assessment of NRV of properties for sale – under development and properties for sale – completed is considered relatively higher due to uncertainty of significant assumptions used. We focused on this area due to NRV assessment of properties for sale – under development and properties for sale – completed involved significant management judgements and estimates.	Our procedures in relation to the assessment of NRV of properties for sale – under development and properties for sale – completed included: – We obtained an understanding of management's assessment process of NRV of properties for sale – under development and properties for sale – completed and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity, subjectivity and other inherent risk factors; – We understood, evaluated and tested the internal controls over the assessment of NRV of properties for sale – under development and properties for sale – completed; – We compared the relevant properties for sale – under development and properties for sale – completed balances as at 31 March 2025, on a sample basis, against the result of management's NRV assessment made in the prior year to reconsider the accuracy of management's historical NRV assessment and reliability and appropriateness of the NRV assessment methodology; and – We evaluated the valuation methodology adopted by management for assessing the net realisable value of inventories and comparing the key estimates and assumptions adopted in the valuations, including those relating to average net selling prices, with market available data and the sales budget plans maintained by the Group.

KEY AUDIT MATTERS (continued)

Fair value of investment properties

Refer to note 16 to the consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group's investment properties is stated at fair value of RMB1,423,234,000 as at 31 March 2025. All of the Group's investment properties are carried at fair value. The fair value valuations, which were carried out by an external professional valuer (the "Valuer"), are based on direct comparison method that involve management's significant judgement of unobservable inputs. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 16 to the consolidated financial statements. We focused on the fair value of investment properties as a key audit matter due to the significance of the carrying amount to the consolidated financial statements as a whole, combined with the significant judgements associated in the determination of the fair value.	Our procedures in relation to the fair value of investment properties included: – We understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining the fair value; – We evaluated the competence, capabilities and objectivity of the Valuer and obtained an understanding of the Valuer's scope of work; – We obtained an understanding of the valuation process and techniques adopted by the Valuer to assess if they are consistent with industry norms; and – We made enquiry of the Valuer to assess the reasonableness of the significant unobservable inputs and validating the accuracy of the source data adopted by the management and the Valuer by comparing them, on a sample basis, to where relevant, publicly available information of similar comparable properties and our understanding of the real estate industry.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of Bermuda Companies Act and our terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

CCTH CPA Limited
Certified Public Accountants
Hong Kong, 30 June 2025

Shek Man Hei Kimmy
Practising Certificate Number P07274

Unit 1510–1517, 15/F, Tower 2
Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	Notes	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
REVENUE	7	**1,618,544**	1,440,982
Cost of sales		**(1,671,550)**	(1,310,193)
Gross (loss)/profit		**(53,006)**	130,789
Other gains and losses, net	7	**326,874**	515,933
Selling and distribution expenses		**(121,756)**	(68,041)
Administrative expenses		**(233,687)**	(166,637)
Impairment of inventories recognised, net		**(7,459)**	(1,674)
Impairment of properties for sale recognised, net			
– under development		**(208,125)**	(167,883)
– completed		**(412,352)**	(28,166)
Fair value loss on financial assets at fair value through profit or loss		**(5,500)**	(2,000)
Other expenses	8	**(1,614,239)**	(842,654)
Share of results of a joint venture		**(537)**	–
Finance costs	9	**(126,749)**	(112,434)
LOSS BEFORE TAXATION	8	**(2,456,536)**	(742,767)
Taxation	12	**(63,076)**	(7,475)
LOSS FOR THE YEAR		**(2,519,612)**	(750,242)
(Loss)/profit attributable to:			
Owners of the Company		**(2,339,899)**	(785,629)
Non-controlling interests		**(179,713)**	35,387
		(2,519,612)	(750,242)
		RMB cents	RMB cents (restated)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	14	**(85.99)**	(32.93)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
LOSS FOR THE YEAR	**(2,519,612)**	(750,242)
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of non-Mainland China entities' operations	**20,146**	19,649
	20,146	19,649
Item that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**41,936**	74,679
	41,936	74,679
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**62,082**	94,328
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(2,457,530)**	(655,914)
Total comprehensive (loss)/income attributable to:		
Owners of the Company	**(2,277,817)**	(691,301)
Non-controlling interests	**(179,713)**	35,387
	(2,457,530)	(655,914)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	31 March 2025	31 March 2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**57,382**	53,718
Investment properties	16	**1,423,234**	1,387,261
Right-of-use assets	17(a)	**19,967**	17,814
Other intangible assets	18	**15,364**	13,839
Investment in a joint venture	19	**149,463**	–
Financial assets at fair value through profit or loss	20	**89,700**	94,200
Goodwill	21	**38,597**	38,597
Prepayments, other receivables and other assets	26	**70,192**	170,454
Deferred tax assets	34	**69,405**	55,048
Total non-current assets		**1,933,304**	1,830,931
CURRENT ASSETS			
Properties for sale			
– under development	22	**3,298,197**	3,689,574
– completed	23	**2,577,405**	3,732,430
Inventories	24	**141,984**	89,555
Trade and bills receivables	25	**190,656**	224,598
Prepayments, other receivables and other assets	26	**1,410,164**	1,051,808
Restricted cash	27	**59,736**	13,856
Cash and cash equivalents	28	**601,400**	890,197
Total current assets		**8,279,542**	9,692,018
CURRENT LIABILITIES			
Trade and bills payables	29	**938,115**	1,285,623
Other payables and accruals	30	**2,188,408**	2,377,655
Provisions	31	**2,835,817**	1,328,338
Contract liabilities	32	**858,830**	896,949
Interest-bearing bank and other borrowings	33	**1,566,119**	636,377
Lease liabilities	17(b)	**12,124**	9,761
Tax payable		**1,010,576**	1,141,813
Total current liabilities		**9,409,989**	7,676,516
NET CURRENT (LIABILITIES)/ASSETS		**(1,130,447)**	2,015,502
TOTAL ASSETS LESS CURRENT LIABILITIES		**802,857**	3,846,433

continued/...

	Notes	**31 March 2025 RMB'000**	31 March 2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	33	**201,140**	1,111,680
Lease liabilities	17(b)	**8,314**	8,624
Deferred tax liabilities	34	**196,301**	218,387
Total non-current liabilities		**405,755**	1,338,691
Net assets		**397,102**	2,507,742
EQUITY			
Share capital	35	**24,853**	898,647
Reserves	37	**(1,281,059)**	135,857
Equity attributable to owners of the Company		**(1,256,206)**	1,034,504
Non-controlling interests		**1,653,308**	1,473,238
Total equity		**397,102**	2,507,742

The consolidated financial statements on pages 132 to 262 were approved and authorised for issue by the board of directors on 30 June 2025 and were signed on its behalf by:

Wong Kai Ho
Director

Huang Zhuguang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Merger reserve RMB'000	Contributed surplus RMB'000	Non-controlling interest reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	General reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 April 2023	787,555	11,754*	–*	(238,675)*	1,297,299*	(134,812)*	(37,226)*	557,240*	620,035*	(1,401,676)*	1,461,494	1,074,063	2,535,557
(Loss)/profit for the year	–	–	–	–	–	–	–	–	–	(785,629)	(785,629)	35,387	(750,242)
Other comprehensive income for the year:													
Exchange differences on translation of non-Mainland China entities' operations	–	–	–	–	–	–	19,649	–	–	–	19,649	–	19,649
Exchange differences on translation of financial statements of the Company	–	–	–	–	–	–	74,679	–	–	–	74,679	–	74,679
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	94,328	–	–	(785,629)	(691,301)	35,387	(655,914)
Recognition of equity settled share based payment	–	–	5,466	–	–	–	–	–	–	–	5,466	–	5,466
Issue of shares:													
– Subscription	111,092	–	–	–	–	–	–	31,006	–	–	142,098	–	142,098
Disposal of subsidiaries (note 46)	–	–	–	–	–	–	–	–	–	–	–	228,610	228,610
Acquisition of additional interest in subsidiaries and an associate	–	–	–	–	–	116,747	–	–	–	–	116,747	142,678	259,425
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(7,500)	(7,500)
At 31 March 2024	898,647	11,754*	5,466*	(238,675)*	1,297,299*	(18,065)*	57,102*	588,246*	620,035*	(2,187,305)*	1,034,504	1,473,238	2,507,742

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Merger reserve RMB'000	Contributed surplus RMB'000	Non-controlling interest reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	General reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 April 2024	898,647	11,754*	5,466*	(238,675)*	1,297,299*	(18,065)*	57,102*	588,246*	620,035*	(2,187,305)*	1,034,504	1,473,238	2,507,742
Loss for the year	–	–	–	–	–	–	–	–	–	(2,339,899)	(2,339,899)	(179,713)	(2,519,612)
Other comprehensive income for the year:													
Exchange differences on translation of non-Mainland China entities' operations	–	–	–	–	–	–	20,146	–	–	–	20,146	–	20,146
Exchange differences on translation of financial statements of the Company	–	–	–	–	–	–	41,936	–	–	–	41,936	–	41,936
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	62,082	–	–	(2,339,899)	(2,277,817)	(179,713)	(2,457,530)
Recognition of equity settled share based payment	–	–	19,012	–	–	–	–	–	–	–	19,012	–	19,012
Capital reduction	(875,156)	–	–	–	–	–	–	–	875,156	–	–	–	–
Share subscription	1,362	–	–	–	–	–	–	–	(1,362)	–	–	–	–
Disposal of subsidiaries (note 46)	–	–	–	–	–	–	–	–	–	–	–	10,015	10,015
Disposal of interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	313,915	313,915
Transfer	–	–	–	–	–	(32,293)	–	–	–	–	(32,293)	36,203	3,910
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(350)	(350)
Appropriations to statutory surplus reserve	–	–	–	–	388	–	–	–	–	–	388	–	388
At 31 March 2025	24,853	11,754*	24,478*	(238,675)*	1,297,687*	(50,358)*	119,184*	588,246*	1,493,829*	(4,527,204)*	(1,256,206)	1,653,308	397,102

* The consolidated reserve deficit amounted to RMB1,281,059,000 (31 March 2024: surplus of RMB135,857,000) presented in the consolidated statement of financial position is the aggregate of the above reserves with asterisk (*).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	**Year ended 31 March 2025 RMB'000**	Year ended 31 March 2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(2,456,536)**	(742,767)
Adjustments for:			
Finance costs	9	**126,749**	112,434
Bank interest income	7	**(5,234)**	(6,341)
Fair value loss/(gain) on investment properties, net	7	**71,068**	(9,417)
Fair value loss on financial assets at fair value through profit or loss		**5,500**	2,000
Fair value gain on transfers from properties for sale – completed to investment properties	7	**(81,782)**	(64,250)
Gain on disposal of subsidiaries	7	**(65,194)**	(1,202,668)
Gain on waiver of other payables	7	**(175,784)**	–
Depreciation of property, plant and equipment	8	**7,892**	5,330
Depreciation of right-of-use assets	8	**15,090**	17,890
Amortisation of other intangible assets	8	**63**	–
Loss on disposal of property, plant and equipment	7	**507**	27
Gain on disposal of investment properties	7	**(59,141)**	(673)
Gain on lease modification		**(2)**	–
Recognition of impairment loss on trade and bills receivables, net	7	**1,309**	1,852
Recognition of impairment loss on financial assets included in prepayments, other receivables and other assets, net	7	**11,027**	28,799
Impairment of inventories recognised, net		**7,459**	1,674
Impairment of properties for sale – under development recognised, net		**208,125**	167,883
Impairment of properties for sale – completed recognised, net		**412,352**	28,166
Share of results of a joint venture		**537**	–
Share-based payment expense		**19,012**	5,466
Loss on irrecoverable receivables	7	**–**	430,742
Loss on resumption of land parcels	7	**–**	336,594
		(1,956,983)	(887,259)
(Increase)/decrease in properties for sale			
– under development		**(135,226)**	(56,396)
– completed		**796,434**	829,327
(Increase)/decrease in inventories		**(58,418)**	21,652
Decrease/(increase) in trade and bills receivables		**93,142**	(140,420)
Increase in prepayments, other receivables and other assets		**(723,952)**	(1,037,825)
(Increase)/decrease in restricted cash		**(45,880)**	15,976
Decrease in trade and bills payables		**(22,329)**	(44,242)
Increase in other payables and accruals		**870,580**	696,104
Increase in provisions		**1,507,479**	744,065
Decrease in contract liabilities		**(30,330)**	(6,228)
Effect of foreign exchange rate changes, net		**62,080**	94,333
Cash generated from operations		**356,597**	229,087
Interest received		**5,234**	6,341
Interest paid		**(297,211)**	(328,662)
Mainland China corporate income tax paid		**(19,585)**	(7,605)
Land appreciation tax paid		**(76,052)**	(25,983)
Net cash flows used in operating activities		**(31,017)**	(126,822)

continued/...

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	**Year ended 31 March 2025 RMB'000**	Year ended 31 March 2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	15	**(17,191)**	(11,274)
Purchase of investment properties	16	**(24,802)**	–
Purchase of other intangible assets	18	**(1,588)**	–
Proceeds from disposal of property, plant and equipment and investment properties		**17,083**	5,008
Capital injection on interest in a joint venture		**(150,000)**	–
Cash inflow/(outflow) from acquisition of subsidiaries	45	**292**	(75,295)
Cash outflow from disposal of subsidiaries	46	**(625)**	(43,117)
Net cash flows used in investing activities		**(176,831)**	(124,678)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new bank and other borrowings		**242,345**	359,700
Repayments of bank and other borrowings		**(306,746)**	(35,000)
Principal portion of lease payments		**(15,073)**	(16,844)
Issue of shares		**–**	142,098
Dividends paid to non-controlling shareholders		**(350)**	(7,500)
Net cash flows (used in)/generated from financing activities		**(79,824)**	442,454
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(287,672)**	190,954
Cash and cash equivalents at beginning of the year		**890,197**	696,114
Effect of foreign exchange rate changes, net		**(1,125)**	3,129
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**601,400**	890,197
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	**601,400**	890,197
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows		**601,400**	890,197

1. GENERAL INFORMATION

Peking University Resources (Holdings) Company Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, respectively.

The Company is an investment holding company and, together with its subsidiaries (together with the Company, the "Group"), are principally engaged in medical and pharmaceutical retail, e-commerce and distribution of appliances and information products, property development as well as property investment and management in Mainland China (the "PRC"), Singapore and Hong Kong.

In the opinion of the directors of the Company, the Company has no controlling party.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the disclosure requirements of Hong Kong Companies Ordinance.

Going concern basis

The Group recorded a net loss of approximately RMB2,519,612,000 for the year ended 31 March 2025. As at 31 March 2025, the Group's current liabilities exceeded its current assets by approximately RMB1,130,447,000, of which approximately RMB510,354,000 of interest-bearing bank and other borrowings were in default ("Defaulted Loans"). Such that, the lenders have the right to demand immediate repayment of the entire outstanding balance as at 31 March 2025. As at 31 March 2025, the Group's cash and cash equivalents amounted to RMB601,400,000 only.

In view of such circumstances, the directors have given careful consideration to the future liquidity and 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 for at least twelve months subsequent to 31 March 2025. Certain measures and plans are being undertaken or will be undertaken by the Group to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(a) The Group has entered into the Partnership Agreement (the "Partnership") with Suzhou Aoze Enterprise Management Co., Ltd. ("Suzhou Aoze") and Chongqing Jingjiahui Industry Co., Ltd. ("Chongqing Jingjiahui") by injecting the entire shareholding interest in the On Tai International Investment Group (Hong Kong) Limited ("Disposal Company") and its subsidiaries ("Disposal Group") into the Partnership, which was engaged in the Property Development business (the "Disposal") of the Group. The Defaulted Loans and the provisions of the Disposal Group will no longer be consolidated in the consolidated financial statements of the Group after the completion of the Disposal, which will significantly improve the financial position of the Group;

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Going concern basis (continued)

(b) In addition, to address its liquidity needs, the Group has actively engaged in negotiations with lenders and suppliers for extension of repayment for loans and payables, and implemented various strategies to generate positive operating cash flows over the next twelve months from the date of these consolidated financial statements. These strategies include enhancing income from the Group's medical and pharmaceutical retail and e-commerce operations, expanding the sale of consumer electronics and health food products online and distributes relevant products, and strengthening efforts in collecting outstanding trade receivables.

The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due at least within the next twelve months from the date of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, material uncertainties exist as to whether the Directors will be able to achieve their plans and measures, as the going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the following conditions:

(a) successfully complete the Disposal; and

(b) successfully obtain extension on loans and payables.

Should the Group fail to achieve the above plans and measures, it might not be able to continue as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and financial assets which are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis of preparation (continued)

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety) at the end of each reporting period.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

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

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

Impacts on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The Group has applied the amendments for the first time in the current year. The amendments add a disclosure objective to HKAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

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

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

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[2]

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual/reporting periods beginning on or after 1 January 2027
[4] No mandatory effective date yet determined but available for adoption

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

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7.

Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

- potential voting rights held by the Group, other vote holders or other parties;

- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

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

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

Changes in the Group's interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 or HK(IFRIC)-Int 21, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Goodwill

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

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

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

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

The Group's policy for goodwill arising on the acquisition of an associate is described below.

4.3 Investments in associates and joint ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3 Investments in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers

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

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

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers (continued)

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(b) Sales of properties

Revenue from the sale of properties is recognised on delivery of the properties. For a contract for which the period between the time the customer pays for the goods or property and when the Group transfers that promised goods or property to the customer is at least more than one year will be considered for the effects of a financing component. Contract liabilities will be accrued on the long-term advances received based on the length of time between the customer's payment and the delivery of property to the customer and the prevailing interest rates in the market.

(c) Property management service

Revenue from rendering of property management services are recognised in the accounting period in which the related services are rendered and there are rights to invoice.

(d) Medical and pharmaceutical retail

Revenue from providing medical services are recognised overtime when the services are rendered and there are rights to invoice. Revenue from sales of pharmaceuticals are recognised at point in time when the relevant pharmaceuticals are delivered to customers.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers (continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for as interest arising from revenue contracts on the same basis as other borrowing costs.

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Sale with a right of return

For a sale of products with a right of return for dissimilar products, the Group recognises all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned);

(b) a refund liability; and

(c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

4.6 Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered. The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases

Definition of a lease

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

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

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

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessee (continued)

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the Group uses the revised discount rate that reflects change in the interest rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessor (continued)

Lease modification (continued)

Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For rent concession under which the Group legally releases the lessee from its obligation to make specifically identified lease payment, of which some of these lease payments are contractually due but not paid and some of them are not yet contractually due, the Group accounts for the portions which have been recognised as operating lease receivables (i.e. the lease payments which are contractually due but not paid) by applying the ECL and derecognition requirements under HKFRS 9 and applies lease modification requirements for the forgiven lease payments that the Group has not recognised (i.e. the lease payments which are not yet contractually due) as at the effective date of modification.

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform for a finance lease that is not accounted for as a separate lease, the Group applies the same accounting policies as those applicable to financial instruments (note 4.20).

4.8 Foreign currencies

These financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the Company is Hong Kong dollars while RMB is used as the presentation currency of the financial statements of the Company for the purpose of aligning with the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.8 Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

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

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.9 Borrowing costs

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

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

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

4.10 Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

Retirement benefits to employees in the PRC are provided through a defined contribution plan. The Group is required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11 Share-based payments

The Company operates a share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 36 to the consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Taxation

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

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

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

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

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

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

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Taxation (continued)

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4.13 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.13 Property, plant and equipment (continued)

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

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

Buildings	4¾%
Furniture, fixtures and office equipment	12½% to 33⅓%
Motor vehicles	10% to 25%
Leasehold improvements	Over the shorter of the lease terms or 33⅓%

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

4.14 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

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

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.15 Intangible assets (other than goodwill)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Brand name

Brand name acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of two to five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

4.18 Properties for sale – under development/completed

Properties for sale – under development which are intended to be sold upon completion of development and properties for sale – completed are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties for sale – under development/completed are carried at lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value presents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties for sale – under development are transferred to properties for sale – completed upon completion.

The Group transfers a property from inventories to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

4.19 Provisions

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments

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

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

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

Dividend income which are derived from the Group's ordinary course of business are included in other income.

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

(iii) Financial assets at FVTPL

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

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

Impairment of financial assets subject to impairment assessment under HKFRS 9

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

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

The Group always recognises lifetime ECL for trade and bills receivables.

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) *Significant increase in credit risk*

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Written-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

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

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

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

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

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

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

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities (including trade and bills payables, other payables and accruals, interest-bearing bank and other borrowings and lease liabilities) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Derecognition of financial liabilities

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

Offsetting a financial asset and a financial liability

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Judgements

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

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation or both. Judgement is made by management in determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties for sale – under development if the properties are intended for sale after completion. Upon completion of construction, properties for sale – under development are transferred to properties for sale – completed and are stated at cost. Properties under construction are accounted for as investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation after completion.

Estimation uncertainty

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties

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

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

(b) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 March 2025 was RMB1,423,234,000 (31 March 2024: RMB1,387,261,000). Further details, including the key assumptions used for the fair value measurement and a sensitivity analysis, are disclosed in note 16 to the consolidated financial statements.

Net realisable value of properties for sale – under development and completed

The Group writes down properties for sale – under development and completed to net realisable value based on assessment of the realisability of properties for sale – under development and completed which takes into account cost to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down properties under development and properties held for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties for sale – under development and completed is adjusted in the period in which such estimate is changed.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the expected credit losses on the Group's trade receivables is disclosed in note 25 to the consolidated financial statements.

Fair value of financial assets at fair value through profit or loss

As at 31 March 2025, the carrying amount of the Group's unlisted equity interests, classified under financial assets at fair value through profit or loss of approximately RMB89,700,000 (31 March 2024: RMB94,200,000) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of which are set out in note 20 to the consolidated financial statements.

Estimated impairment of goodwill and intangible assets with indefinite useful lives

Determining whether the goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill and intangible assets with indefinite useful lives have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 March 2025, the carrying amount of goodwill and other intangible assets are RMB38,597,000 and RMB15,364,000, respectively. Details of the recoverable amount calculation are disclosed in notes 21 and 18 to the consolidated financial statements.

PRC land appreciation tax

The Group is subject to land appreciation tax ("LAT") in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the local tax authorities upon the completion of the Group's property development projects. The Group has not finalised its LAT tax returns and payments with the local tax authorities for its property development projects. When the final outcome is determined, it may be different from the amounts that were initially recorded, and any differences will affect the current income tax expense and LAT provision in the period which LAT is ascertained.

6. OPERATING SEGMENT INFORMATION

The executive directors of the Company (the "Executive Directors") are regarded as the chief operating decision-maker. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Operating segments were determined based on these reports.

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

(a) the medical and pharmaceutical retail segment provide Chinese medical, pharmaceutical retail and consultation services;

(b) e-commerce and distribution segment sells consumer electronics, health food products online and distributes relevant products;

(c) the property development segment sells properties; and

(d) the property investment and management segment lease properties and provide property management services.

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

Segment assets exclude restricted cash, cash and cash equivalents, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, income tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

6. OPERATING SEGMENT INFORMATION (continued)

For the year ended 31 March 2025

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Segment revenue, other gains and losses, net (note 7)					
Revenue from external customers*	190,761	711,857	605,232	110,694	1,618,544
Other gains and losses, net	330	38	356,555	(35,283)	321,640
	191,091	711,895	961,787	75,411	1,940,184
Segment (loss)/profit	(122)	13,521	(2,184,256)	(132,979)	(2,303,836)
Bank interest income					5,234
Corporate and unallocated expenses					(31,185)
Finance costs					(126,749)
Loss before taxation					(2,456,536)
Segment assets	312,370	1,919,430	5,649,597	5,974,499	13,855,896
Elimination of inter-segment receivables					(4,463,289)
Corporate and other unallocated assets					820,239
Total assets					10,212,846
Segment liabilities	453,371	963,998	5,890,254	3,997,274	11,304,897
Elimination of inter-segment payables					(4,463,289)
Corporate and other unallocated liabilities					2,974,136
Total liabilities					9,815,744

6. OPERATING SEGMENT INFORMATION (continued)

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Other segment information					
Impairment of trade and bills receivables (recognised)/reversed, net	(701)	(1,547)	–	939	(1,309)
Impairment of financial assets included in prepayments, other receivables and other assets recognised, net	(2,835)	(44)	(2,986)	(5,162)	(11,027)
Impairment of inventories recognised, net	–	(7,459)	–	–	(7,459)
Impairment of properties for sale recognised, net					
– under development	–	–	(208,125)	–	(208,125)
– completed	–	–	(412,352)	–	(412,352)
Loss on disposal of property, plant and equipment	–	–	–	(507)	(507)
Fair value loss on investment properties, net	–	–	(14)	(71,054)	(71,068)
Fair value gain on transfers from properties for sale – completed to investment properties	–	–	–	81,782	81,782
Depreciation	12,480	1,288	3,752	5,462	22,982
Amortisation	63	–	–	–	63
Capital expenditure#	6,079	11	10	35,893	41,993
Other expenses					
– Penalty on loan defaults	–	–	42,087	–	42,087
– Tax overdue charge	–	–	37,760	–	37,760
– Provision for expected guarantee liability	–	–	1,675,687	–	1,675,687
– Provision for litigation	–	–	(168,208)	–	(168,208)

* Revenue reported represents revenue generated from external customers. There were no inter-segment sales for the year.

Capital expenditure consists of additions to property, plant and equipment and investment properties.

6. OPERATING SEGMENT INFORMATION (continued)

For the year ended 31 March 2024

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Segment revenue, other gains and losses, net (note 7)					
Revenue from external customers*	87,812	621,395	558,202	173,573	1,440,982
Other gains and losses, net	395	377	223,010	285,810	509,592
	88,207	621,772	781,212	459,383	1,950,574
Segment profit/(loss)	3,798	30,785	(117,302)	(29,759)	(112,478)
Bank interest income					6,341
Corporate and unallocated expenses					(524,196)
Finance costs					(112,434)
Loss before taxation					(742,767)
Segment assets	383,257	4,310,439	14,691,294	11,474,486	30,859,476
Elimination of inter-segment receivables					(22,451,581)
Corporate and other unallocated assets					3,115,054
Total assets					11,522,949
Segment liabilities	297,718	2,022,438	11,638,803	9,348,419	23,307,378
Elimination of inter-segment payables					(22,451,581)
Corporate and other unallocated liabilities					8,159,410
Total liabilities					9,015,207

6. OPERATING SEGMENT INFORMATION (continued)

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Other segment information					
Impairment of trade and bills receivables (recognised)/reversed, net	(344)	1,130	18	(2,656)	(1,852)
Impairment of financial assets included in prepayments, other receivables and other assets reversed/(recognised), net	1,490	458	(31,645)	898	(28,799)
Impairment of inventories recognised, net	–	(1,674)	–	–	(1,674)
Impairment of properties for sale recognised, net					
– under development	–	–	(167,883)	–	(167,883)
– completed	–	–	(28,166)	–	(28,166)
Loss on disposal of property, plant and equipment	–	–	(27)	–	(27)
Fair value gain on investment properties, net	–	–	–	9,417	9,417
Depreciation	15,729	465	3,577	3,449	23,220
Capital expenditure#	1,606	94	726	9,400	11,826
Fair value gain on transfer from properties for sale – completed to investment properties	–	–	–	64,250	64,250
Other expenses					
– Penalty on loan defaults	–	–	35,360	–	35,360
– Tax overdue charge	–	–	61,018	–	61,018
– Provision for expected guarantee liability	–	–	290,574	–	290,574
– Provision for litigation	–	–	453,491	–	453,491

* Revenue reported represents revenue generated from external customers. There were no inter-segment sales for the year.

Capital expenditure consists of additions to property, plant and equipment and investment properties.

6. OPERATING SEGMENT INFORMATION (continued)

Geographic information

(a) Revenue from external customers

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Year ended 31 March 2025					
Mainland China	**177,097**	**711,857**	**605,232**	**110,694**	**1,604,880**
Singapore	**13,664**	**–**	**–**	**–**	**13,664**
	190,761	**711,857**	**605,232**	**110,694**	**1,618,544**
Year ended 31 March 2024					
Mainland China	78,674	621,395	558,202	173,573	1,431,844
Singapore	9,138	–	–	–	9,138
	87,812	621,395	558,202	173,573	1,440,982

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

(b) Non-current assets

	31 March 2025 RMB'000	31 March 2024 RMB'000
Mainland China	**1,717,487**	1,625,950
Hong Kong	**1,424**	1,338
Singapore	**1,327**	1,959
	1,720,238	1,629,247

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

6. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

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

	2025 RMB'000	2024 RMB'000
Customer A – Revenue from e-commerce and distribution	**290,483**	402,819

7. REVENUE, OTHER GAINS AND LOSSES, NET

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

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Revenue from contracts with customers		
Medical and consultation services	**15,774**	9,353
Pharmaceutical retail income	**174,987**	78,459
Sale of properties	**605,232**	625,720
Sale of appliances and information products	**711,857**	621,395
Property management services	**21,207**	17,744
	1,529,057	1,352,671
Revenue from other sources		
Gross rental income	**89,487**	88,311
	1,618,544	1,440,982
Timing of revenue recognition		
At point in time	**1,492,076**	1,325,574
Over time	**36,981**	27,097
	1,529,057	1,352,671

7. REVENUE, OTHER GAINS AND LOSSES, NET (continued)

Information about the Group's performance obligations in relation to revenue from contracts with customers is summarised below:

Sale of properties

The performance obligation is satisfied when the construction of the relevant property has been completed and the property has been delivered to the customer pursuant to the sales agreements. Payment in advance from customers is normally required and the remaining balance is settled no later than the delivery date of the property or in some circumstances, settled within an agreed period upon the delivery of the property as determined on a case-by-case basis.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 31 March 2024 are as follows:

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Amounts expected to be recognised as revenue		
Within one year	**87,043**	624,737
In the second year	**671,287**	149,031
	758,330	773,768

The amounts disclosed above do not include variable consideration which is constrained.

Sale of appliances and information products

The performance obligation is satisfied upon delivery of goods and payment is generally due in three to six months from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2025 and 31 March 2024 are as follows:

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Amounts expected to be recognised as revenue		
Within one year	**27,152**	2,395
In the second year	**383**	–
	27,535	2,395

7. REVENUE, OTHER GAINS AND LOSSES, NET (continued)

An analysis of other gains and losses, net is as follows:

	Notes	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Other income			
Management and consultancy service fee income		**21,266**	6,528
Bank interest income		**5,234**	6,341
Government grants (note (i))		**337**	124
Others		**2,515**	23,749
		29,352	36,742
Gains and losses			
Gain on disposal of subsidiaries	46	**65,194**	1,202,668
Gain on waiver of other payables	40	**175,784**	–
Loss on disposal of property, plant and equipment	15	**(507)**	(27)
Gain on disposal of investment properties	16	**59,141**	673
Recognition of impairment loss on trade and bills receivables, net	25	**(1,309)**	(1,852)
Recognition of impairment loss on financial assets included in prepayments, other receivables and other assets, net	26	**(11,027)**	(28,799)
Loss on irrecoverable receivables		**–**	(430,742)
Fair value gain on transfers from properties for sale – completed to investment properties	16	**81,782**	64,250
Fair value (loss)/gain on investment properties, net	16	**(71,068)**	9,417
Loss on resumption of land parcels (note (ii))		**–**	(336,594)
Others		**(468)**	197
		297,522	479,191
		326,874	515,933

Notes:

(i) Various government grants have been received for investments in certain regions in the PRC in which the Company's subsidiaries operate. There are no unfulfilled conditions or contingencies relating to these grants.

(ii) Refer to the announcement of the Company on 25 September 2023, two land parcels owned by an indirect subsidiary of the Company were resumed by the Kaifeng Bureau of Natural Resources and Planning without compensation, therefore, loss on resumption of RMB336,594,000 was recognised in the profit or loss for the year ended 31 March 2024.

8. LOSS BEFORE TAXATION

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

	Notes	**Year ended 31 March 2025 RMB'000**	Year ended 31 March 2024 RMB'000
Cost of inventories sold		**775,972**	794,349
Cost of properties sold		**895,578**	515,844
Cost of sales		**1,671,550**	1,310,193
Auditor's remuneration		**2,538**	2,474
Depreciation of property, plant and equipment	15	**7,892**	5,330
Depreciation of right-of-use assets	17(a)	**15,090**	17,890
Amortisation of other intangible assets	18	**63**	–
Other expenses (note (i))			
– Penalty on loan defaults		**42,087**	35,360
– Tax overdue charge		**37,760**	61,018
– Provision for expected guarantee liability	31	**1,675,687**	290,574
– Provision for litigation	31	**(168,208)**	453,491
– Others		**26,913**	2,211
		1,614,239	842,654
Lease payments not included in the measurement of lease liabilities	17(c)	**1,051**	2,608
Employee benefit expenses (including the directors' remuneration) (note (iii)):			
Wages and salaries		**91,947**	112,296
Share-based payment		**19,012**	5,466
Pension scheme contributions (note (ii))		**13,129**	16,884
		124,088	134,646

Notes:

(i) These items are included in "Other expenses" in the consolidated statement of profit or loss.

(ii) At 31 March 2025 and 31 March 2024, the Group had not forfeited contributions available to reduce its contributions to the pension schemes in future years.

(iii) The employee benefit expenses shown above did not include employees' wages and salaries and employees' pension scheme contributions that were included in properties for sale – under development amounted to approximately RMB1,118,000 (2024: RMB1,348,000) and RMB172,000 (2024: RMB513,000) respectively.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Interest on interest-bearing bank and other borrowings	126,888	111,049
Interest expense arising from lease contracts	1,296	2,463
Total interest expense	128,184	113,512
Less: Interest capitalised	(1,435)	(1,078)
	126,749	112,434

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

Year ended 31 March 2025

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contribution RMB'000	Equity-settled share based payments RMB'000	Total RMB'000
Executive directors and chief executives	–*	1,771	–	–	676	2,447
Independent non-executive directors	408	–	–	–	–	408
	408	1,771	–	–	676	2,855

* Less than RMB1,000.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Year ended 31 March 2024

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contribution RMB'000	Equity-settled share based payments RMB'000	Total RMB'000
Executive directors and chief executives	–	2,228	1,750	–	563	4,541
Independent non-executive directors	441	–	–	–	–	441
	441	2,228	1,750	–	563	4,982

(a) Executive directors and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity-settled share based payments RMB'000	Total remuneration RMB'000
Year ended 31 March 2025						
Executive directors:						
Mr Wong Kai Ho	–*	1,012	–	–	209	1,221
Mr Wang Guiwu	–*	–	–	–	–	–*
Mr Huang Zhuguang	–*	–	–	–	–	–*
Mr Hou Ruilin (note (ii))	–*	–	–	–	–	–*
Mr Xia Ding (note (iii))	–	759	–	–	467	1,226
	–*	1,771	–	–	676	2,447
Co-chief executives:						
Mr Shi Lei	–	–	–	–	–	–
	–	–	–	–	–	–
	–*	1,771	–	–	676	2,447

* Less than RMB1,000.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Executive directors and the chief executive (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity-settled share based payments RMB'000	Total remuneration RMB'000
Year ended 31 March 2024						
Executive directors:						
Mr Wong Kai Ho	–	1,570	660	–	174	2,404
Mr Wang Guiwu	–	–	–	–	–	–
Mr Huang Zhuguang	–	–	–	–	–	–
Mr Guo Langhua (note (i))	–	–	–	–	–	–
Mr Hou Ruilin (note (ii))	–	–	–	–	–	–
	–	1,570	660	–	174	2,404
Co-chief executives:						
Mr Shi Lei	–	–	–	–	–	–
Mr Xia Ding (note (iii))	–	658	1,090	–	389	2,137
	–	658	1,090	–	389	2,137
	–	2,228	1,750	–	563	4,541

(b) Independent non-executive directors

The fees paid to independent non-executive directors were as follows:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Mr Chin Chi Ho, Stanley	**133**	147
Mr Chung Wai Man (note (iv))	**66**	147
Mr Hua Yichun (note (v))	**66**	147
Ms Xu Nan (note (vi))	**77**	–
Prof Cheung Ka Yue (note (vii))	**66**	–
	408	441

There were no other emoluments payable to the independent non-executive directors for the reporting period.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the reporting period (2024: Nil).

Notes:

(i) Mr Guo Langhua retired as executive director on 28 August 2023.

(ii) Mr Hou Ruilin was appointed as executive director on 28 August 2023.

(iii) Mr Xia Ding was appointed as co-chief executive on 4 July 2023 and appointed as executive director on 30 August 2024.

(iv) Mr Chung Wai Man resigned as independent non-executive director on 30 September 2024.

(v) Mr Hua Yichun resigned as independent non-executive director on 30 August 2024.

(vi) Ms Xu Nan was appointed as independent non-executive director on 30 August 2024.

(vii) Prof Cheung Ka Yue was appointed as independent non-executive director on 30 September 2024.

11. FIVE HIGHEST PAID EMPLOYEES

During the year, the five highest remuneration employees did not include director and chief executive (2024: included one director and one chief executive), whose remuneration has been disclosed in Note 10. The remuneration of the five individuals (2024: remaining three individuals), who are neither directors nor the chief executive of the Company, is as follows:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Salaries, allowances and benefits in kind	**3,349**	2,725
Performance related bonuses	**4,929**	3,500
Pension scheme contributions	**167**	128
Equity-settled share based payments	**2,038**	1,116
	10,483	7,469

The number of the highest-paid employees, who are neither directors nor the chief executive of the Company, whose remuneration fell within the following bands, is as follows:

	Number of employees	
	Year ended 31 March 2025	Year ended 31 March 2024
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**2**	1
HK$2,500,001 to HK$3,000,000	**2**	1
HK$3,000,001 to HK$3,500,000	**–**	1
HK$3,500,001 to HK$4,000,000	**–**	–
HK$4,000,001 to HK$4,500,000	**–**	–
HK$4,500,001 to HK$5,000,000	**–**	–
HK$5,000,001 to HK$5,500,000	**–**	–
	5	3

12. TAXATION

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Current tax:		
Hong Kong profits tax	–	132
PRC corporate income tax	2,492	(790)
PRC LAT	72,325	3,567
	74,817	2,909
Under-provision in prior years:		
PRC corporate income tax	24,702	–
Deferred tax charge (note 34)	(36,443)	4,566
	63,076	7,475

Hong Kong profits tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollar ("HK$") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Singapore corporate income tax

Singapore corporate income tax is calculated at 17% on the taxable profits of the Group's Singapore subsidiaries for the year. No provision for taxation in Singapore has been made as no taxable profit subject to Singapore corporate income tax for both years.

PRC corporate income tax

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries for both reporting period.

PRC LAT

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (the "LAT") (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures, including borrowing costs and all property development expenditures.

12. TAXATION (continued)

A reconciliation of the tax expense applicable to loss before taxation at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates are as follows:

Year ended 31 March 2025

	Hong Kong and Singapore		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss before taxation	(31,822)		(2,424,714)		(2,456,536)	
Tax at the statutory tax rate	(5,263)	16.5	(606,178)	25.0	(611,441)	24.9
Income not subject to tax	(588)	1.8	(2,493)	0.1	(3,081)	0.1
Expenses not deductible for tax	271	(0.8)	21,783	(0.9)	22,054	(0.9)
Utilisation of tax losses previously not recognised	–	–	(1,325)	0.1	(1,325)	0.1
Tax losses not recognised	5,581	(17.5)	314,357	(13.0)	319,938	(13.0)
Temporary differences not recognised	–	–	131,834	(5.4)	131,834	(5.4)
Under-provision in prior year	–	–	24,702	(1.0)	24,702	(1.0)
LAT	–	–	72,325	(3.0)	72,325	(2.9)
Tax effect of LAT	–	–	(18,081)	0.7	(18,081)	0.7
Others	(1)	–	–	–	(1)	–
Tax charge at the Group's effective rate	–	–	(63,076)	2.6	(63,076)	2.6

Year ended 31 March 2024

	Hong Kong and Singapore		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss before taxation	(104,466)		(638,301)		(742,767)	
Tax at the statutory tax rate	(17,461)	16.7	(159,575)	25.0	(177,036)	23.8
Income not subject to tax	(373)	0.4	(40,800)	6.4	(41,173)	5.5
Expenses not deductible for tax	14,065	(13.5)	87,465	(13.7)	101,530	(13.7)
Utilisation of tax losses previously not recognised	–	–	(6,744)	1.1	(6,744)	0.9
Tax losses not recognised	4,041	(3.9)	36,305	(5.7)	40,346	(5.4)
Temporary differences not recognised	–	–	88,016	(13.8)	88,016	(11.8)
LAT	–	–	3,567	(0.6)	3,567	(0.5)
Tax effect of LAT	–	–	(892)	0.1	(892)	0.1
Others	(139)	0.1	–	–	(139)	–
Tax charge at the Group's effective rate	133	(0.1)	7,342	(1.2)	7,475	(1.0)

13. DIVIDENDS

No dividends have been declared and paid by the Company during the year ended 31 March 2025 (For the year ended 31 March 2024: Nil).

14. LOSS PER SHARE

(a) Basic loss per share

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

	Year ended 31 March 2025	Year ended 31 March 2024 (restated)
Earnings for the purpose of basic loss per share		
Loss for the year attributable to owners of the Company (RMB'000)	**(2,339,899)**	(785,629)
Number of shares for the purpose of basic loss per share		
Weighted average number of ordinary shares during the year ('000)	**2,720,979**	2,385,751

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted retrospectively for the Share Consolidation since 1 April 2023.

14. LOSS PER SHARE (continued)

(b) Diluted loss per share

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

(i) Loss for the purpose of diluted loss per share

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	**(2,339,899)**	(785,629)

(ii) Weighted average number of ordinary shares

	Year ended 31 March 2025 '000	Year ended 31 March 2024 '000 (restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,720,979**	2,385,751
Effect of dilution – share option (note)	**350,727**	357,914
Weighted average number of ordinary shares for the purpose of diluted loss per share	**3,071,706**	2,743,665

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted retrospectively for the Share Consolidation since 1 April 2023.

Note: The computation of diluted loss (2024: loss) per share does not assume conversion of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share (2024: decrease in loss per share).

15. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2025

	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 April 2024					
Cost	55,472	14,147	13,363	18,243	101,225
Accumulated depreciation	(19,438)	(11,424)	(11,977)	(4,668)	(47,507)
Net carrying amount	36,034	2,723	1,386	13,575	53,718
Net carrying amount at 1 April 2024	36,034	2,723	1,386	13,575	53,718
Additions, at cost	–	1,261	353	15,577	17,191
Disposals	(6,199)	(56)	(55)	–	(6,310)
Acquisition of subsidiaries (note 45)	–	32	5	657	694
Disposal of subsidiaries (note 46)	–	(23)	–	–	(23)
Depreciation charged for the year	(2,597)	(1,142)	(579)	(3,574)	(7,892)
Exchange realignments	–	4	–	–	4
Net carrying amount at 31 March 2025	27,238	2,799	1,110	26,235	57,382
At 31 March 2025					
Cost	48,652	15,741	12,913	34,477	111,783
Accumulated depreciation	(21,414)	(12,942)	(11,803)	(8,242)	(54,401)
Net carrying amount	27,238	2,799	1,110	26,235	57,382

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Year ended 31 March 2024

	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 April 2023					
Cost	82,537	10,914	16,043	4,107	113,601
Accumulated depreciation	(19,495)	(10,487)	(13,368)	(4,107)	(47,457)
Net carrying amount	63,042	427	2,675	–	66,144
Net carrying amount at 1 April 2023	63,042	427	2,675	–	66,144
Additions, at cost	5,968	2,640	3	2,663	11,274
Transfer to investment properties (note 16)	(22,940)	–	–	–	(22,940)
Disposals	–	(2)	(25)	–	(27)
Acquisition of subsidiaries (note 45)	–	787	–	11,473	12,260
Disposal of subsidiaries (note 46)	(6,891)	(60)	(717)	–	(7,668)
Depreciation charged for the year	(3,145)	(1,074)	(550)	(561)	(5,330)
Exchange realignments	–	5	–	–	5
Net carrying amount at 31 March 2024	36,034	2,723	1,386	13,575	53,718
At 31 March 2024					
Cost	55,472	14,147	13,363	18,243	101,225
Accumulated depreciation	(19,438)	(11,424)	(11,977)	(4,668)	(47,507)
Net carrying amount	36,034	2,723	1,386	13,575	53,718

As at 31 March 2025, the building ownership certificates of one of the Group's buildings (with an aggregate carrying amount of approximately RMB21,454,000 (31 March 2024: RMB23,456,000)) registered under the name of the respective subsidiaries of the Group were not yet issued.

During the reporting period, the Group disposed of certain of its property, plant and equipment for an aggregate consideration of RMB5,803,000, which RMB15,000 in cash and RMB5,788,000 of consideration receivable (31 March 2024: RMBNil), which gave rise to a loss on disposal amounted to RMB507,000 (31 March 2024: loss RMB27,000) recognised in profit or loss in respect of the year.

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment assessment

During the year end 31 March 2025, as the Group is making loss and the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment, right-of-use assets and other intangible assets with finite useful lives, with total carrying amounts of approximately RMB12,825,000, RMB10,815,000 and RMB142,000, by the relevant cash-generating unit ("CGU"), Wuhan Yekaitai Pharmaceutical Chain Co., Limited ("Yekaitai Pharmaceutical") within medical segment. The recoverable amount of owned properties with carrying amount of approximately RMB21,741,000 within property development segment are estimated individually.

The recoverable amount of CGU, Yekaitai Pharmaceutical, has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a discount rate of 12.0% (2024: 13.1%) as at 31 March 2025. The annual growth rate used is 10.0% (2024: 6.0%–7.0%), which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. The cash flows beyond the 5-year period are extrapolated using 3.0% (2024: 3.0%) growth rate. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the CGUs' past performance and management expectations for the market development.

The Group estimates the recoverable amounts of owned properties based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on fair value less costs of disposal or value in use and no impairment has been recognised.

16. INVESTMENT PROPERTIES

	Notes	**31 March 2025 RMB'000**	31 March 2024 RMB'000
Fair value at the beginning of the year		**1,387,261**	1,230,559
Transfer from properties for sale – completed	23	**167,372**	96,750
Transfer from property, plant and equipment	15	**–**	22,940
Additions during the year		**24,802**	–
Disposal during the year		**(53,209)**	(36,655)
Disposal of subsidiaries	46	**(113,706)**	–
Net gain from fair value change of investment properties	7	**10,714**	73,667
Fair value at end of the year		**1,423,234**	1,387,261

The Group's investment properties consist of commercial properties located in Mainland China. The Group's investment properties with the fair value of approximately RMB1,423,234,000 at 31 March 2025 (31 March 2024: RMB1,387,261,000) was estimated by reference to the valuations performed by Ravia Global Appraisal Advisory Limited, independent professionally qualified valuers. Each year, the Group's management decides to appoint external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuer selected on the valuation assumptions and valuation results when the valuation is performed for annual financial reporting.

16. INVESTMENT PROPERTIES (continued)

During the year ended 31 March 2025, certain of the Group's properties held for sale – completed with an aggregate carrying amount of RMB167,372,000 were transferred to investment properties. For the properties transferred to investment properties, tenancy agreements were entered by the Group as lessor during the year with the lease terms between 3 and 15 years.

During the year, the Group disposed certain of its investment properties with total carrying amount of RMB53,209,000 for an aggregate consideration of RMB112,350,000, which RMB17,068,000 in cash and RMB95,282,000 of consideration receivables, which give rise to a gain on disposal of investment properties amounted to RMB59,141,000 (31 March 2024: gain RMB673,000) recognised in profit or loss in respect of the year.

As at 31 March 2025, the building ownership certificate of the Group's investment properties with the carrying amount of RMBNil (31 March 2024: RMB7,630,000) registered under the name of the corresponding subsidiaries of the Group were not yet issued.

As at 31 March 2025, certain investment properties with aggregate carrying amount of RMBNil were pledged to financial institutions to secured loan granted to the Group (note 33) (31 March 2024: RMB295,800,000).

The investment properties are leased to third parties under operating leases, further details of which are included in note 17 to the consolidated financial statements.

Further particulars of the Group's investment properties are included on page 263 to 264.

Fair value hierarchy

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

	Fair value measurement as at 31 March 2025			
Recurring fair value measurement for:	**Quoted prices in active markets (Level 1) RMB'000**	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Commercial properties	**–**	**–**	**1,423,234**	**1,423,234**

	Fair value measurement as at 31 March 2024			
Recurring fair value measurement for:	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Commercial properties	–	–	1,387,261	1,387,261

16. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (31 March 2024: Nil).

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

	Commercial properties RMB'000
Carrying amount at 1 April 2023	1,230,559
Transfer from properties for sale – completed	96,750
Transfer from property, plant and equipment	22,940
Disposal	(36,655)
Net gain from fair value change recognised in other gains and losses, net in profit or loss	73,667
Carrying amount at 31 March 2024 and 1 April 2024	1,387,261
Transfer from properties for sale – completed	167,372
Addition	24,802
Disposal	(53,209)
Disposal of subsidiaries (note 46)	(113,706)
Net gain from fair value change recognised in other gains and losses, net in profit or loss	10,714
Carrying amount at 31 March 2025	1,423,234

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

			Range	
	Valuation techniques	Significant unobservable inputs	Year ended 31 March 2025	Year ended 31 March 2024
Commercial properties	Market approach	Adjustment on market unit price (per sq.m.)	-35% to 20%	-32% to 1%

16. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Under the market approach, fair value is estimated based on the unit prices of comparable properties with certain adjustments made to reflect the differences in location, neighbourhood, environment, facilities, etc. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values. Physical location and economic characteristics are important criteria to be analysed when comparing such comparable properties against the subject property.

The adjustment on market unit prices is determined by referring to the differences of the subject property against the comparable properties in terms of building facilities, size and age of the comparable properties.

A significant increase (decrease) in the unit prices of comparable properties in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the adjustment to reduce the unit price would result in a significant decrease (increase) in the fair value of the investment properties.

17. LEASES

The Group as a lessee

The Group has lease contracts for various buildings and retail shops used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 35 to 42 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings and retail shops generally have lease terms between 1 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	Buildings and retail shops RMB'000
As at 1 April 2023	2,773
Additions	22,408
Acquisition of subsidiaries (note 45)	10,563
Depreciation charged for the year	(17,890)
Exchange realignments	(40)
As at 31 March 2024 and 1 April 2024	17,814
Additions	16,917
Acquisition of subsidiaries (note 45)	395
Depreciation charged for the year	(15,090)
Modification of lease term	(86)
Exchange realignments	17
As at 31 March 2025	19,967

17. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

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

	31 March 2025 RMB'000	31 March 2024 RMB'000
Carrying amount at beginning of the year	**18,385**	3,236
Lease liabilities arising from new leases	**16,810**	21,740
Acquisition of subsidiaries (note 45)	**385**	10,283
Accretion of interest recognised during the year	**1,296**	2,463
Payments	**(16,369)**	(19,307)
Modification of lease term	**(88)**	–
Exchange realignments	**19**	(30)
Carrying amount at end of the year	**20,438**	18,385
Lease liabilities payable		
– within one year	**12,124**	9,761
– more than one year	**8,314**	8,624
	20,438	18,385
Analysed into:		
Current portion	**12,124**	9,761
Non-current portion	**8,314**	8,624
	20,438	18,385

The weighted average incremental borrowing rates applied to lease liabilities ranged from 2.50% to 10.00% (31 March 2024: 2.5% to 10.00%) per annum and lease liabilities are denominated in Hong Kong dollars, Singapore dollars and RMB.

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

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Interest on lease liabilities	**1,296**	2,463
Depreciation charge of right-of-use assets	**15,090**	17,890
Gain on lease modification	**(2)**	–
Expense relating to short-term leases and other leases with remaining lease terms ended on or before year end (included in administrative expenses)	**1,051**	2,608
Total amount recognised in profit or loss	**17,435**	22,961

(d) The total cash outflow for leases is disclosed in note 40(c) to the consolidated financial statements.

17. LEASES (continued)

The Group as a lessor

The Group leases its investment properties (note 16) consisting commercial properties located in Mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group for the year was RMB89,487,000 (2024: RMB155,829,000), details of which are included in note 7 to the consolidated financial statements.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Within one year	**84,697**	44,087
After one year but within two years	**76,261**	44,973
After two years but within three years	**65,098**	46,552
After three years but within four years	**55,783**	47,941
After four years but within five years	**47,844**	47,979
After five years	**439,149**	515,927
	768,832	747,459

18. OTHER INTANGIBLE ASSETS

	Brand name RMB'000	Computer software RMB'000	Total RMB'000
31 March 2025			
At 1 April 2024	**13,839**	**–**	**13,839**
Accumulated amortisation	**–**	**–**	**–**
Net carrying amount	**13,839**	**–**	**13,839**
Net carrying amount at 1 April 2024	**13,839**	**–**	**13,839**
Addition	**–**	**1,588**	**1,588**
Amortisation provided for the year	**–**	**(63)**	**(63)**
Net carrying amount at 31 March 2025	**13,839**	**1,525**	**15,364**
At 31 March 2025:			
Cost	**13,839**	**1,588**	**15,427**
Accumulated amortisation	**–**	**(63)**	**(63)**
Net carrying amount	**13,839**	**1,525**	**15,364**
31 March 2024			
At 1 April 2023	–	–	–
Accumulated amortisation	–	–	–
Net carrying amount	–	–	–
Net carrying amount at 1 April 2023	–	–	–
Acquisition of subsidiaries (note 45)	13,839	–	13,839
Net carrying amount at 31 March 2024	13,839	–	13,839
At 31 March 2024:			
Cost	13,839	–	13,839
Accumulated amortisation	–	–	–
Net carrying amount	13,839	–	13,839

Note: The intangible asset, brand name, arose from the acquisition of subsidiaries with indefinite useful life. All of the Group's computer software were acquired from third parties with three to five years of useful life.

19. INVESTMENT IN A JOINT VENTURE

	31 March 2025 RMB'000	31 March 2024 RMB'000
Share of net assets	**149,463**	–

Particulars of the Group's joint venture are as follows:

Name	Place of incorporation/ registration and business	Percentage of ownership interest As at 31 March 2025	ownership interest As at 31 March 2024	voting power As at 31 March 2025	voting power As at 31 March 2024	profit sharing As at 31 March 2025	profit sharing As at 31 March 2024	Principal activities
Suzhou Aoze No.1 Investment Partnership (Limited Partnership) ("Suzhou Aoze No.1 Partnership")	Mainland China	75% (note)	–	33.33% (note)	–	75% (note)	–	Invest in real estate industry and medical industry

Note: On 8 August 2024, the Group entered into an agreement as a limited partner with an independent third party ("Suzhou Aoze"), which serves as the general partner, the Group contributing 99.99% equity interest in the joint venture, Suzhou Aoze No.1 Investment Partnership (Limited Partnership) ("Suzhou Aoze No.1 Partnership"), for approximately RMB150,000,000 contributed by the Group in cash. The Group and Suzhou Aoze then entered into a supplementary agreement with another independent third party ("Wuhan Qianhe") on 15 August 2024, which will contribute approximately RMB50,000,000 in cash. Under the agreements, the Group, Suzhou Aoze, and Wuhan Qianhe established an operations committee to jointly manage Suzhou Aoze No. 1 Partnership, with the Group's equity interest updated to approximately 75%. Profit sharing ratio align with ownership interest. All parties (including general and limited partners) will jointly decide on significant matters concerning Suzhou Aoze No.1 Partnership with equal voting rights. By considering that the Group neither has sufficiently dominant voting rights to direct the relevant activities of Suzhou Aoze No. 1 Partnership unilaterally, nor has significant influence over Suzhou Aoze No.1 Partnership and therefore it is classified as a joint venture of the Group.

Financial information of joint venture

Financial information in respect of the joint venture is set out below. The financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

19. INVESTMENT IN A JOINT VENTURE (continued)

Financial information of joint venture (continued)

Suzhou Aoze No.1 Partnership

	31 March 2025 RMB'000
Current assets	154,294
Non-current assets	–
Current liabilities	–
Non-current liabilities	–
The above amounts of assets and liabilities include the following: Cash and cash equivalents	2,125
Current financial liabilities (excluding trade and bills payables, other payables and accruals and provisions)	–
Non-current financial liabilities (excluding trade and bills payables, other payables and accruals and provisions)	–

	Year ended 31 March 2025 RMB'000
Revenue	–
Loss and other comprehensive loss for the year	(716)
The above loss for the year include the following: Depreciation and amortisation	–
Interest income	9
Interest expense	–
Taxation	–

19. INVESTMENT IN A JOINT VENTURE (continued)

Financial information of joint venture (continued)

Suzhou Aoze No.1 Partnership (continued)

Reconciliation of the above summarised financial information to the carrying amount of the investment in Suzhou Aoze No.1 Partnership recognised in the consolidated financial statements:

	Year ended 31 March 2025 RMB'000
Net assets of Suzhou Aoze No.1 Partnership	**154,294**
Proportion of the Group's ownership interest in Suzhou Aoze No.1 Partnership	**75%**
	115,721
Goodwill	**33,742**
Carrying amount of the Group's interest in Suzhou Aoze No.1 Partnership	**149,463**

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2025 RMB'000	31 March 2024 RMB'000
Unlisted equity investment		
Equity investment in Chongqing Fangyuan Yingrun Property Co., Limited ("Fangyuan Yingrun") (note (i))	**89,700**	94,200
Equity interest in Ezhou Jinfeng Property Development Limited ("Ezhou Jinfeng") (note (ii))	**–**	–
	89,700	94,200

Notes:

(i) The unlisted equity investment as at 31 March 2025 and 31 March 2024 represents the Group's approximately 14.49% equity interest in Fangyuan Yingrun, an entity which was incorporated and is principally engaged in property development in Mainland China.

(ii) The unlisted equity investment as at 31 March 2025 represents the Group's approximately 10% equity interest in Ezhou Jinfeng, an entity which was incorporated and is principally engaged in property development in Mainland China. Ezhou Jinfeng was originally a subsidiary of the Group, on 16 May 2024, the Group disposed 90% equity interest to an independent third party. Upon the completion of the disposal, Ezhou Jinfeng ceased to be subsidiary of the Company and the remaining equity interest amounted to RMB1,000,000 was considered as financial assets at fair value through profit or loss on the same day. Details refer to note 46 to the consolidated financial statements,

The fair value of the Group's unlisted equity investment as at 31 March 2025 was estimated to be RMB89,700,000 (31 March 2024: RMB94,200,000), which was measured based on estimated market value of Fangyuan Yingrun's and Ezhou Jinfeng's assets as at that date. Loss on fair value change of the Group's investment in 14.49% equity interest in Fangyuan Yingrun and Ezhou Jinfeng amounted to approximately RMB4,500,000 (31 March 2024: RMB2,000,000) and RMB1,000,000 (31 March 2024: RMBNil) were charged to profit or loss correspondingly.

Details regarding the fair value measurement are set out in note 48 to the consolidated financial statements.

21. GOODWILL

	2025 RMB'000	2024 RMB'000
At 1 April		
Cost	**38,597**	–
Accumulated impairment loss	**–**	–
Net carrying amount	**38,597**	–
Net carrying amount at 1 April	**38,597**	–
Acquisition of a subsidiary (note 45)	**–**	38,597
Net carrying amount at 31 March	**38,597**	38,597
At 31 March		
Cost	**38,597**	38,597
Accumulated impairment losses	**–**	–
Net carrying amount	**38,597**	38,597

Impairment testing of goodwill and other intangible assets with indefinite useful lives

For the purpose of impairment testing, goodwill and other intangible assets with indefinite useful lives set out in notes 21 and 18 to the consolidated financial statements have been allocated to medical and pharmaceutical retail cash generating unit ("CGU").

The recoverable amount of medical and pharmaceutical retail CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 12.0% (2024: 13.1%). This growth rate of 10.0% (2024: 6.0%–7.0%) is based on the relevant industry growth forecast and does not exceed the average long-term growth rate for medical and pharmaceutical retail's industry. Other key assumptions for the value in use calculations related to estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on past performance and management expectations for the market development. The recoverable amount is significantly above the carrying amount of goodwill and brand name. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

22. PROPERTIES FOR SALE – UNDER DEVELOPMENT

	31 March 2025 RMB'000	31 March 2024 RMB'000
Properties in Mainland China		
– At cost less impairment	**3,298,197**	3,689,574

Movements during the year are as follows:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
At beginning of the year	**3,689,574**	5,456,655
Additions, at cost	**136,661**	56,396
Resumption of land parcels (note)	**–**	(336,594)
Transfer to completed properties held for sale	**(256,466)**	(1,319,000)
Impairment loss recognised	**(208,125)**	(167,883)
Disposal of subsidiaries (note 46)	**(63,447)**	–
At end of the year	**3,298,197**	3,689,574
Properties under development expected to be completed within normal operating cycle:		
– Within one year	**1,004,000**	1,709,759
– After one year	**2,294,197**	1,979,815
	3,298,197	3,689,574

Note: On 25 September 2023, two land parcels of a subsidiary of the Company, Kaifeng Boyuan Real Estate Development Co., Ltd. with the carrying amount at RMB336,594,000, has been resumed by Kaifeng Municipal Planning and Natural Resources Bureau without providing any compensation.

All of the Group's properties under development are situated in Mainland China.

23. PROPERTIES FOR SALE – COMPLETED

All of the Group's properties for sale – completed are situated in Mainland China and are stated at cost less impairment, if any.

As at 31 March 2025, certain of the Group's properties for sale – completed with an aggregate carrying amount of approximately RMB634,501,000 (31 March 2024: RMB1,341,992,000) were pledged to banks and financial institutions to secure loans granted to the Group (note 33).

24. INVENTORIES

	31 March 2025 RMB'000	31 March 2024 RMB'000
Appliances and information products	107,786	59,060
Medical products	34,198	30,495
	141,984	89,555

25. TRADE AND BILLS RECEIVABLES

	31 March 2025 RMB'000	31 March 2024 RMB'000
Trade and bills receivables	195,496	228,152
Impairment loss on trade receivables	(4,840)	(3,554)
	190,656	224,598

As at 31 March 2025, certain trade receivables with aggregate carrying amount of RMB48,697,000 (31 March 2024: RMBNil) were pledged to financial institutions to secured loan granted to the Group (note 33).

25. TRADE AND BILLS RECEIVABLES (continued)

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade receivables are settled in accordance with the terms of the respective contracts. The credit period is generally three to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables, less loss allowance recognised, based on the invoice date and net of loss allowance, is as follows:

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Within 6 months	**100,119**	116,266
7 to 12 months	**47,642**	40,631
13 to 24 months	**42,895**	67,651
	190,656	224,548

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

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
At beginning of the year	**3,554**	2,127
Impairment loss recognised, net (note 7)	**1,309**	1,852
Disposal of subsidiaries (note 46)	**(23)**	(425)
At end of the year	**4,840**	3,554

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

25. TRADE AND BILLS RECEIVABLES (continued)

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

As at 31 March 2025

		Past due		
	Current	**Less than 1 year**	**1 to 2 years**	**Total**
Expected credit loss rate	**2.16%**	**2.38%**	**3.32%**	**2.48%**
Gross carrying amount (RMB'000)	**102,325**	**48,803**	**44,368**	**195,496**
Expected credit losses (RMB'000)	**2,205**	**1,161**	**1,474**	**4,840**

As at 31 March 2024

		Past due		
	Current	Less than 1 year	1 to 2 years	Total
Expected credit loss rate	1.95%	1.00%	0.59%	1.56%
Gross carrying amount (RMB'000)	135,000	89,724	3,378	228,102
Expected credit losses (RMB'000)	2,639	895	20	3,554

26. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	31 March 2025 RMB'000	31 March 2024 RMB'000
Prepayments for inventories		**148,467**	140,532
Other prepayments	(a)	**206,622**	205,936
Deposits and other receivables		**312,488**	243,293
Maintenance fund receivables		**16,659**	16,569
Amount due from non-controlling shareholder	(b)	**196,337**	196,337
Amounts due from former group companies	(c)	**635,394**	447,343
		1,515,967	1,250,010
Less: impairment loss recognised	(d)	**(35,611)**	(27,748)
		1,480,356	1,222,262
Analysed into:			
Current portion		**1,410,164**	1,051,808
Non-current portion		**70,192**	170,454
		1,480,356	1,222,262

Notes:

(a) The other prepayments include the partial payment made for acquisition of investment properties from the former subsidiaries amounted to RMB68,720,000 (31 March 2024: RMB169,431,000) and control of the properties not yet transferred.

(b) The amount due from non-controlling shareholder is unsecured, interest free and repayable on demand.

(c) The amounts due from former group companies are unsecured, interest free and repayable on demand.

(d) Movements in the loss allowance for impairment loss recognised on deposits and other receivables, are as follows:

	31 March 2025 RMB'000	31 March 2024 RMB'000
At beginning of the year	**27,748**	8,461
Impairment losses recognised, net (note 7)	**11,027**	28,799
Disposal of subsidiaries (note 46)	**(3,164)**	(9,512)
At end of the year	**35,611**	27,748

27. RESTRICTED CASH

The Group's bank deposits at 31 March 2025 with aggregate amounts of RMB59,678,000 (31 March 2024: RMB10,000,000) and RMB58,000 (31 March 2024: RMB3,856,000) were pledged to banks to secure the Group's borrowings and as guarantee deposits for certain mortgage loans granted by banks to purchasers of the Group's properties, respectively. The restricted cash is deposited with creditworthy banks with no recent history of default.

28. CASH AND CASH EQUIVALENTS

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Cash and bank balances	**601,400**	890,197

At 31 March 2025, certain of bank accounts amounted to RMB35,107,000 (31 March 2024: RMB13,856,000) has been frozen, as a result of the Group involvement in litigation cases. These bank accounts have been frozen as a result of step taken by the plaintiffs to preserve assets for the purpose of enforcement, and there exists the possibility that compulsory transfer will be order by the courts.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB509,021,000 (31 March 2024: RMB749,829,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for three months and earn interest at the short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

29. TRADE AND BILLS PAYABLES

	31 March 2025 RMB'000	31 March 2024 RMB'000
Trade and bills payables	**938,115**	1,285,623

An ageing analysis of the trade and bills payables as at 31 March 2025, based on the invoice date is as follows:

	31 March 2025 RMB'000	31 March 2024 RMB'000
Within 6 months	**103,716**	506,005
Over 6 months	**834,399**	779,618
	938,115	1,285,623

The trade payables are non-interest-bearing and are normally settled on terms of 45 to 90 days.

30. OTHER PAYABLES AND ACCRUALS

	31 March 2025 RMB'000	31 March 2024 RMB'000
Other payables	**1,529,008**	1,961,050
Other tax and VAT payables	**20,887**	15,753
Accruals	**1,120**	3,127
Accrued staff costs	**20,186**	25,124
Provisions for penalties (note (i))	**75,771**	70,724
Amount due to non-controlling shareholder (note (ii))	**539,051**	299,533
Dividend payable to a non-controlling shareholder	**2,385**	2,344
	2,188,408	2,377,655

Notes:

(i) The provisions related to the borrowing overdue penalty and overdue tax penalty.

(ii) The balance is non-interest-bearing and repayable within one year.

Other payables have an average term of less than one year.

31. PROVISIONS

	31 March 2025 RMB'000	31 March 2024 RMB'000
At beginning of the year	**1,328,338**	584,273
Provision for the year (notes (i), (ii) and (iii))	**1,507,479**	744,065
At end of the year	**2,835,817**	1,328,338

Notes:

(i) In May 2018, a subsidiary of the Company, Yuxi Runya Property Company Limited ("Yuxi Runya"), executed a guarantee, under which Yuxi Runya has given a guarantee in favour of Minmetals International Trust Company Limited ("Minmetals International"), a PRC financial institution, for loans granted by Minmetals International to a former subsidiary, Dongguan Yihui Property Co., Limited ("Dongguan Yihui"), which is a subsidiary of Hong Kong Huzi Limited ("HK Huzi"), amounted to RMB1,458.5 million. In prior years, this guarantee was regarded transactions occurred within the Group and was not accounted for in the Group's consolidated financial statements.

During the period from 1 January 2021 to 31 March 2022, the Group disposed all its equity interest on HK Huzi and completion of the disposal took place on 25 March 2022.

The management of the Group estimated that the total payables to be approximately RMB2,135,083,000 as at 31 March 2025 (31 March 2024: RMB739,909,000), after having considered the fair value of the assets and liabilities of Dongguan Yihui, including its property development project located in the PRC and based on the final court order. Provision of expected guarantee liabilities amounted to RMB1,769,029,000 (2024: RMB94,574,000) and reversal of provision of litigation amounted to RMB373,855,000 (2024: provision of RMB356,331,000) were recognised in the Group's consolidated financial statements for the year ended 31 March 2025.

(ii) In April 2019, Kaifeng Boyuan, pledged of certain land parcels, under which Kaifeng Boyuan has given a guarantee in favour of Huaneng Guicheng Trust Corp., Ltd ("Huaneng Guicheng Trust"), a PRC financial institution and the loans transferred to Beijing Deyu Yuantong Technology Co., Ltd. subsequently, for loans granted by the lender to a former subsidiary, Kaifeng Boming Real Estate Development Co., Ltd. ("Kaifeng Boming"), which is a subsidiary of Hong Kong Huzi Limited ("HK Huzi"), amounted to RMB1,000 million. In prior years, this guarantee was regarded transactions occurred within the Group and was not accounted for in the Group's consolidated financial statements.

During the period from 1 January 2021 to 31 March 2022, the Group disposed all its equity interest on HK Huzi and completion of the disposal took place on 25 March 2022.

The management of the Group estimated that the total payables to be approximately RMB624,807,000 as at 31 March 2025 (31 March 2024: RMB588,429,000), after having considered the fair value of the assets and liabilities of Kaifeng Boming, including its property development project located in the PRC and based on the final court order. Reversal of provision of expected guarantee liabilities amounted to RMB52,757,000 (2024: RMB196,000,000) and provision of litigation amounted to RMB89,135,000 (2024: RMB97,160,000) were recognised in the Group's consolidated financial statements for the year ended 31 March 2025.

(iii) In September 2019, Chongqing Yingfeng, pledged of certain properties, under which Chongqing Yingfeng has given a guarantee in favour of China Huarong Asset Management Co., Ltd. (Beijing Branch), a PRC financial institution, for the loans granted by the lender to a former subsidiary, Dongguan Yida Real Estate Co., Ltd. ("Dongguan Yida"), which is a subsidiary of Hong Kong Huzi Limited ("HK Huzi"), amounted to RMB118 million. In prior years, this guarantee was regarded transactions occurred within the Group and was not accounted for in the Group's consolidated financial statements.

During the period from 1 January 2021 to 31 March 2022, the Group disposed all its equity interest on HK Huzi and completion of the disposal took place on 25 March 2022.

The management of the Group estimated that the total payables to be approximately RMB75,927,000 as at 31 March 2025 (31 March 2024: RMBNil), after having considered the fair value of the assets and liabilities of Dongguan Yida and another guarantor, Kunshan Hi-Tech Electronic Art Creative Industry Development Co., Ltd. ("Kunshan Hi-Tech"), including its property development project located in the PRC and based on the final court order. Reversal of provision of expected guarantee liabilities amounted to RMB40,585,000 (2024: RMBNil) and provision of litigation amounted to RMB116,512,000 (2024: RMBNil) were recognised in the Group's consolidated financial statements for the year ended 31 March 2025.

32. CONTRACT LIABILITIES

	31 March 2025 RMB'000	31 March 2024 RMB'000
Advance from customers	**858,830**	896,949

Note:

Movements of contract liabilities are as follows:

	31 March 2025 RMB'000	31 March 2024 RMB'000
At beginning of the year	**896,949**	1,171,845
Increase in advance from customers during the year	**727,958**	698,422
Acquisition of subsidiaries (note 45)	**20**	1,210
Disposal of subsidiaries (note 46)	**(7,809)**	(269,878)
Revenue recognised that was included in the contract liabilities balance at beginning of the year	**(150,853)**	(169,899)
Revenue recognised from performance obligations satisfied during the year	**(606,386)**	(525,905)
Refund to customers	**(1,049)**	(8,846)
At end of the year	**858,830**	896,949

Details of contract liabilities are as follows:

	31 March 2025 RMB'000	31 March 2024 RMB'000
Advance from customers from:		
Sale of products	**31,663**	879
Sale of properties	**795,495**	878,657
Lease of properties	**31,672**	17,413
Total contract liabilities	**858,830**	896,949

Contract liabilities include advances received to deliver information products and properties, and significant financing components for the contract where the period between the advance received from customers and the transfer of the promised property or service exceeds one year.

33. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 March 2025 RMB'000	31 March 2024 RMB'000
Bank borrowings repayable:		
Within one year or on demand	**44,000**	70,000
Other borrowings repayable:		
Within one year or on demand	**1,522,119**	566,377
Within a period more than one year	**201,140**	1,111,680
	1,723,259	1,678,057
Total bank and other borrowings	**1,767,259**	1,748,057
Less: Bank and other borrowings due within one year and included in current liabilities	**(1,566,119)**	(636,377)
Bank and other borrowings not due within one year and included in non-current liabilities	**201,140**	1,111,680

Notes:

(a) Details of the bank and other borrowings are as follows:

	Outstanding at 31 March 2025			Outstanding at 31 March 2024		
	Effective interest rate %	**Maturity**	**RMB'000**	Effective interest rate %	Maturity	RMB'000
Bank loans – secured	**3.4%–3.9%**	**2025**	**44,000**	3.9%–4.6%	2024	65,000
Bank loans – secured@			**–**	Loan Prime Rate ("LPR") – 5 basis points	2024	5,000
			44,000			70,000
Other loans – secured#	**9.7%–11.0%**	**2025–2026**	**933,720**	9.7%–11.0%	2024–2025	126,210
Other loans – secured#	**10.4%**	**On demand**	**436,573**	10.4%	On demand	379,802
Other loans – secured#			**–**	9.7%–11.0%	2025–2026	881,980
Other loans – secured#^	**7.8%**	**On demand**	**14,510**	7.8%	On demand	3,120
Other loans – secured#^	**7.8%**	**2026**	**201,140**	7.8%	2026	180,000
Other loans – unsecured#	**10.0%**	**On demand**	**3,280**	10.0%	On demand	3,281
Other loans – unsecured*	**4.7%**	**On demand**	**55,991**	4.7%	On demand	53,964
Other loans – unsecured#	**2.8%**	**2026**	**49,700**	2.8%	2026	49,700
Other loans – unsecured#	**3.4%–5.0%**	**2025–2026**	**28,345**			–
			1,723,259			1,678,057
			1,767,259			1,748,057

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

(a) Details of the bank and other borrowings are as follows: (continued)

@ The balances represent loans with floating interest rates.

These other borrowings were obtained from financial institutions.

* These borrowings amounted to RMB55,991,000 at 31 March 2025 (31 March 2024: RMB53,964,000) was obtained from former shareholder, 北大方正集團有限公司 (Peking University Founder Group Company Limited) ("Peking Founder").

^ The balance includes the principal of RMB201,140,000 (31 March 2024: RMB180,000,000) due on 13 December 2026 and default interest of approximately RMB14,510,000 (31 March 2024: RMB3,120,000) which was repayable on demand.

As at 31 March 2025, default and other interests on bank and other borrowings amounted to approximately RMB403,177,000 (31 March 2024: RMB318,784,000) were accrued.

(b) The Group's bank and other borrowings are denominated in Renminbi.

(c) As at the end of the reporting period, certain of the Group's bank and other borrowings are secured by the pledge of the following assets of the Group:

	Notes	**31 March 2025** **RMB'000**	31 March 2024 RMB'000
Properties for sale – completed	23	**634,501**	1,341,992
Investment properties	16	**–**	295,800
Trade receivables	25	**48,697**	–
Restricted cash	27	**59,678**	10,000
		742,876	1,647,792

In addition, (i) certain of the Group's bank and other borrowings are secured by the pledge of equity interests of certain subsidiaries and former fellow subsidiaries of the Group, and the assignment of returns arising from certain properties under development for sale and completed properties for sale of the Group; and (ii) former shareholders, Peking Founder, 北大資源集團有限公司 (Peking University Resources Group Co., Ltd.*) ("Resources Group") and Founder Information (Hong Kong) Limited ("Founder Information") have provided corporate guarantees for loans amounting to RMB850,508,000 (31 March 2024: RMB465,094,000).

* *For identification purposes only*

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

(d) During the year, in respect of the other borrowings with a carrying amount of approximately RMB510,354,000 as at 31 March 2025 (2024: RMB437,047,000) was defaulted. The directors of the Company informed the lender and commenced a renegotiation of the terms of the borrowing with the relevant lenders. On 31 March 2025, those negotiations had not been concluded. Since the lenders has yet to agree to waive its right to demand immediate payment as at the end of the reporting period, the borrowing has been classified as a current liability as at 31 March 2025. Up to the date of approval of these consolidated financial statements, the negotiations are still in progress. The directors of the Company are confident that their negotiations with the lender will ultimately reach a successful conclusion. In any event, should the lender call for immediate repayment of the borrowing, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

34. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Revaluation of properties RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Total RMB'000
At 31 March 2023 and 1 April 2023	311,930	(114,103)	197,827
Deferred tax charged to profit or loss (note 12)	16,165	–	16,165
Acquisition of subsidiaries (note 45)	–	(4,471)	(4,471)
Disposal of subsidiaries (note 46)	8,866	–	8,866
At 31 March 2024 and 1 April 2024	336,961	(118,574)	218,387
Deferred tax credited to profit or loss (note 12)	(22,086)	–	(22,086)
At 31 March 2025	314,875	(118,574)	196,301

34. DEFERRED TAX (continued)

Deferred tax assets

	Impairment RMB'000	Provision for LAT RMB'000	Significant financing component from receipt in advance RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Total RMB'000
At 31 March 2023 and 1 April 2023	(11,409)	30,392	(5,667)	30,469	43,785
Deferred tax (charged)/credited to profit or loss (note 12)	(3,064)	4,943	–	9,720	11,599
Disposal of subsidiaries (note 46)	–	–	–	(336)	(336)
At 31 March 2024 and 1 April 2024	(14,473)	35,335	(5,667)	39,853	55,048
Deferred tax credited to profit or loss (note 12)	7,583	6,769	–	5	14,357
At 31 March 2025	(6,890)	42,104	(5,667)	39,858	69,405

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**69,405**	55,048
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(196,301)**	(218,387)
	(126,896)	(163,339)

34. DEFERRED TAX (continued)

Deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of the following items:

	31 March 2025 RMB'000	31 March 2024 RMB'000
Tax losses	1,227,319	177,750
Deductible temporary differences	7,459	607,044
	1,234,778	784,794

The Group has tax losses arising in Hong Kong of RMB67,974,000 (31 March 2024: RMB34,155,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in Mainland China of RMB1,159,345,000 (31 March 2024: RMB143,595,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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

At 31 March 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, as the Group is able to control on the declaration of dividend and it is not probable that these subsidiaries will distribute such earnings to oversea shareholders in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB2,543,946,000 at 31 March 2025 (31 March 2024: RMB2,303,946,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

35. SHARE CAPITAL

Ordinary shares of HK$0.01 (2024: HK$0.10 each)	Number of shares 31 March 2025 '000	Number of shares 31 March 2024 '000	Share capital 31 March 2025 HK$'000	Share capital 31 March 2024 HK$'000
Authorised				
At beginning of the year	**15,000,000**	15,000,000	**1,500,000**	1,500,000
Capital Reorganisation (notes (ii), (iii))	**135,000,000**	–	**–**	–
At end of the year	**150,000,000**	15,000,000	**1,500,000**	1,500,000

	Number of shares 31 March 2025	Number of shares 31 March 2024	Share capital 31 March 2025 HK$'000	Share capital 31 March 2025 RMB'000 (Equivalent)	Share capital 31 March 2024 HK$'000	Share capital 31 March 2024 RMB'000 (Equivalent)
Issued and fully paid						
At beginning of the year	**10,349,669,116**	9,129,669,116	**1,034,967**	**898,647**	912,967	787,555
Issue of shares (note (i))	**–**	1,220,000,000	**–**	**–**	122,000	111,092
Share Consolidation (note (ii))	**(7,762,251,837)**	–	**–**	**–**	–	–
Capital Reduction (note (ii))	**–**	–	**(1,009,093)**	**(875,156)**	–	–
Share Subscription (note (iii))	**150,000,000**	–	**1,500**	**1,362**	–	–
At end of the year	**2,737,417,279**	10,349,669,116	**27,374**	**24,853**	1,034,967	898,647

Notes:

(i) On 29 November 2023, the Company has issued of 1,220,000,000 shares at HK$0.10 per share in accordance with subscription agreement dated 25 October 2023.

(ii) On 8 May 2024, the Company consolidated every four issued and unissued shares with a par value of HK$0.10 each into one Consolidated Share with a par value of HK$0.40 each ("Share Consolidation").

(iii) On 8 May 2024, immediately after the Share Consolidation becoming effective, the issued share capital of the Company will be reduced by: (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK$0.39 of the paid-up capital of the Company on each issued Consolidated Share, such that the par value of each issued New Share will be reduced from HK$0.40 to HK$0.01 immediately following the Capital Reduction and the credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

(iv) On 10 May 2024, the Company has issued and allotted an aggregate of 150,000,000 New Shares with a par value of HK$0.01 each to the General Mandate Subscribers in accordance with the General Mandate Subscription Agreement ("Share Subscription").

36. SHARE SCHEME

(a) 2023 Share Scheme

On 28 August 2023, the Group adopted a new share scheme (the "2023 Share Scheme"), which is valid and effective for a period of ten (10) years from the date of adoption. Eligible participants of the Scheme include (i) any director (whether executive or non-executive, including any independent non-executive director), chief executive and employees (full-time or part-time) of the Company or any of its subsidiaries; (ii) any one or entity who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group; and (iii) the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

According to the 2023 Share Scheme, all awards to be granted that involve the issuance of Shares of the Company shall not exceed 10% of the total number of Shares in issue as at the adoption date, being 912,966,911 Shares. As disclosed in the announcement of the Company dated 7 May 2024, as a result of the capital reorganisation as disclosed in the announcement and circular of the Company dated 5 February 2024 and 28 March 2024, respectively (the "Capital Reorganisation"), the total number of Shares available for future grants under the 2023 Share Scheme was adjusted from 312,966,911 to 78,241,727 pursuant to the terms of the 2023 Share Scheme, representing approximately 2.86% of the issued Shares of the Company as at the date of this report. The maximum number of Shares in respect of which awards may be granted to a single eligible participant in any 12-month period up to and including the date of such grant shall not exceed 1% of the Shares in issue. A Share Option may be exercised during such period as the Board may determine, save that such period shall not be more than 10 years from the offer date. The vesting period for awards under the 2023 Share Scheme shall generally not be less than 12 months, subject to a shorter vesting period for awards granted under the specific circumstances as stipulated in the 2023 Share Scheme.

On 29 December 2023, the Company granted an aggregate of 600,000,000 Share Options to subscribe for 600,000,000 Shares to certain employees of the Group in accordance with the terms of the 2023 Share Scheme.

The offer of a grant of share options is deemed to have been accepted when the duplicate offer letter comprising the acceptance of the option is signed and upon payment of a nominal consideration of HK$1 in total by the grantee.

The exercise price of the share options is determinable by the directors, but should be the highest of (i) the closing price of the shares of the Company as stated on the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The exercise price of HK$0.101 per share and subject to the following vesting terms: (i) one-third of the Share Options shall be vested and become exercisable on 31 December 2024; (ii) one-third of the Share Options shall be vested and become exercisable on 31 December 2025; and (iii) one-third of the Share Options shall be vested and become exercisable on 31 December 2026. As disclosed in the announcement of the Company dated 7 May 2024, as a result of the Capital Reorganisation, the exercise price per Share was adjusted to HK$0.404 per Share.

36. SHARE SCHEME (continued)

(a) 2023 Share Scheme (continued)

As a result of the Capital Reorganisation effective on 8 May 2024, the exercise price of outstanding share options under the 2023 Share Scheme is adjusted to HK$0.404 per share, with the number of new shares upon exercise set at 150,000,000. The total number of new shares available for future grants is adjusted to 78,241,727, with a limit of 22,824,172 shares for any service provider participant. For further details, please refer to the circular and notice of special general meeting dated 28 March 2024, and the announcements dated 7 May 2024 and 28 August 2024.

The fair value of the share options at the date of grant is estimated to be HK$39,712,000 (equivalent to RMB36,003,000) using the binominal option pricing model, which was partially recognised as equity settled share option expenses for the both years based on the vesting period.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Inputs into the model	Options granted on 29 December 2023
Risk-free rate	3.46%
Expected volatility	100.1%
Dividend yield	0%
Expected life of options (year)	4
Share price of the Company's shares (HK$ per share)	0.1

37. RESERVES

The amounts of the Group's reserves and the movements therein for the current period and the prior year are presented in the consolidated statement of changes in equity of the consolidated financial statements.

The contributed surplus represents the excess of nominal value of the shares of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefore.

The merger reserve comprises the excess of the Company's share of the nominal value of the paid-in capital of the subsidiaries acquired, over the Company's cost of acquisition of the subsidiary under common control; and the deemed distributions to companies controlled by the ultimate holding company.

The non-controlling interest reserve arose from changes in the ownership interests of subsidiaries, without a loss of control.

In accordance with the relevant PRC regulations, each of the Group's PRC subsidiaries is required to transfer not less than 10% of its profit after tax, as determined in accordance with PRC accounting standards and regulations, to the general reserve, which are restricted as to use, until such reserve reaches 50% of its registered capital. The respective amounts of the annual transfer are subject to the approval of the boards of directors of the PRC subsidiaries in accordance with their articles of association.

38. SUBSIDIARIES

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company — Direct As at 31 March 2025 %	Direct As at 31 March 2024 %	Indirect As at 31 March 2025 %	Indirect As at 31 March 2024 %	Principal activities
Yongqin Limited ("Yongqin")	British Virgin Islands/ Hong Kong	HK$2	100	100	–	–	Property investment
Beijing Defang Century Information Technology Co., Ltd.@	PRC/Mainland China	USD18,180,000	–	–	55	55	Distribution of information products
Chongqing Yayuan Henghui Information Technology Co., Limited ("Yayuan Henghui")#	PRC/Mainland China	RMB2,000,000,000	–	–	100	100	Intragroup funding
Chongqing Yingfeng Property Co., Limited#	PRC/Mainland China	RMB80,000,000	–	–	100	100	Property development
Chongqing Yingpu Investment Co., Limited^ (note (i))	PRC/Mainland China	RMB50,000,000	–	–	43	70	Property investment
Chongqing Yuefeng Property Co., Limited^ (note (i))	PRC/Mainland China	RMB50,000,000	–	–	43	70	Property development
Foshan Peking University Resources Property Co., Limited@	PRC/Mainland China	RMB100,000,000	–	–	51	51	Property development
Kaifeng Boyuan Property Development Co., Limited	PRC/Mainland China	RMB20,000,000	–	–	100	100	Property development
Zhejiang Peking University Resources Property Co., Limited ("Zhejiang Resources")#	PRC/Mainland China	RMB1,114,558,000	–	–	94	91	Property development
Chengdu Founder Yuancheng Information Technology Co., Limited ("Founder Yuancheng") (note (i))	PRC/Mainland China	RMB100,000,000	–	–	25	25	Property development
Wuhan Jinyuexiang Trading Co., Limited#	PRC/Mainland China	RMB1,000,000	–	–	100	100	Business management
Wuhan Heliang Investment Development Co., Limited^	PRC/Mainland China	RMB2,000,000	–	–	100	100	Capital management

38. SUBSIDIARIES (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct As at 31 March 2025 %	As at 31 March 2024 %	Indirect As at 31 March 2025 %	As at 31 March 2024 %	Principal activities
Wuhan Tianhe Jincheng Property Development Co., Limited^	PRC/Mainland China	RMB50,000,000	–	–	70	70	Property development
Ezhou Jinfeng Real Estate Development Co., Limited ("Ezhou Jinfeng")^*	PRC/Mainland China	RMB10,000,000	–	–	–	100	Property development
Beijing Ruihe Century Information Technology Co., Limited#	PRC/Mainland China	RMB100,000,000	–	–	100	100	Distribution of information products
Yuxi Runya Property Company Limited^	PRC/Mainland China	RMB10,000,000	–	–	100	100	Property development
Wuhan Yekaitai Pharmaceutical Chain Co., Ltd. ("Yekaitai Pharmaceutical")	PRC/Mainland China	RMB72,321,000	100	100	100	100	Medical and pharmaceutical retail
Hubei Central Pharmaceutical Co., Ltd. ("Hubei Central")	PRC/Mainland China	RMB10,000,000	100	–	100	–	Medical and pharmaceutical retail

Registered as a wholly-foreign-owned enterprise under PRC law

^ Registered as a limited liability company under PRC law

@ Registered as a Sino-foreign joint venture under PRC law

* Disposed during the year 2025

Note (i): Although the Group has less than 50% ownership in these subsidiaries, the directors of the Company concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of these subsidiaries on the basis of the Group's absolute size of shareholding and the relative size of and dispersion of the shareholdings owned by other shareholders.

The English names of the above companies were translated from their respective Chinese names by reference only as no English names of these entities have been registered.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

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

39. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that has material non-controlling interests are set out below:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests 31/3/2025	31/3/2024	(Loss)/profit allocated to non-controlling interests Year ended 31/3/2025 RMB'000	Year ended 31/3/2024 RMB'000	Accumulated non-controlling interests 31/3/2025 RMB'000	31/3/2024 RMB'000
Beijing Defang Century Information Technology Co., Ltd. (Note a)	Mainland China	**45.00%**	45.00%	**(9)**	57	**128,548**	96,252
Chongqing Yingpu Investment Co., Limited (Note b)	Mainland China	**56.71%**	30.00%	**5,122**	310	**85,954**	42,742
Chengdu Founder Yuancheng Information Technology Co., Limited (Note c)	Mainland China	**75.01%**	75.01%	**29,815**	17,196	**412,433**	457,112
Foshan Peking University Resources Property Co., Limited (Note d)	Mainland China	**49.00%**	49.00%	**(4,200)**	339	**352,402**	356,486
Wuhan Tianhe Jincheng Property Development Co., Limited (Note e)	Mainland China	**30.00%**	30.00%	**(13,657)**	(5,172)	**83,160**	96,811
Subsidiaries with individual immaterial non-controlling interests						**590,811**	423,835
						1,653,308	1,473,238

39. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes:

(a) Beijing Defang Century Information Technology Co., Ltd.

	31 March 2025	31 March 2024
Percentage of equity interest held by non-controlling interests (%)	**45.00**	45.00
(Loss)/profit for the year allocated to non-controlling interests (RMB'000)	**(9)**	57
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**128,548**	96,252

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2025 RMB'000	In respect of year ended 31 March 2024 RMB'000
Revenue	**–**	–
Total cost, expenses and other income, net	**(21)**	127
(Loss)/profit for the year and total comprehensive (loss)/income for the year	**(21)**	127
(Loss)/profit for the year allocated to non-controlling interests	**(9)**	57
Current assets	**175,662**	125,380
Non-current assets	**110,000**	110,000
Current liabilities	**–**	(21,487)
Net assets	**285,662**	213,893
Net assets allocated to non-controlling interests	**128,548**	96,252
Net cash flows used in operating activities	**(60)**	(36,907)
Net decrease in cash and cash equivalents	**(60)**	(36,907)

39. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(b) Chongqing Yingpu Investment Co., Limited

	31 March 2025	31 March 2024
Percentage of equity interest held by non-controlling interests (%)	**56.71**	30.00
Profit for the year allocated to non-controlling interests (RMB'000)	**5,122**	310
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**85,954**	42,742

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2025 RMB'000	In respect of year ended 31 March 2024 RMB'000
Revenue	**2,722**	27,470
Total cost, expenses and other income, net	**6,309**	(26,436)
Profit for the year and total comprehensive income for the year	**9,031**	1,034
Profit for the year allocated to non-controlling interests	**5,122**	310
Current assets	**211,005**	201,885
Non-current assets	**9,238**	9,208
Current liabilities	**(68,676)**	(68,621)
Net assets	**151,567**	142,472
Net assets allocated to non-controlling interests	**85,954**	42,742
Net cash flows used in operating activities	**(1,959)**	(901)
Net cash flows generated from investing activities	**30**	–
Net decrease in cash and cash equivalents	**(1,929)**	(901)

39. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(c) Chengdu Founder Yuancheng Information Technology Co., Limited

	31 March 2025	31 March 2024
Percentage of equity interest held by non-controlling interests (%)	**75.01**	75.01
Profit for the year allocated to non-controlling interests (RMB'000)	**29,815**	17,196
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**412,433**	457,112

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2025 RMB'000	In respect of year ended 31 March 2024 RMB'000
Revenue	**36,908**	104,720
Total cost, expenses and other income, net	**2,840**	(81,795)
Profit for the year and total comprehensive income for the year	**39,748**	22,925
Profit for the year allocated to non-controlling interests	**29,815**	17,196
Current assets	**28,305**	80,255
Non-current assets	**730,937**	804,499
Current liabilities	**(209,404)**	(255,358)
Non-current liabilities	**–**	(19,994)
Net assets	**549,838**	609,402
Net assets allocated to non-controlling interests	**412,433**	457,112
Net cash flows generated from operating activities	**5,337**	3,747
Net cash flows used in financing activities	**(9,011)**	–
Net (decrease)/increase in cash and cash equivalents	**(3,674)**	3,747

39. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(d) Foshan Peking University Resources Property Co., Limited

	31 March 2025	31 March 2024
Percentage of equity interest held by non-controlling interests (%)	**49.00**	49.00
(Loss)/profit for the year allocated to non-controlling interests (RMB'000)	**(4,200)**	339
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**352,402**	356,486

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2025 RMB'000	In respect of year ended 31 March 2024 RMB'000
Revenue	**56,655**	118,729
Total cost, expenses and other income, net	**(65,226)**	(118,037)
(Loss)/profit for the year and total comprehensive (loss)/income for the year	**(8,571)**	692
(Loss)/profit for the year allocated to non-controlling interests	**(4,200)**	339
Current assets	**1,304,798**	1,406,604
Non-current assets	**54,627**	55,641
Current liabilities	**(640,237)**	(734,722)
Net assets	**719,188**	727,523
Net assets allocated to non-controlling interests	**352,402**	356,486
Net cash flows generated from operating activities	**604**	–
Net cash flows used in investing activities	**(1,014)**	(28,953)
Net decrease in cash and cash equivalents	**(410)**	(28,953)

39. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(e) Wuhan Tianhe Jincheng Property Development Co., Limited

	31 March 2025	31 March 2024
Percentage of equity interest held by non-controlling interests (%)	**30.00**	30.00
Loss for the year allocated to non-controlling interests (RMB'000)	**(13,657)**	(5,172)
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**83,160**	96,811

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2025 RMB'000	In respect of year ended 31 March 2024 RMB'000
Revenue	**–**	35,873
Total cost, expenses and other income, net	**(45,523)**	(53,112)
Loss for the year and total comprehensive loss for the year	**(45,523)**	(17,239)
Loss for the year allocated to non-controlling interests	**(13,657)**	(5,172)
Current assets	**190,991**	190,990
Non-current assets	**308,757**	308,758
Current liabilities	**(222,549)**	(177,044)
Net assets	**277,199**	322,704
Net assets allocated to non-controlling interests	**83,160**	96,811
Net cash flows generated from/(used in) operating activities	**1**	(308,752)
Net cash flows (used in)/generated from investing activities	**(1)**	308,753
Net increase in cash and cash equivalents	**–**	1

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) Disposal of subsidiaries

The considerations arising from the disposal of subsidiaries during the year included receivables, settlement by way of netting off existing balances, and case with no consideration. Further details of these disposals are set out in note 46 to the consolidated financial statements.

(ii) Waiver of other payables

A gain of approximately RMB175,784,000 was recognised during the year, arising from the waiver of other payables in connection with the disposal of interest in a subsidiary.

(iii) Leased assets

During the reporting period, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB16,917,000 (31 March 2024: RMB22,408,000) and RMB16,810,000 (31 March 2024: RMB21,740,000), respectively, in respect of lease arrangements for buildings and retail shops.

(b) Changes in liabilities arising from financing activities

Year ended 31 March 2025

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 April 2024	1,748,057	18,385	1,766,442
Changes from financing cash flows	(64,401)	(15,073)	(79,474)
New leases	–	16,810	16,810
Acquisition of subsidiaries (note 45)	6,000	385	6,385
Interest expense	126,888	1,296	128,184
Interest paid classified as operating cash flows	(295,915)	(1,296)	(297,211)
Modification	–	(88)	(88)
Other changes	246,630	–	246,630
Exchange realignments	–	19	19
At 31 March 2025	1,767,259	20,438	1,787,697

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

Year ended 31 March 2024

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 April 2023	2,339,620	3,236	2,342,856
Changes from financing cash flows	324,700	(16,844)	307,856
New leases	–	21,740	21,740
Acquisition of subsidiaries (note 45)	35,000	10,283	45,283
Interest expense	111,049	2,463	113,512
Interest paid classified as operating cash flows	(327,277)	(2,463)	(329,740)
Disposal of subsidiaries (note 46)	(735,035)	–	(735,035)
Exchange realignments	–	(30)	(30)
At 31 March 2024	1,748,057	18,385	1,766,442

(c) Total cash outflow for leases

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

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Within operating activities	**2,347**	7,534
Within financing activities	**15,073**	16,844
	17,420	24,378

41. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the consolidated financial statements, the Group had contingent liabilities at the end of the reporting period as follows:

(a) The Group had outstanding litigations as detailed in note 51 to the consolidated financial statements; and

(b) the Group has given guarantees in favour of certain banks in relation to mortgages granted by these banks to purchasers of the Group's properties amounting to approximately RMB850,206,000 (2024: RMB915,300,000). Pursuant to the terms of the guarantees, upon default in mortgage payments, if any, by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of the building ownership certificates which are generally available within one to two years after the purchasers take possession of the relevant properties. The directors of the Company consider that, in the case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made for the guarantees in the consolidated financial statements for the year ended 31 March 2025 and 31 March 2024.

42. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 33 to the consolidated financial statements.

43. COMMITMENTS

The Group had the following commitments for the Group's development properties at the end of the reporting period:

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Contracted for:		
Properties under development	**765,995**	1,655,872

44. RELATED PARTY TRANSACTIONS

(a) In addition to the related party transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the current year:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Transactions with former fellow subsidiaries:		
Rental expenses	**253**	774

Note: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(b) Compensation of key management personnel (including the directors and chief executive of the Company) of the Group:

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000
Salaries, allowances and benefits in kind	**3,995**	3,177
Bonuses	**3,700**	3,550
Retirement benefits	**82**	40
Equity-settled share based payments	**2,014**	935
Total compensation paid to key management personnel	**9,791**	7,702

Further details of the directors' and chief executive's emoluments are included in note 10 to the consolidated financial statements.

45. ACQUISITION OF SUBSIDIARIES

During the reporting periods, the Group acquired certain subsidiaries, details of material acquisition as follows:

(i) For the year ended 31 March 2025

On 31 May 2024, the Group acquired 100% interest at the consideration of RMB500,000 in Hubei Central. Hubei Central provides traditional Chinese medicine diagnosis and treatment, traditional Chinese medicine health care, massage, acupuncture and other special medical services, and was acquired with the objective of expanding the Group's relevant business. The acquisition has been accounted for as acquisition of business using the acquisition method.

Assets acquired and liabilities recognised at the date of acquisition

	Hubei Central RMB'000
Assets	
Property, plant and equipment	694
Right-of-use assets	395
Inventories	1,470
Trade and bills receivables	7,419
Prepayments, other receivables and other assets	6,832
Tax recoverable	207
Cash and cash equivalents	292
Total assets	17,309
Liabilities	
Trade payables	5,227
Other payables and accruals	5,177
Contract liabilities	20
Interest-bearing bank and other borrowings	6,000
Lease liabilities	385
Total liabilities	16,809
Total identifiable net assets acquired	500

45. ACQUISITION OF SUBSIDIARIES (continued)

(i) For the year ended 31 March 2025 (continued)

Assets acquired and liabilities recognised at the date of acquisition (continued)

The trade and bills receivables acquired with a fair value of RMB7,419,000 at the date of acquisition had gross contractual amount of RMB7,419,000. No contractual cash flows from the receivables are expected to be irrecoverable.

Goodwill arising on acquisition

	RMB'000
Consideration transferred	500
Less: recognised amounts of identifiable net assets acquired	(500)
Goodwill arising on acquisition	–

Net cash inflow in respect of the acquisition is as follows:

	Hubei Central RMB'000
Consideration paid in cash	–
Cash and bank balances acquired	292
Net cash inflow	292

No contingent arrangement entered in the acquisition.

(ii) For the year ended 31 March 2024

During the year ended 31 March 2024, the Group acquired entire 100% equity interest at the consideration of RMB81,000,000 in Yekaitai Pharmaceutical. The acquisition was completed on 16 August 2023. Yekaitai Pharmaceutical provides traditional Chinese medicine diagnosis and treatment, traditional Chinese medicine health care, massage, acupuncture and other special medical services, and was acquired with the objective of expansion into new market. The acquisition has been accounted for as acquisition of business using the acquisition method.

45. ACQUISITION OF SUBSIDIARIES (continued)

(ii) For the year ended 31 March 2024 (continued)

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Assets	
Property, plant and equipment	12,260
Right-of-use assets	10,563
Other intangible assets	13,839
Inventories	21,300
Trade receivables	9,256
Prepayments, other receivables and other assets	47,497
Tax recoverable	736
Cash and cash equivalents	5,705
Total assets	121,156
Liabilities	
Trade payables	16,462
Other payables and accruals	11,327
Contract liabilities	1,210
Interest-bearing bank and other borrowings	35,000
Deferred tax liabilities	4,471
Lease liabilities	10,283
Total liabilities	78,753
Total identifiable net assets acquired	42,403

The trade and other receivables acquired with a fair value of RMB56,753,000 at the date of acquisition had gross contractual amount of RMB56,753,000. No contractual cash flows from the receivables are expected to be irrecoverable.

Goodwill arising on acquisition

	RMB'000
Consideration transferred	81,000
Less: recognised amounts of identifiable net assets acquired	(42,403)
Goodwill arising on acquisition	38,597

45. ACQUISITION OF SUBSIDIARIES (continued)

(ii) For the year ended 31 March 2024 (continued)

Goodwill arising on acquisition (continued)

Goodwill arose on the acquisition of Yekaitai Pharmaceutical because synergies from combining operations of Yekaitai Pharmaceutical and the Group was expected. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Net cash outflow in respect of the acquisition of Yekaitai Pharmaceutical is as follows:

	RMB'000
Consideration paid in cash	81,000
Cash and bank balances acquired	(5,705)
Net cash outflow	75,295

No contingent arrangement entered in the acquisition.

46. DISPOSAL OF SUBSIDIARIES

During the reporting periods, the Group disposed of certain subsidiaries as follows:

(I) For the year ended 31 March 2025

(a) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group ("buyer") for the disposal of the Group's 90% interest in Ezhou Jinfeng, an indirect wholly-owned subsidiary of the Company at a consideration of approximately RMB900,000. Ezhou Jinfeng was principally engaged in property development in Mainland China. The disposal was completed on 16 May 2024.

(b) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group ("buyer") for the disposal of the Group's 100% interest in Guizhou Guanheng Enterprise Management Co., Ltd ("Guizhou Guanheng"), an indirect wholly-owned subsidiary of the Company at a cash consideration of approximately RMB500,000. Guizhou Guanheng was principally engaged in property development in Mainland China. The disposal was completed on 5 December 2024.

(c) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group ("buyer") for the disposal of the Group's 75% interest in Chongqing Weijueli Commercial Operation Management Co., Ltd ("Chongqing Weijueli"), an indirect wholly-owned subsidiary of the Company without consideration. Chongqing Weijueli was principally engaged in property development in Mainland China. The disposal was completed on 6 March 2025.

46. DISPOSAL OF SUBSIDIARIES (continued)

(I) For the year ended 31 March 2025 (continued)

The assets and liabilities of the subsidiaries disposed of and the gain on disposals are analysed as follows:

Analysis of assets and liabilities of the subsidiaries over which control was lost:

	Ezhou Jinfeng RMB'000	Guizhou Guanheng RMB'000	Chongqing Weijueli RMB'000	Total RMB'000
Assets and liabilities disposed of				
Property, plant and equipment	23	–	–	23
Investment properties	–	66,000	47,706	113,706
Properties for sale – under development	63,447	–	–	63,447
Properties for sale – completion	35,333	–	–	35,333
Trade and bills receivables	557	715	42	1,314
Prepayment, other receivables and other assets	–	–	15,695	15,695
Amounts due from the Group	603,655	–	–	603,655
Cash and cash equivalents	543	498	84	1,125
Trade and bills payables	(330,406)	–	–	(330,406)
Other payables and accruals	(288,592)	(24,576)	(70,411)	(383,579)
Contract liabilities	(7,809)	–	–	(7,809)
Tax payables	(185,306)	(7)	–	(185,313)
Net (liabilities)/assets disposed of	(108,555)	42,630	(6,884)	(72,809)
Gain/(loss) on disposal of subsidiaries				
Consideration for the disposal	900*	500	–	1,400
Recognition of financial assets at fair value through profit or loss	1,000	–	–	1,000
Non-controlling interests	–	–	(10,015)	(10,015)
Net liabilities/(assets) disposed of	108,555	(42,630)	6,884	72,809
Gain/(loss) on disposal of subsidiaries	110,455	(42,130)	(3,131)	65,194
Cash received on disposal	–	500	–	500
Less: bank balance and cash disposed of	(543)	(498)	(84)	(1,125)
Net cash (outflow)/inflow arising on the disposal of subsidiaries	(543)	2	(84)	(625)

* The consideration was netting off the existing balance owe to the buyer.

46. DISPOSAL OF SUBSIDIARIES (continued)

(II) For the year ended 31 March 2024

(a) During the year, the Group entered into a sale and purchase agreement with a third party not connected with the Group for the disposal of (i) the 100% interest in Hong Kong Tianhe Holdings Limited, a direct wholly-owned subsidiary of the Company and (ii) entire equity interest in Tianhe Property Development Co., Limited, an indirect non-wholly owned subsidiary of the Company at a cash consideration of approximately HK$1,000,000 (equivalent to approximately RMB881,000). Hong Kong Tianhe Holdings Limited and Tianhe Property Development Co., Limited (collectively referred to the "Tianhe Group") were principally engaged in property development in Mainland China. The disposal was completed on 30 April 2023.

(b) During the year, the Group entered into a sale and purchase agreement with a third party not connected with the Group for the disposal of (i) the Group's 100% interest in Chongqing Yueyingya Property Management Limited, a indirect wholly-owned subsidiary of the Company and (ii) the Group's interest in Guiyang Henglong Property Co., Limited, an indirect owned subsidiary of the Company and (iii) the Group's interest in 70% in Guiyang Yingsheng Property Development Co., Limited, an indirect owned subsidiary of the Company at a cash consideration of approximately RMB1,000,000. Chongqing Yueyingya Property Management Limited, Guiyang Henglong Property Co., Limited and Guiyang Yingsheng Property Development Co., Limited (collectively referred to the "Chongqing Yueyingya Group") were principally engaged in property development in Mainland China. The disposal was completed on 30 April 2023.

46. DISPOSAL OF SUBSIDIARIES (continued)

(II) For the year ended 31 March 2024 (continued)

The asset and liabilities of the subsidiaries disposed of and the gain/loss on disposals are analysed as follows:

Analysis of assets and liabilities of the subsidiaries over which control was lost:

	Tianhe Group RMB'000	Chongqing Yueyingya Group RMB'000	Immaterial subsidiaries RMB'000	Total RMB'000
Assets and liabilities disposed of				
Property, plant and equipment	38	7,630	–	7,668
Deferred tax assets	–	336	–	336
Property for sales – completed	82,400	306,735	–	389,135
Trade receivables	2,960	2,640	–	5,600
Prepayment, other receivables and other assets	379,551	44,583	11	424,145
Amounts due from the Group	257,591	–	80,040	337,631
Cash and cash equivalents	446	44,552	–*	44,998
Trade payables	(348,286)	(351,919)	–	(700,205)
Other payables and accruals	(127,893)	(102,933)	(80,000)	(310,826)
Contract liabilities	(6,558)	(263,320)	–	(269,878)
Amounts due to the Group	–	(106,729)	–	(106,729)
Interest-bearing bank and other borrowings	(735,035)	–	–	(735,035)
Tax payables	(432,231)	(75,140)	–	(507,371)
Deferred tax liabilities	–	(8,866)	–	(8,866)
Net (liabilities)/assets disposal of	(927,017)	(502,431)	51	(1,429,397)
Gain/(loss) on disposal of subsidiaries				
Consideration for disposal	881	1,000	–	1,881
Non-controlling interests	(110,188)	(118,422)	–	(228,610)
Net liabilities/(assets) disposed of	927,017	502,431	(51)	1,429,397
Gain/(loss) on disposal of subsidiaries	817,710	385,009	(51)	1,202,668
Net cash outflow arising on disposal				
Cash received on disposal	881	1,000	–	1,881
Less: bank balances and cash disposed of	(446)	(44,552)	–*	(44,998)
Net cash inflow/(outflow) arising on disposal of subsidiaries	435	(43,552)	–*	(43,117)

* Less than RMB1,000

47. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

At 31 March 2025

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	**89,700**	**–**	**89,700**
Financial assets at amortised cost			
Trade and bills receivables	**–**	**190,656**	**190,656**
Financial assets included in prepayments, other receivables and other assets	**–**	**1,125,267**	**1,125,267**
Restricted cash	**–**	**59,736**	**59,736**
Cash and cash equivalents	**–**	**601,400**	**601,400**
	89,700	**1,977,059**	**2,066,759**

At 31 March 2024

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	94,200	–	94,200
Financial assets at amortised cost			
Trade and bills receivables	–	224,598	224,598
Financial assets included in prepayments, other receivables and other assets	–	875,794	875,794
Restricted cash	–	13,856	13,856
Cash and cash equivalents	–	890,197	890,197
	94,200	2,004,445	2,098,645

47. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

	Financial liabilities at amortised cost	
	31 March 2025	31 March 2024
	RMB'000	RMB'000
Trade and bills payables	**938,115**	1,285,623
Financial liabilities included in other payables and accruals	**2,188,408**	2,377,655
Lease liabilities	**20,438**	18,385
Interest-bearing bank and other borrowings	**1,767,259**	1,748,057
	4,914,220	5,429,720

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's financial assets measured at fair value represents the unlisted equity interest classified under financial assets at fair value through profit or loss. Details of the fair value measurements are set out in note 20 to the consolidated financial statements.

Management has assessed that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost, including cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings and lease liabilities, approximate their fair value, which either due to their short term maturities, or that they are subject to floating rates.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair values:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 31 March 2025				
Financial assets at fair value through profit or loss	**–**	**–**	**89,700**	**89,700**
As at 31 March 2024				
Financial assets at fair value through profit or loss	–	–	94,200	94,200

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Range	
	31 March 2025 RMB'000	31 March 2024 RMB'000				**Year ended 31 March 2025**	Year ended 31 March 2024
Financial assets at fair value through profit or loss	**89,700**	94,200	Level 3	Asset-based valuation approach – in this approach, the net asset value as at the Date of Valuation and estimated replacement cost were adopted	Adjustment on market unit price (per sq.m) for properties held by the financial assets (note)	**-2% to 0%**	-6% to -2%

Note: A slight increase in the adjustment on market unit price used in isolation would result in a increase in the fair value measurement of the financial assets at fair value through profit or loss, and vice versa. A 100 basis point of increase in the adjustment on market unit price holding all other variables constant would increase the carrying amount of the financial assets at fair value through profit or loss by RMB1,500,000 (2024: RMB800,000).

The Group did not have any financial liabilities measured at fair value as at 31 March 2025 and 31 March 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 March 2024: Nil).

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings with floating interest rates. The effective interest rates and terms of repayment of the interest-bearing bank and other borrowings of the Group are disclosed in note 33 to the consolidated financial statements.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's loss before taxation (through the impact on floating rate borrowings) and prior to interest capitalisation.

	Increase/ (decrease) in basis points %	**(Increase)/ decrease in loss before tax 31 March 2025 RMB'000**	(Increase)/ decrease in loss before tax 31 March 2024 RMB'000
RMB	100	**(50)**	(50)
RMB	(100)	**50**	50

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US dollars and HK$ exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair values of monetary assets and liabilities) and other components of the Group's equity.

	Increase/ (decrease) in exchange rate %	(Increase)/ decrease in loss before tax 31 March 2025 RMB'000	(Increase)/ decrease in loss before tax 31 March 2024 RMB'000
If the HK$ weakens against US dollars	5	**138,555**	139,721
If the HK$ strengthens against US dollars	(5)	**(138,555)**	(139,721)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

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

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging (continued)

As at 31 March 2025

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	195,496	195,496
Financial assets included in prepayments, other receivables and other assets					
– Normal**	376,151	784,727	–	–	1,160,878
– Doubtful**	–	–	–	–	–
Restricted cash					
– Not yet past due	59,736	–	–	–	59,736
Cash and cash equivalents					
– Not yet past due	601,400	–	–	–	601,400
	1,037,287	784,727	–	195,496	2,017,510

As at 31 March 2024

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	228,152	228,152
Financial assets included in prepayments, other receivables and other assets					
– Normal**	267,003	636,539	–	–	903,542
– Doubtful**	–	–	–	–	–
Restricted cash					
– Not yet past due	13,856	–	–	–	13,856
Cash and cash equivalents					
– Not yet past due	890,197	–	–	–	890,197
	1,171,056	636,539	–	228,152	2,035,747

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 25 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due, except for the amount under Stage 2 of expected credit losses, there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The amount included in Stage 2 of expected credit losses was past due but without being credit-impaired and considered as recoverable. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31 March 2025

	Within 1 year RMB'000	**Over 1 year RMB'000**	**Total RMB'000**	**Carrying amount RMB'000**
Trade and bills payables	**938,115**	**–**	**938,115**	**938,115**
Financial liabilities included in other payables and accruals	**2,188,408**	**–**	**2,188,408**	**2,188,408**
Lease liabilities	**12,516**	**8,518**	**21,034**	**20,438**
Interest-bearing bank and other borrowings	**1,643,298**	**228,282**	**1,871,580**	**1,767,259**
	4,782,337	**236,800**	**5,019,137**	**4,914,220**

31 March 2024

	Within 1 year RMB'000	Over 1 year RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and bills payables	1,285,623	–	1,285,623	1,285,623
Financial liabilities included in other payables and accruals	2,377,655	–	2,377,655	2,377,655
Lease liabilities	10,479	8,849	19,328	18,385
Interest-bearing bank and other borrowings	687,284	1,157,460	1,844,744	1,748,057
	4,361,041	1,166,309	5,527,350	5,429,720

49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and 31 March 2024.

The Group monitors capital using a debt to equity ratio, which is total interest-bearing bank and other borrowings divided by total equity attributable to owners of the parent. The debt to equity ratios as at the end of the reporting periods were as follows:

	31 March 2025 **RMB'000**	31 March 2024 RMB'000
Interest-bearing bank and other borrowings	**1,767,259**	1,748,057
Total equity attributable to owners of the Company	**(1,256,206)**	1,034,504
Debt to equity ratio	**N/A**	1.69

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	31 March 2025 RMB'000	31 March 2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**85**	141
Right-of-use assets	**502**	1,338
Total non-current assets	**587**	1,479
CURRENT ASSETS		
Prepayments, other receivables and other assets	**441**	889
Cash and cash equivalents	**23,626**	133,665
Total current assets	**24,067**	134,554
CURRENT LIABILITIES		
Other payables and accruals	**19,691**	89,337
Lease liabilities	**586**	830
Total current liabilities	**20,277**	90,167
NET CURRENT ASSETS	**3,790**	44,387
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,377**	45,866
NON-CURRENT LIABILITIES		
Lease liabilities	**–**	576
Net assets	**4,377**	45,290
EQUITY		
Share capital	**24,853**	898,647
Reserves (note)	**(20,476)**	(853,357)
Total equity	**4,377**	45,290

The Company's statement of financial position was approved and authorised for issue by the board of directors on 30 June 2025 and signed on its behalf by:

Wong Kai Ho
Director

Huang Zhuguang
Director

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

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

	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 March 2023 and 1 April 2023	11,754	–	1,306,591	(171,273)	(2,022,123)	(875,051)
Recognition of equity settled share based payment	–	5,466	–	–	–	5,466
Loss for the year	–	–	–	–	(42,411)	(42,411)
Other comprehensive loss for the year						
Exchange differences on translation of financial statements of the Company	–	–	–	58,639	–	58,639
At 31 March 2024 and 1 April 2024	11,754	5,466	1,306,591	(112,634)	(2,064,534)	(853,357)
Recognition of equity settled share based payment	–	19,012	–	–	–	19,012
Profit for the year	–	–	–	–	820,754	820,754
Other comprehensive income for the year						
Exchange differences on translation of financial statements of the Company	–	–	–	(6,885)	–	(6,885)
At 31 March 2025	11,754	24,478	1,306,591	(119,519)	(1,243,780)	(20,476)

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of the contributed surplus in certain circumstances.

51. LITIGATIONS

As at 31 March 2025, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

(1) In August 2021, Minmetals International Trust Co., Ltd (五礦國際信託有限公司) ("Minmetals International"), filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against a subsidiary of HK Huzi, Dongguan Yihui Property Co., Limited* (東莞億輝地產有限公司) ("Dongguan Yihui"), and the Company's subsidiaries, Yuxi Runya Property Company Limited* (玉溪潤雅置業有限公司) ("Yuxi Runya") and Chongqing Yingfeng Property Co., Ltd.* (重慶盈豐地產有限公司) ("Chongqing Yingfeng"), in respect of the outstanding debts with principal amount of approximately RMB1,458,513,000. In February 2022, the Intermediate People's Court of Xining, Qinghai Province issued a civil judgement, which ruled that (i) Dongguan Yihui and Yuxi Runya shall jointly repay to Minmetals International the principal amount of the borrowings of approximately RMB1,458,513,000 together with the related interest and the other costs, and (ii) Minmetals International has the priority of the compensation from the proceeds of auction and sale of the collateral provided by Yuxi Runya and Chongqing Yingfeng.

Yuxi Runya has appealed the judgement to the Higher People's Court of Qinghai Province. In July 2022, the Higher People's Court of Qinghai Province issued a civil judgement, ruling that the appeal of Yuxi Runya was dismissed and the first instance judgement was upheld. Currently, Minmetals International has filed an application for enforcement with the Intermediate People's Court of Xining; Minmetals International, Dongguan Yihui, Yuxi Runya and Chongqing Yingfeng are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.

51. LITIGATIONS (continued)

(2) In August 2021, Minmetals International filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against Wuhan Tianhe Jinrui Property Development Company Limited* (武漢天合錦瑞房地產開發有限公司) ("Wuhan Tianhe"), Peking University Resources Group Investment Company Limited* (北大資源集團投資有限公司) ("Resources Investment"), both of which were subsidiaries of HK Huzi, as well as Yuxi Runya, in respect of the outstanding entrusted loans with principal of RMB620 million. In February 2022, the Intermediate People's Court of Xining, Qinghai Province issued a civil judgement, which ruled that Wuhan Tianhe and Yuxi Runya shall jointly repay to Minmetals International the outstanding principal of RMB620 million together with the related interest and other costs and Minmetals International has the priority of compensation from the proceeds of auction and sale of the collateral provided by Wuhan Tianhe and Resources Investment. Wuhan Tianhe appealed the judgement to the Higher People's Court of Qinghai Province. In July 2022, the Higher People's Court of Qinghai Province issued a civil judgement, ruling that the appeal of Wuhan Tianhe was dismissed and the first instance judgement was upheld. Currently, Minmetals International, Wuhan Tianhe, Yuxi Runya and Resources Investment are actively negotiating for the settlement of the outstanding debts under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.

(3) Western Trust Co., Ltd* (西部信託有限公司) ("Western Trust") filed a civil complaint in the Intermediate People's Court of Xi'an, Shaanxi Province against Zhejiang Resources, in respect of the outstanding debts in relation to a loan provided to Zhejiang Resources with principal amount of approximately RMB300,000,000 at interest of approximately 10.4% per annum which is secured by a land parcel in Yuhang District, Hangzhou as collateral for a term of three years, together with interest and penalty of approximately RMB389,400,000. On 1 April 2022, the court issued a first instance judgement in favour of the plaintiff, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Subsequently, Zhejiang Resources and Western Trust both appealed to the Higher People's Court of Shaanxi Province. In March 2023, the Higher People's Court of Shaanxi Province issued a civil judgement, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Currently, Western Trust has applied to the Intermediate People's Court of Xi'an, Shaanxi Province for enforcement of the effective judgement; and Zhejiang Resources is actively negotiating with Western Trust for the settlement of the repayment plan under this litigation.

51. LITIGATIONS (continued)

(4) The Intermediate People's Court of Guiyang, Guizhou Province* (貴州省貴陽市中級人民法院) issued a judgement on 31 March 2023 in respect of a civil legal proceeding against Kaifeng Boyuan Real Estate Development Co., Ltd.* (開封博元房地產開發有限公司) ("Kaifeng Boyuan") and Chongqing Yingfeng, each an indirect subsidiary of the Company, among other co-defendants. According to the judgement, it was alleged by the plaintiff, Beijing Deyu Yuantong Technology Co., Ltd.* (北京德隅源通科技有限公司), that Kaifeng Boming Real Estate Development Co., Ltd.* (開封博明房地產開發有限公司) ("Kaifeng Boming") obtained a loan from Huaneng Guicheng Trust Corp., Ltd.* (華能貴誠信託有限公司) ("Huaneng Trust") in 2019 for a principal amount of RMB1 billion secured by, among others, the pledge of certain land parcels held by Kaifeng Boyuan, and the share charge of the entire equity interest in Kaifeng Boyuan held by Chongqing Yingfeng. Kaifeng Boming failed to repay the loan and the outstanding principal is RMB590 million. Huaneng Trust subsequently transferred the loan and security to the plaintiff, who initiated the litigation against the defendants. The judgement ruled that, among others: (i) Kaifeng Boming shall repay the plaintiff the outstanding principal of RMB590 million together with interest and default interest; (ii) the plaintiff has the priority in respect of the compensation from the proceeds of auction and sale of certain land parcels held by Kaifeng Boyuan; (iii) the plaintiff has the priority in respect of the compensation from the proceeds of auction and sale of the entire equity interest in Kaifeng Boyuan held by Chongqing Yingfeng; and (iv) Kaifeng Boyuan to be jointly liable for the amount payable by Kaifeng Boming mentioned in (i). Kaifeng Boming is a wholly-owned subsidiary of HK Huzi. In August 2023, the Higher People's Court of Guizhou Province issued a civil judgement, which ruled to uphold the foregoing judgement. Currently, the plaintiff has filed an application for enforcement with the Intermediate People's Court of Guiyang; Kaifeng Boyuan, Chongqing Yingfeng and Kaifeng Boming are actively negotiating with the plaintiff for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcements of the Company dated 21 April 2023 and dated 21 August 2023.

51. LITIGATIONS (continued)

(5) Beijing Financial Court issued a judgement on 29 December 2023 in respect of a civil legal proceeding filed by Beijing Branch of China Huarong Asset Management Co. Ltd.* (中國華融資產管理股份有限公司北京市分公司) ("China Huarong") against Chongqing Yingfeng, an indirect wholly-owned subsidiary of the Company, and certain former subsidiaries of the Company, namely, Dongguan Yihui, Dongguan Yida Property Co., Limited* (東莞億達地產有限公司) ("Dongguan Yida") and Kunshan Hi-Tech Electronic Arts Creative Industry Development Co., Limited* (昆山高科電子藝術創意產業發展有限公司) ("Kunshan Hi-Tech") in respect of a debt owed by Dongguan Yihui and Dongguan Yida to China Huarong (the "Debt"). According to the judgement, the Court has ruled that (i) Dongguan Yihui and Dongguan Yida shall jointly repay China Huarong the Debt with the principal amount of approximately RMB130.7 million, as well as the compensation for restructuring grace period (the "Restructuring Compensation") and penalties for breach of contract; (ii) China Huarong shall have the priority in compensation over the proceeds from the auction or sale of several properties held by Chongqing Yingfeng and Kunshan Hi-Tech; and (iii) Dongguan Yihui, Dongguan Yida, Kunshan Hi-Tech and Chongqing Yingfeng shall pay China Huarong attorney fee of RMB150,000. The relevant parties have been negotiating with China Huarong over the settlement of the Debt and the litigation. Dongguan Yihui, Dongguan Yida and China Huarong entered into a debt settlement agreement (the "Debt Settlement Agreement") on 30 June 2022, a supplemental agreement to the Debt Settlement Agreement (the "First Supplemental Agreement") on 29 December 2022 and the second supplemental agreement to the Debt Settlement Agreement on 20 December 2023 (the "Second Supplemental Agreement"). Under the Second Supplemental Agreement, the parties agreed that (i) Dongguan Yihui and Dongguan Yida shall repay part of the principal amount of the Debt each quarter, and all outstanding principal amount of the Debt shall be repaid by 20 December 2024; (ii) Dongguan Yihui and Dongguan Yida shall repay the Restructuring Compensation with respect to the Debt by 20 December 2024; and (iii) Dongguan Yihui and Dongguan Yida shall repay costs incurred by China Huarong in recovering the Debt. As advised by the PRC legal advisors, despite the issue of the judgement, the Second Supplemental Agreement is still legally binding and enforceable between the parties. Details of the litigation are set out in the announcement of the Company dated 11 January 2024.

52. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in these consolidated financial statements, the Group's significant events after the end of reporting period are as follows:

On 7 May 2025, the Company (as subordinated limited partner) entered into the Partnership Agreement with Suzhou Aoze (as general partner) and Chongqing Jingjiahui (as preferred limited partner). Pursuant to the Partnership Agreement, the Company, Suzhou Aoze and Chongqing Jingjiahui agreed to establish the Partnership with the aggregate capital commitment of RMB100,010,000, which shall be contributed by: (i) Suzhou Aoze as to RMB10,000; (ii) the Company as to RMB30,000,000; and (iii) Chongqing Jingjiahui as to RMB70,000,000. The capital contributions to be made by Suzhou Aoze and Chongqing Jingjiahui shall be paid in cash, and the Company shall contribute capital by way of injecting the entire shareholding interest in the Disposal Company to the Partnership. The Disposal Group comprised of sixteen subsidiaries held by the Disposal Company, of which six carry on substantive business, is principally engaged in property development business in the PRC. Each of the subsidiaries of the Disposal Company is either an intermediary holding company or a company holding property development project(s) in the PRC. Subsequent to the Company's contribution of the entire shareholding interest in the Disposal Company, the Group has no other real estate development projects at the development stage, and the Disposal Group will cease to be subsidiaries of the Company, where its results, assets and liabilities will no longer be consolidated in the consolidated financial statements of the Group. Please refer to the announcement of the Company dated 8 May 2025, the circular and the notice of special general meeting dated 26 June 2025.

The following is the consolidated financial position of the Disposal Group as at 31 March 2025:

	31 March 2025 RMB'000
NON-CURRENT ASSETS	
Property, plant and equipment	450
Investment properties	11,986
Right-of-use assets	171
Deferred tax assets	11,572
Total non-current assets	24,179
CURRENT ASSETS	
Properties for sale	
– under development	3,298,197
– completed	992,535
Trade and bills receivables	315
Prepayments, other receivables and other assets	1,387,885
Restricted cash	3,736
Cash and cash equivalents	98,166
Total current assets	5,780,834

52. EVENTS AFTER THE REPORTING PERIOD (continued)

	31 March 2025 RMB'000
CURRENT LIABILITIES	
Trade and bills payables	316,962
Other payables and accruals	1,754,003
Provisions	2,835,817
Contract liabilities	763,876
Interest-bearing bank and other borrowings	1,461,890
Lease liabilities	116
Tax payable	488,839
Total current liabilities	7,621,503
NET CURRENT LIABILITIES	(1,840,669)
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,816,490)
NON-CURRENT LIABILITIES	
Lease liabilities	167
Deferred tax liabilities	56,224
Total non-current liabilities	56,391
Net liabilities	(1,872,881)
EQUITY	
Share capital	727,330
Reserves	(2,915,944)
Equity attributable to owners of the Company	(2,188,614)
Non-controlling interests	315,733
Total equity	(1,872,881)

Following the completion of the Disposal, the Group anticipates recognising a gain primarily attributable to the reduction of net liabilities, the derecognition of non-controlling interests, and the deemed contribution made by the Group to the Partnership.

PARTICULARS OF INVESTMENT PROPERTIES

31 March 2025

Location	Use	Tenure	Percentage of interest attributable to the Group
Various commercial units on various levels of No. 467 Boya City Plaza Located at Xinyu Road Gaoxin District Chengdu City Sichuan Province The PRC	Commercial	Long term lease	25
The commercial street located at Block 21 and 22 Wei Shang Ming Mansion Wuchang Street Yuhang District Hangzhou City Zhejiang Province The PRC	Commercial	Medium term lease	100
Various office units on various levels of No. 467 Boya City Plaza Located at Xinyu Road Gaoxin District Chengdu City Sichuan Province The PRC	Commercial	Medium term lease	49
Various commercial units on various levels of Yunnan Located at Dadukou Cluster Jiulongpo District Chongqing City The PRC	Commercial	Medium term lease	62
Various commercial units on various levels of Park 1898 Located at No. 69, Section 4, Xi'an Road Shuangliu District Chengdu City Sichuan Province The PRC	Commercial	Medium term lease	62

Location	Use	Tenure	Percentage of interest attributable to the Group
Various office units on various levels of Yunnan International Located at No. 756, Section 2 Hangdu Avenue Shuangliu District Chengdu City Sichuan Province The PRC	Commercial	Medium term lease	62

FIVE-YEAR FINANCIAL SUMMARY

31 March 2025

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

RESULTS

	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000	Year ended 31 March 2023 RMB'000	Period from 1 January 2021 to 31 March 2022 RMB'000	Year ended 31 December 2020 RMB'000
REVENUE	**1,618,544**	1,440,982	5,174,870	11,799,624	9,085,402
(LOSS)/PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	**(2,339,899)**	(785,629)	966,690	1,509,499	(2,025,393)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March 2025 RMB'000	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000	As at 31 March 2022 RMB'000	As at 31 December 2020 RMB'000
TOTAL ASSETS	**10,212,846**	11,522,949	12,648,625	18,267,389	38,190,572
TOTAL LIABILITIES	**(9,815,744)**	(9,015,207)	(10,113,068)	(15,878,852)	(38,898,530)
NON-CONTROLLING INTERESTS	**(1,653,308)**	(1,473,238)	(1,074,063)	(2,850,618)	(1,136,177)
	(1,256,206)	1,034,504	1,461,494	(462,081)	(1,844,135)

FINANCIAL HIGHLIGHTS
31 March 2025

	Year ended 31 March 2025 RMB'million	Year ended 31 March 2024 RMB'million	**+/(-) Change**
FINANCIAL PERFORMANCE			
Revenue	**1,619**	1,441	12.35%
Gross (loss)/profit margin	**(3.27)%**	9.08%	
Loss for the year	**(2,520)**	(750)	236.00%
KEY FINANCIAL INDICATORS			
Cash and cash equivalents	**601**	890	(32.47%)
Net current (liabilities)/assets	**(1,130)**	2,016	(156.05%)
Total assets	**10,213**	11,523	(11.37%)
Total liabilities	**9,816**	9,015	8.89%
Interest-bearing bank and other borrowings	**1,767**	1,748	1.09%
Total equity	**397**	2,508	(84.17%)
Current ratio (times)	**0.88**	1.26	
Gearing ratio	**4.45**	0.70	
Basic and diluted loss per share (RMB cents) (restated)	**(85.99)**	(32.93)	