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## **Boill Healthcare Holdings Limited**

**保集健康控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1246)**

### **FURTHER ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2022**

Reference is made to the announcement of Boill Healthcare Holdings Limited (the “**Company**”) dated 30 June 2022 in relation to the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2022 (the “**2022 Results Announcement**”).

#### **AUDITOR’S AGREEMENT ON THE 2022 ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that the Company’s independent auditors, BDO Limited (“**BDO**”), has completed its audit of the consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Annual Results**”) in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and on 8 August 2022, the Company obtained the agreement from BDO, on the 2022 Annual Results as disclosed in the 2022 Results Announcement (including the financial information in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto) as required under Rule 13.49(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Save for the amendments made to the disclosure in note 2 to the 2022 Results Announcement as set out in this announcement, the 2022 Annual Results contained in the 2022 Results Announcement remain unchanged.

The 2022 Annual Results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and it considered that such results have been prepared in accordance with applicable accounting standards and requirements with sufficient disclosure.

## EXTRACT OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The following is the extract of the notes to the 2022 Annual Results:

### 2. GOING CONCERN BASIS

The consolidated financial statements have been prepared under historical cost basis, except for investment properties and financial instruments at fair value through profit or loss, which is measured at fair value as explained in the accounting policies set out below.

During the year ended 31 March 2022, the Group has incurred a loss of approximately HK\$755,735,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$1,056,727,000. Furthermore, the Group had amounts due to related companies of approximately HK\$754,632,000, other payables of HK\$130,293,000, which represent construction costs paid by a related company on behalf of the Group, and bank and other borrowings of approximately HK\$783,022,000 that are repayable on demand while the Group only had cash and cash equivalents of HK\$46,516,000 as at 31 March 2022.

These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In the opinion of the Directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering one year period from the date of approval for issue of these consolidated financial statements (the "**Forecast Period**") after taking into account the following considerations:

- (i) The availability of undrawn credit facilities as at the date of approval of these consolidated financial statements of:
  - (a) RMB900,000,000 as per a revised loan credit facility (the "**Facility**") entered into in June 2021, that was originally entered into by the Company in June 2019 with its controlling shareholder (a then related party) and its beneficial owner regarding the provision of a loan facility amounting to RMB900,000,000. The Facility is unsecured, interest bearing at 5% per annum and repayable within a period of twenty-four months from drawdown date. The Group had not drawn down any loan from the Facility up to the date of approval for issue of these consolidated financial statements; and
  - (b) RMB136,377,000 (approximately HK\$168,187,000) for the construction of the integrated industrial zone project located in the People's Republic of China (the "**PRC**");

- (ii) An extension in June 2022 to August 2023 of the borrowing of RMB400,000,000 (approximately HK\$493,300,000) that had matured and was repayable on demand as at 31 March 2022;
- (iii) Undertakings from related parties for amounts due to them amounting to HK\$884,925,000 as at 31 March 2022 that they will not demand the Group for repayment until the Group is in the position to repay;
- (iv) Pre-sales and sales proceeds from properties located in the PRC and the estimated revenue based on actual performance since its future possible development as well as the expected business development over the Forecast Period. The realisation of the forecasted sales and pre-sales depends upon the development of the COVID-19 pandemic and quarantine measures implemented by the PRC government;
- (v) As at the date of approval of these consolidated financial statements, the Group is negotiating with potential investor(s) for possible disposal of certain non-current assets during the Forecast Period; and
- (vi) As at the date of approval of these consolidated financial statements, an independent third party agreed to provide a credit facility of RMB300,000,000 to the Group over the Forecast Period, which is interest bearing at 13% per annum, repayable within two years from the drawdown date. The facility is secured by 95% equity interest in Shanghai Baoxian Industrial Co., Ltd. (a non-wholly owned subsidiary of the Company), and is guaranteed by a related party. As at the date of approval of these consolidated financial statements, the Group had not drawn down any loan from such credit facility.

Significant uncertainties exist as to whether management of the Company will be able to achieve its plans as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to:

- (i) complete the possible disposal of certain non-current assets and collecting sale proceeds in accordance with the amount and timing expected by the Company; and
- (ii) proceed with the pre-sales and sales of properties located in the PRC in accordance with the amount and timing expected by the Company.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their net realisable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments has not been reflected in these financial statements.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the 2022 Results Announcement, and the amendments made to the disclosure in note 2 to the 2022 Results Announcements as set out in this announcement have been agreed by BDO to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2022. The work performed by BDO in this respect did not constitute an assurance engagement and consequently no opinion or no assurance conclusion has been expressed by BDO on the 2022 Results Announcement nor this announcement.

## **EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT**

BDO was engaged to audit the consolidated financial statements of the Group. The section below sets out an extract of independent auditor's report regarding the consolidated financial statements of the Group for the year ended 31 March 2022:

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 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards 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 the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Material Uncertainty Related to Going Concern**

We draw attention to note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$755,735,000 during the year ended 31 March 2022 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$1,056,727,000. These conditions, along with other matters set forth in note 3(b) to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **FINAL DIVIDEND**

The Directors resolved not to recommend the payment of final dividend for the year ended 31 March 2022 (31 March 2021: nil).

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company for the year ended 31 March 2022 (the “**AGM**”) is proposed to be held on Friday, 9 September 2022. A notice convening the AGM will be published and despatched in the manner as required by the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the entitlement of Shareholders to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from 5 September 2022 to 9 September 2022, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, 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 2 September 2022.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company for the year ended 31 March 2022 which contains all the information required under the Listing Rules will be published on the websites of the Stock Exchange and the Company on or about Friday, 12 August 2022 and despatched to the shareholders of the Company on or about Monday, 15 August 2022.

By order of the Board  
**Boill Healthcare Holdings Limited**  
**Dai Dong Xing**  
*Executive Director and Chairman*

Hong Kong, 8 August 2022

*As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Dai Dong Xing and Mr. Zhang Sheng Hai; (ii) one non-executive Director, namely Mr. Chui Kwong Kau; and (iii) three independent non-executive Directors, namely Mr. Chan Chi Keung, Billy, Mr. Xu Liang Wei and Mr. Wang Zhe.*