资源控股
RESOURCES HOLDINGS

Peking University Resources (Holdings) Company Limited
北大資源(控股)有限公司

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2023

The board (the "Board") of directors (the "Directors") of Peking University Resources (Holdings) Company Limited (the "Company") is pleased to announce the audited consolidated results and financial position of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2023 together with the comparative figures for the fifteen months ended 31 March 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2023

	Notes	Year ended 31 March 2023 RMB'000	Period from 1 January 2021 to 31 March 2022 RMB'000
REVENUE	5	**5,174,870**	11,799,624
Cost of sales		**(4,414,062)**	(10,645,176)
Gross profit		**760,808**	1,154,448
Other income and gains	5	**1,992,732**	5,775,615
Selling and distribution expenses		**(104,617)**	(307,704)
Administrative expenses		**(209,728)**	(436,165)
Impairment of inventories reversed/ (recognised), net		**15,249**	(8,535)
Impairment of properties for sale reversed/ (recognised), net			
– under development		**46,061**	(1,331,721)
– completed		**27,094**	(2,468,013)
Fair value change on financial assets at fair value through profit or loss		**(17,618)**	(8,282)
Other expenses and losses		**(646,963)**	(1,578,869)
Finance costs	6	**(266,479)**	(548,451)
Share of losses of associates		**–**	(697)
PROFIT BEFORE TAX	7	**1,596,539**	241,626
Income tax expense	8	**(577,684)**	(675,318)
PROFIT/(LOSS) FOR THE YEAR/ PERIOD		**1,018,855**	(433,692)
Profit/(loss) attributable to:			
Owners of the Company		**966,690**	1,509,499
Non-controlling interests		**52,165**	(1,943,191)
		1,018,855	(433,692)

	Notes	Year ended 31 March 2023 RMB cents	Period from 1 January 2021 to 31 March 2022 RMB cents
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		
Basic		**13.71**	23.53
Diluted		**13.71**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2023

	Year ended 31 March 2023 *RMB'000*	Period from 1 January 2021 to 31 March 2022 *RMB'000*
PROFIT/(LOSS) FOR THE YEAR/PERIOD	**1,018,855**	(433,692)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of non-Mainland China entities' operations	**9,679**	(98,870)
	9,679	(98,870)
Item that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**136,250**	69,295
	136,250	69,295
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	**145,929**	(29,575)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	**1,164,784**	(463,267)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**1,112,619**	1,485,807
Non-controlling interests	**52,165**	(1,949,074)
	1,164,784	(463,267)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Notes	**31 March 2023 RMB'000**	31 March 2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**66,144**	42,346
Investment properties		**1,230,559**	520,261
Right-of-use assets		**2,773**	4,530
Other intangible assets		**–**	3,018
Investments in associates		**30,000**	–
Financial assets at fair value through profit or loss		**96,200**	113,818
Prepayments, other receivables and other assets		**169,492**	–
Deferred tax assets		**43,785**	69,515
Total non-current assets		**1,638,953**	753,488
CURRENT ASSETS			
Properties for sale			
– under development		**5,456,655**	7,551,322
– completed		**3,756,808**	3,093,713
Inventories		**91,581**	506,132
Trade and bills receivables	11	**82,374**	664,799
Prepayments, other receivables and other assets		**896,308**	5,014,011
Income tax recoverable		**–**	4
Restricted cash		**29,832**	41,971
Cash and cash equivalents		**696,114**	641,949
Total current assets		**11,009,672**	17,513,901
CURRENT LIABILITIES			
Trade payables	12	**2,013,608**	2,012,227
Other payables and accruals		**2,507,792**	4,254,000
Provisions		**584,273**	215,562
Contract liabilities		**1,171,845**	3,488,096
Interest-bearing bank and other borrowings		**1,325,904**	3,497,854
Lease liabilities		**1,729**	4,046
Income tax payable		**1,714,879**	1,302,254
Total current liabilities		**9,320,030**	14,774,039
NET CURRENT ASSETS		**1,689,642**	2,739,862
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,328,595**	3,493,350

	31 March 2023 RMB'000	31 March 2022 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**593,704**	1,020,130
Lease liabilities	**1,507**	1,495
Deferred tax liabilities	**197,827**	83,188
Total non-current liabilities	**793,038**	1,104,813
Net assets	**2,535,557**	2,388,537
EQUITY		
Share capital	**787,555**	545,335
Reserves	**673,939**	(1,007,416)
Equity attributable to owners of the Company	**1,461,494**	(462,081)
Non-controlling interests	**1,074,063**	2,850,618
Total equity	**2,535,557**	2,388,537

NOTES

For the year ended 31 March 2023

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 e-commerce and distribution of information products, property development as well as property investment and management in Mainland China (the "PRC").

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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

As at 31 March 2023, the Group had interest-bearing bank and other borrowings amounted to approximately RMB1,919,608,000, of which approximately RMB1,325,904,000 was included in current liabilities. In addition, the Group had recorded accrued interests payable amounted to approximately RMB420,012,000 on interest-bearing bank and other borrowings as at 31 March 2023 which was included in other payables and accruals. Nevertheless, the Group had cash and cash equivalents amounted to approximately RMB696,114,000 as at 31 March 2023. These events or conditions indicate that a material uncertainty exists that may cast doubt over the Group's ability to continue as a going concern.

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 after the end of the reporting period. 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 directors of the Company revaluate the performance of the subsidiaries within the Group, dispose of non-performing assets in a timely manner, and optimise the overall resources allocation of the Group. Subsequent to the reporting year and in May 2023, the Company disposed the 100% equity interest in Hong Kong Tianhe Holdings Limited ("Hong Kong Tianhe") and 100% equity interest in Chongqing Yueyingya Enterprise Management Co., Ltd ("Chongqing Yueyingya"), upon completion of the disposal, Hong Kong Tianhe and Chongqing Yueyingya and their principal subsidiaries Tianhe Property Development Co., Limited ("Tianhe Property") and Guiyang Henglong Real Estate Co., Ltd ceased to be subsidiaries of the Group. As of 31 March 2023, Tianhe property's short-term loans were approximately RMB735,035,000 and the unpaid interest payable was approximately RMB222,207,000.

(b) The directors of the Company are considering various proposals, including but not limited to pledges of the Group's properties for sales, in order to obtain additional funds to support the Group's working capital needs. As of 31 March 2023, the book value of the properties under development for sale and completed properties for sale of the Group amounted to approximately RMB5,456,655,000 and RMB3,756,808,000, respectively.

(c) The Group has been actively negotiating with existing lenders for loan extension, the waiver of the repayable on demand clause and the waiver of possible breach of the undertaking and restrictive covenant requirements relating to certain bank and other borrowings. During the year ended 31 March 2023, the Group entered into an enforcement settlement agreement with two financial institutions for settlement of the amounts due from lenders.

(d) The management of the Group has prepared a business strategy plan, which have been reviewed by the board of directors of the Company. The business strategy plan mainly focuses on:

(i) the acceleration of pre-sale of suitable properties of the Group

The Group formulated the sales strategy tailored to the local market conditions of each property development project based on their respective product structure and actively responded to the market demands, so as to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group strengthened communication and coordination with cooperative banks to speed up the receipt of proceeds from pre-sale and sale of properties under development and completed properties.

(ii) the implementation of cost control measures

The Group formulated and closely monitored the budgeted cost for each stage of property development projects. Cost management system was adopted for real-time cost management and control. The Group has achieved product standardisation and adopted transparent tender system for centralised purchase and subcontracting with standard procedures and documents to determine reasonable and competitive bidding price. The structure of marketing expenses has been adjusted in each stage so as to improve the cost-effectiveness ratio in the process of pre-sale and sale of properties under development and completed properties. The Group is also tightening cost controls over the daily administrative and other operating expenses aiming at improving the working capital and cash flow position of the Group.

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 eighteen months after 31 March 2023. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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.

Change of accounting period

During the prior financial period, the Group changed its reporting period end date from 31 December to 31 March because the directors consider it better coincide with the seasonal operating cycle of the Group's property development business, which usually records higher sales of properties in the first quarter of each year. Such busy season demands heightened commercial efforts, and the change of financial year end date will enable the Group to better utilize its resources on executing its business plans during such busy season. Accordingly, the consolidated financial statements for the prior period cover the fifteen-month period from 1 January 2021 to 31 March 2022 and therefore may not be comparable with amounts shown for the current period.

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	*Reference to the Conceptual Framework*
Amendment to HKFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*
Amendments to HKAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2018–2020*

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

Impacts on application of Amendments to HKFRS 3 Reference to the Conceptual Framework

The Group has applied the amendments to business combinations for which the acquisition date was on or after 1 January 2022. The amendments update a reference in HKFRS 3 Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the "Conceptual Framework") instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010), add a requirement that, for transactions and events within the scope of HKAS 37 Provisions, Contingent Liabilities and Contingent Assets or HK(IFRIC)-Int 21 Levies, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination and add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments in the current year has had no impact on the Group's consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	*Insurance Contracts*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[3]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[2]
Amendments to HKAS 1	*Non-current Liabilities with Covenants*[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to HKAS 8	*Definition of Accounting Estimates*[1]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or 1 January 2024.

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

Amendments to Hong Kong Accounting Standard ("HKAS") 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

4. 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 three reportable operating segments as follows:

(a) the e-commerce and distribution segment sells appliances online and distributes information products;

(b) the property development segment sells properties; and

(c) 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 profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax 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, income tax recoverable, 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.

For the year ended 31 March 2023

	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Segment revenue, other income and gains				
Revenue from external customers*	**1,907,221**	**3,219,727**	**47,922**	**5,174,870**
Other income and gains	**40,923**	**733,460**	**1,212,885**	**1,987,268**
	1,948,144	**3,953,187**	**1,260,807**	**7,162,138**
Segment (loss)/profit	**(55,430)**	**1,851,919**	**84,959**	**1,881,448**
Interest income				**5,464**
Corporate and unallocated expenses				**(23,894)**
Finance costs				**(266,479)**
Profit before tax				**1,596,539**
Segment assets	**1,698,856**	**9,759,191**	**4,952,407**	**16,410,454**
Elimination of inter-segment receivables				**(4,531,560)**
Corporate and other unallocated assets				**769,731**
Total assets				**12,648,625**
Segment liabilities	**1,282,898**	**8,854,337**	**675,079**	**10,812,314**
Elimination of inter-segment payables				**(4,531,560)**
Corporate and other unallocated liabilities				**3,832,314**
Total liabilities				**10,113,068**

	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Other segment information				
Share of losses of associates	**–**	**–**	**–**	**–**
Impairment of trade receivables reversed/ (recognised)	**22,816**	**(490)**	**(3)**	**22,323**
Reversal of impairment of financial assets included in prepayments, other receivables and other assets, net	**(1,382)**	**380,910**	**2,427**	**381,955**
Reversal of impairment of inventories, net	**15,249**	**–**	**–**	**15,249**
Impairment of properties for sale, net				
– under development	**–**	**46,061**	**–**	**46,061**
– completed	**–**	**27,094**	**–**	**27,094**
Depreciation and amortisation	**1,219**	**5,519**	**234**	**6,972**
Capital expenditure#	**19**	**280**	**63,456**	**63,755**
Other expenses and losses				
– Interest penalty on loan defaults	**–**	**158,027**	**–**	**158,027**
– Default penalty on late delivery of development properties sold	**–**	**25,018**	**–**	**25,018**
– Tax overdue charge	**–**	**80,968**	**–**	**80,968**
– Provision for expected guarantee liability	**–**	**368,711**	**–**	**368,711**
– Gain/(loss) on disposal of property, plant and equipment	**9**	**(8)**	**87**	**88**
Fair value gains on transfer from properties for sale – completed to investment properties	**–**	**–**	**99,597**	**99,597**
– Fair value gain on investment properties, net	**–**	**–**	**356,815**	**356,815**

* 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, other intangible assets and investment properties.

For the fifteen months ended 31 March 2022

	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Segment revenue, other income and gains				
Revenue from external customers*	7,371,025	4,332,820	95,779	11,799,624
Other income and gains	1,675	5,728,906	18	5,730,599
	7,372,700	10,061,726	95,797	17,530,223
Segment profit/(loss)	40,212	1,078,004	(335,038)	783,178
Interest income				45,016
Corporate and unallocated expenses				(38,117)
Finance costs				(548,451)
Profit before tax				241,626
Segment assets	4,786,085	12,118,723	638,304	17,543,112
Elimination of inter-segment receivables				(101,052)
Corporate and other unallocated assets				825,329
Total assets				18,267,389
Segment liabilities	2,101,978	7,657,294	317,204	10,076,476
Elimination of inter-segment payables				(101,052)
Corporate and other unallocated liabilities				5,903,428
Total liabilities				15,878,852

	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Other segment information				
Share of losses of associates	697	–	–	697
Impairment of trade receivables reversed	6,500	–	–	6,500
Reversal of impairment of financial assets included in prepayments, other receivables and other assets, net	–	18,642	–	18,642
Impairment of inventories, net	8,535	–	–	8,535
Impairment of properties for sale, net				
– under development	–	1,331,721	–	1,331,721
– completed	–	2,468,013	–	2,468,013
Depreciation and amortisation	4,020	16,543	–	20,563
Capital expenditure#	2,923	6,450	–	9,373
Other expenses and losses				
– Interest penalty on loan defaults	–	685,787	–	685,787
– Default penalty on late delivery of development properties sold	–	88,485	–	88,485
– Tax overdue charge	–	202,016	5,470	207,486
– Provision for expected guarantee liability	–	215,562	–	215,562
– Loss on disposal of property, plant and equipment	1,626	4	50,849	52,479
Fair value gains on transfer from properties for sale – completed to investment properties	–	–	–	–
– Fair value loss on investment properties, net	–	–	328,465	328,465

* 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, other intangible assets and investment properties.

Geographic information

(a) ***Revenue from external customers***

	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Year ended 31 March 2023				
Mainland China	**1,907,221**	**3,219,727**	**47,922**	**5,174,870**
Hong Kong	**–**	**–**	**–**	**–**
	1,907,221	**3,219,727**	**47,922**	**5,174,870**
Period from 1 January 2021 to 31 March 2022				
Mainland China	7,352,556	4,332,820	95,383	11,780,759
Hong Kong	18,469	–	396	18,865
	7,371,025	4,332,820	95,779	11,799,624

The revenue information above is based on the locations of the customers.

(b) ***Non-current assets***

	31 March 2023 ***RMB'000***	31 March 2022 *RMB'000*
Mainland China	**1,498,762**	569,946
Hong Kong	**206**	209
	1,498,968	570,155

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

There was no revenue from sales to an external customer which accounted for 10% or more of the Group's total revenue for the year ended 31 March 2023 (fifteen months ended 31 March 2022: Nil).

5. REVENUE, OTHER INCOME AND GAINS

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

	Year ended 31 March 2023 *RMB'000*	Period from 1 January 2021 to 31 March 2022 *RMB'000*
Revenue from contracts with customers		
Sale of properties	**3,219,727**	4,332,820
Sale of appliances and information products	**1,907,221**	7,371,025
Property management services	**10,609**	–
	5,137,557	11,703,845
Revenue from other sources		
Gross rental income	**37,313**	95,779
	5,174,870	11,799,624
Timing of revenue recognition		
A point in time	**5,126,948**	11,703,845
Over time	**10,609**	–
	5,137,557	11,703,845

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 2023 and 31 March 2022 are as follows:

	31 March 2023 *RMB'000*	31 March 2022 *RMB'000*
Amounts expected to be recognised as revenue		
Within one year	**614,789**	3,088,402
In the second year	**494,958**	239,317
	1,109,747	3,327,719

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 2023 and 31 March 2022 are as follows:

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue within one year	**836**	46,195

An analysis of other income and gains is as follows:

	Year ended 31 March 2023	Period from 1 January 2021 to 31 March 2022
	RMB'000	*RMB'000*
Other income		
Management and consultancy service fee income	**8,420**	–
Other service income	**1,242**	–
Commission income	**3,574**	–
Bank interest income	**5,464**	44,069
Other interest income from related companies	**–**	947
Government grants *(note (i))*	**33**	–
Others	**20,364**	35,427
	39,097	80,443
Gains		
Gain on disposal of associates	**–**	1,563
Gains on disposal of subsidiaries	**306,469**	3,928,635
Gains on disposal of properties for sale under development *(note (ii))*	**–**	1,739,832
Gains on disposal of property, plant and equipment	**88**	–
Gains on disposal of right of use assets	**164**	–
Reversal of impairment loss on trade receivables	**22,323**	6,500
Reversal of impairment loss on other receivables and other assets	**381,955**	18,642
Gains on deemed disposal of financial instruments *(note (iii))*	**667,680**	–
Fair value gains on transfers from properties for sale – completed to investment properties	**99,597**	–
Fair value gain on investment properties	**356,815**	–
Gains on debt restructuring *(note (iv))*	**82,373**	–
Gains on waive of other payables	**36,166**	–
Others	**5**	–
	1,953,635	5,695,172
	1,992,732	5,775,615

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) The gain on disposal of properties for sale under development amounted to approximately RMB1,739,832,000 for the fifteen months ended 31 March 2022 arose from the disposal of certain development properties to the PRC local government.

(iii) During the year ended 31 March 2023, the Group derecognised several amount due from former subsidiaries amounted to RMB 1,300,320,000 and recognised a gain on deemed disposal of financial instrument of RMB667,680,000 to the consolidated statements of profit or loss.

(iv) During the year ended 31 March 2023, the Group and two financial institutions entered to an enforcement settlement agreement, under which the financial institution transferred its creditor's rights and other accompanying security rights in respect of outstanding amounts owed by the Group amounted to RMB795,325,000 (included principal of RMB570,000,000 and interest payables of RMB225,325,000). As a result, gains on debt restructuring amounted to RMB82,373,000 was recognised for the current period, which was calculated as the difference between the total amount of outstanding principal and interest payable recognised by the Group and the aggregate outstanding amounts to be settled by the Group in accordance with the enforcement settlement agreement.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 March 2023 *RMB'000*	Period from 1 January 2021 to 31 March 2022 *RMB'000*
Interest on interest-bearing bank and other borrowings	**272,297**	994,660
Interest on loans from related companies	**–**	33,661
Interest expense arising from revenue contracts	**40,313**	82,992
Interest on discounted bills	**157**	3,449
Interest expense arising from lease contracts	**638**	769
Total interest expense	**313,405**	1,115,531
Less: Interest capitalised	**(46,926)**	(567,080)
	266,479	548,451

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 March 2023 *RMB'000*	Period from 1 January 2021 to 31 March 2022 *RMB'000*
Cost of inventories sold	**1,876,937**	7,135,771
Cost of properties sold	**2,537,125**	3,509,405
Cost of sales	**4,414,062**	10,645,176
Auditor's remuneration	**2,493**	3,614
Depreciation of property, plant and equipment	**4,684**	9,311
Less: Depreciation capitalised in properties under development	**(9)**	(789)
	4,675	8,522
Depreciation of right-of-use assets	**1,895**	9,476
Amortisation of other intangible assets	**393**	1,776
Other expenses and losses *(note (i))*		
– Interest penalty on loan defaults	**158,027**	685,787
– Default penalty on late delivery of development properties sold	**25,018**	88,485
– Tax overdue charge	**80,968**	207,486
– Provision for expected guarantee liability	**368,711**	215,562
– Loss on disposal of property, plant and equipment and investment properties	**–**	52,479
– Fair value loss on investment properties, net	**–**	328,465
– Other losses	**14,239**	605
	646,963	1,578,869
Lease payments not included in the measurement of lease liabilities	**836**	3,072
Employee benefit expenses (including the directors' remuneration) *(note (iii))*:		
Wages and salaries	**138,955**	223,128
Pension scheme contributions *(note (ii))*	**11,034**	8,815
	149,989	231,943

Notes:

(i) These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

(ii) At 31 March 2023, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (31 March 2022: Nil).

(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 RMB17,114,000 (period from 1 January 2021 to 31 March 2022: RMB82,694,000) and RMB1,165,000 (period from 1 January 2021 to 31 March 2022: RMB12,356,000) respectively.

8. INCOME TAX EXPENSE

	Year ended 31 March 2023 *RMB'000*	Period from 1 January 2021 to 31 March 2022 *RMB'000*
Provision for:		
– Hong Kong profits tax	**–**	–
– PRC corporate income tax	**211,015**	461,985
– PRC LAT	**226,300**	267,855
	437,315	729,840
Deferred tax charge/(credit)	**140,369**	(54,522)
	577,684	675,318

Hong Kong profits tax

No provision of Hong Kong profits tax has been made for the reporting period as the Group has no assessable profits for the period subject to Hong Kong profits tax for both reporting periods.

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.

9. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Year ended 31 March 2023	Period from 1 January 2021 to 31 March 2022
Earnings for the purpose of basic earnings per share		
Profit for the year/period attributable to owners of the Company (*RMB'000*)	**966,690**	1,509,499
Number of shares for the purpose of basic earnings per share		
Weighted average number of ordinary shares during the year/period *('000)*	**7,049,110**	6,416,156

(b) Diluted earnings per share

The calculation of diluted earnings per share attributable to owners of the Company is based on following data:

(i) Earnings for the purpose of diluted earnings per share

	Year ended 31 March 2023 ***RMB'000***	Period from 1 January 2021 to 31 March 2022 *RMB'000*
Profit for the year/period attributable to owners of the Company	**966,690**	1,509,499
Adjustments for the calculation of diluted earnings per share	**–**	–
Profit for the year/period for the purpose of diluted earnings per share	**966,690**	1,509,499

(ii) Weighted average number of ordinary shares

	Year ended 31 March 2023 ***'000***	Period from 1 January 2021 to 31 March 2022 *'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,049,110**	6,416,156
Effect of dilution – share option	**2,261**	N/A*
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**7,051,371**	6,416,156

* The Group had no potential dilutive ordinary shares in issue during the period from 1 January 2021 to 31 March 2022.

10. DIVIDENDS

No dividends have been declared and paid by the Company during the year ended 31 March 2023 (For the fifteen months ended 31 March 2022: Nil).

11. TRADE AND BILLS RECEIVABLES

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Trade receivables	**84,501**	699,007
Bills receivable	**–**	4,075
	84,501	703,082
Impairment loss on trade receivables	**(2,127)**	(38,283)
	82,374	664,799

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 and bills receivables, less loss allowance recognised, based on the invoice date and net of loss allowance, is as follows:

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Within 6 months	**70,547**	607,961
7 to 12 months	**11,827**	3,105
13 to 24 months	**–**	40,781
Over 24 months	**–**	12,952
	82,374	664,799

12. TRADE PAYABLES

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Trade payables	**2,013,608**	2,012,227

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date is as follows:

	31 March 2023	31 March 2022
	RMB'000	*RMB'000*
Within 6 months	**897,454**	1,570,654
Over 6 months	**1,116,154**	441,573
	2,013,608	2,012,227

The trade payables are non-interest-bearing and are normally settled on terms of 45 to 90 days.

13. CORRESPONDING FIGURES

The following corresponding figures in consolidated statement of profit or loss have been reclassified to conform with the current year's presentation of the Group:

- Reclassification of cost of sales regarding the impairment of inventories recognised, impairment of properties for sale – under development recognised and impairment of properties for sale – completed recognised in amount of approximately RMB8,535,000, RMB1,331,721,000 and RMB2,468,013,000 to separate line item to fairly present the nature of loss incurred.

- Reclassification of administrative expenses regarding the fair value change on financial assets at fair value through profit or loss in amount of approximately RMB8,282,000 to separate line item to fairly present the nature of loss incurred.

In the opinion of the Board, the reclassification made to the corresponding figures has insignificant impact on the Group's consolidated statement of profit or loss for the fifteen months ended 31 March 2022.

The following is an extract of the independent auditor's report on the consolidated financial statements for the year ended 31 March 2023:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the section of "Basis for Qualified Opinion" of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

The comparative information presented or disclosed in the consolidated financial statements are based on the consolidated financial statements of the Group for the period ended 31 March 2022 in respect of which we expressed a disclaimer opinion in our last year auditors' report. Our opinion in this report is modified due to the possible effects of these matters on the comparability of the current year's figures and the comparative figures.

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 qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which states that, as at 31 March 2023, the Group had interest-bearing bank and other borrowings amounted to approximately RMB1,919,608,000, of which RMB1,325,904,000 was included in current liabilities. In addition, the Group had recorded accrued interests payable amounted to approximately RMB420,012,000 on interest-bearing bank and other borrowings as at 31 March 2023 which was included in other payables and accruals. Nevertheless, the Group had cash and cash equivalents amounted to approximately RMB696,114,000 as at 31 March 2023. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast doubt over the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in note 2 to the consolidated financial statements, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During 2022, in response to the impact of unforeseen factors such as the increasingly complex and challenging international environment and recurrent pandemic outbreaks in China, government departments across different regions efficiently coordinated pandemic prevention and socioeconomic development by actively promoting and implementing a basket of policies and sustained measures to stabilise the economy. Overall, the domestic economy remained on a track of recovery. China's disposal income per capita growth is generally consistent with its economic growth, while real consumption expenditure growth has slowed down. Gross domestic product calculated at constant prices grew by 3.0% over the previous year. China's household income growth is generally consistent with its economic growth. Industrial value-added of China's enterprises above-scale grew by 3.6% over the previous year while value-added of the high-tech manufacturing industry grew by 7.4% over the previous year. Fixed asset investment grew by 5.1% over the previous year, while high-tech industry investment grew by 18.9% over the previous year.

Real Estate Business

During 2022, the real estate market was the subject of intensive intervention. The industry struggled with an unprecedented level of shock, recording a steep decline in sales of commodity housing and negative growth in investment in real estate development for the first time. Local governments in China were required by the central government to fully utilise available policies and implement appropriate measures to support inelastic demand for homes and demand for improved housing, and were delegated with responsibility to secure the delivery of homes and protect livelihoods. Thus, the industry entered a new policy cycle. In 2022, the sales of commodity housing in China amounted to RMB13.3 trillion, and the sales area of commodity housing amounted to 1.36 billion square meters, representing a decrease of 26.7% and 24.3% respectively, as compared to the historical peak in 2021. New construction area of properties in China was 1.21 billion square meters, representing a decrease of 39.4% year-on-year. The investment in real estate development in China amounted to RMB13.3 trillion, representing a decrease of 10.0% over 2021.

In the first quarter of 2023, the sales area of commodity housing nationwide amounted to 300 million square meters with a sales volume of RMB3.1 trillion, representing a decrease of 1.8% and an increase of 4.1% respectively year-on-year. Investment in real estate development decreased by 5.8% over the corresponding period in 2022. During China's Central Economic Work Conference held in December 2022, various points were made, including "Secure the delivery of homes, protect livelihoods, ensure stability, satisfy reasonable financing demand of the industry", "Support inelastic demand for homes and demand for improved housing", "Promote stable transition of the real estate industry to a new development model which upholds the vision of 'homes not for speculating but for living'". Since November 2022, China's National Association of Financial Market Institutional Investors has continued to promote and expand the "Second Arrow", China's central bank and China Banking and Insurance Regulatory Commission issued a "16-point Plan for Financing", and China Securities Regulatory Commission issued a "New 5-point Plan" to support real estate equity financing, which has resulted in improvement in the financing environment of the real estate industry.

E-commerce and Distribution Business

2022 was a focus breakthrough year for China's digital sector in terms of empowering the physical sector. Under policy directives, China's digital economy has been speeding up work in addressing the key bottleneck of integrating digital and physical economy since the start of 2022. As the IT product market continues to mature with product types and scale expanding, sales of IT products also face increasing pressure. In 2022, the overall sales volume of China's IT distribution market amounted to RMB442.41 billion, representing a decrease of 3.1% year-on-year. In 2022, internet sales of physical products in China amounted to RMB11.96 trillion, representing a growth of 6.2% year-on-year, and accounting for 27.2% of total retail volume of consumer products.

OPERATING REVIEW

As disclosed in the announcement of the Company dated 5 January 2022, the Board has resolved to change the financial year end date of the Company from 31 December to 31 March. The first reporting period of the Group following the change of financial year end date is the 15-month period from 1 January 2021 to 31 March 2022 (the "Corresponding Period"), while the current financial year is the 12-month period from 1 April 2022 to 31 March 2023 (the "Reporting Year").

Real Estate Business

Property Development

The turnover of the property development business of the Group for the Reporting Year decreased by 25.7% to approximately RMB3,219.7 million (fifteen months ended 31 March 2022: RMB4,332.8 million). The segment recorded a profit of approximately RMB1,851.9 million (fifteen months ended 31 March 2022: approximately RMB1,078.0 million). The decrease in segment turnover was primarily attributable to the decrease in area delivered of property development projects. The increase in segment profit was due to the improvement in gross profit of properties sold.

As at 31 March 2023, the Group had 13 property development projects across 9 cities in Mainland China. The total area of the properties held for sale, properties under development and area pending construction amounted to approximately 2,775,000 square meters. During the Reporting Year, the Group actively promoted resumption of work and production activities under the ongoing pandemic and changes in the industry. During the Reporting Year, contracted sales of properties and contracted gross floor area ("GFA") amounted to approximately RMB9.03 billion and approximately 223,000 square meters, respectively, with an average selling price of approximately RMB3,804 per square meter.

Project List

As at 31 March 2023

Project Name	Project Location	Planned Development	Planned GFA *(sq.m)*	Equity Share	Expected Year of Completion
Yihe Emerald Mansion	Yuxi, Yunnan	Residential/ Commercial	456,507	100%	2026
Boya Binjiang	Foshan, Guangdong	Residential/ Commercial	909,598	51%	2024
Wei Ming 1898	Kaifeng, Henan	Residential/ Commercial	290,379	100%	2024
Dream City	Guiyang, Guizhou	Residential/ Commercial	1,014,000	70%	2024
Zijing Mansion	Chongqing	Residential/ Commercial	193,771	100%	2023
Boya	Chongqing	Residential/ Commercial	499,947	70%	Completed
Jiangshan Mingmen	Chongqing	Residential/ Commercial	706,601	100%	Completed
Yuelai	Chongqing	Residential/ Commercial	425,947	70%	Completed
Boya City Plaza	Chengdu, Sichuan	Commercial/Office	144,008	51%	Completed
Wei Ming Mansion	Hangzhou, Zhejiang	Residential/ Commercial	193,736	100%	Completed
Shanshui Nianhua	Wuhan, Hubei	Residential/ Commercial	278,437	70%	Completed
580 Project	Chongqing	Residential/ Commercial	613,530	100%	N/A
Lianhu Jincheng	Ezhou, Hubei	Residential/ Commercial	756,114	90%	N/A

Note: Expected year of completion is not available for certain projects as these projects have not yet commenced or are pending acceptance of completion. Accordingly, no estimate of their respective expected completion year could be provided.

The Group will further focus on the expansion of its regional property development business and actively facilitate the delivery of its projects. In response to changes in both its internal and the external environment, the Group will move prudently and control risks actively so as to maintain stability of its business operations and facilitate steady delivery of its property projects.

Property Investment and Management

During the Reporting Year, the turnover of property investment and management business decreased by 50.0% to approximately RMB47.9 million (fifteen months ended 31 March 2022: RMB95.8 million). The segment recorded a profit of approximately RMB85.0 million (fifteen months ended 31 March 2022: loss of RMB335.0 million). The decrease in segment revenue was mainly attributed to the decrease in rented GFA during the Reporting Year. The improvement in segment results was mainly due to the fair value gain on investment properties arising from the increase in fair value of investment properties of approximately RMB456.4 million (fifteen months ended 31 March 2022: loss of RMB328.5 million) during the Reporting Year.

E-commerce and Distribution

During the Reporting Year, the Group's e-commerce and distribution business recorded a turnover of approximately RMB1,907.2 million, representing a decrease of 74.1% as compared to the Corresponding Period (fifteen months ended 31 March 2022: RMB7,371.0 million). The segment recorded a loss of RMB55.4 million (fifteen months ended 31 March 2022: profit of RMB40.2 million).

Originally, the distribution business was mainly focused on the distribution of information products. During the Reporting Year, it has been affected mainly by litigations initiated against the Group by a creditor and Peking University Founder Group Company Limited (北大方正集團有限公司) ("Peking Founder"), the former controlling shareholder of the Company. During the Reporting Year, the Group has gradually and successfully transformed from a traditional IT distributor to an e-commerce platform.

FINANCIAL REVIEW

OVERALL PERFORMANCE

During the Reporting Year, the Group's revenue decreased by 56.1% to approximately RMB5,174.9 million (fifteen months ended 31 March 2022: RMB11,799.6 million) are mainly attributable to the facts that the litigations initiated against the Group by a creditor and Peking Founder, the former controlling shareholder of the Company, resulting in a signifcant decrease of RMB5,463.8 million in sales of information products, and the decrease in area delivered of property development projects resulting in a decrease of RMB1,131.1 million in the revenue of property development business. The Group recorded a profit of approximately RMB1,018.9 million for the Reporting Year (fifteen months ended 31 March 2022: loss of RMB433.7 million). The increase in profit during the Reporting Year was mainly attributable to the combined effects of the following factors:

a. a decrease in gross profit by approximately RMB393.6 million to approximately RMB760.8 million (fifteen months ended 31 March 2022: RMB1,154.4 million), which was mainly due to the combined effects of improvement in gross profit of properties delivered and decrease in area delivered of property development projects;

b. a decrease in other income and gains by approximately RMB3,782.9 million to approximately RMB1,992.7 million (fifteen months ended 31 March 2022: RMB5,775.6 million), which was mainly attributable to the facts that in the Corresponding Period, the Group recorded gains of approximately RMB3,928.6 million from disposal of various subsidiaries including Hong Kong Huzi Limited ("HK Huzi") and its subsidiaries ("Huzi Group"); in the Reporting Year, the Group only recorded gains of approximately RMB306.5 million from the disposal of Founder Data Corporation International Limited ("Founder Data");

c. a decrease in total selling and distribution expenses and administrative expenses by approximately RMB429.6 million to approximately RMB314.3 million (fifteen months ended 31 March 2022: RMB743.9 million), which was attributable to the streamlining of organisational structure following the disposal of Huzi Group in March 2022 and the strict control of expenses implemented by the management;

d. a reversal of approximately RMB73.2 million in impairment of properties for sale was made in the Reporting Year, as compared to approximately RMB3,799.7 million was recognised as impairment of properties for sale in the Corresponding Period as a result of the sharp downturn in the property market in 2021, leading to significant decrease of the net realisable value of certain properties;

e. a decrease in other expenses and losses, net by approximately RMB931.9 million to approximately RMB647.0 million (fifteen months ended 31 March 2022: RMB1,578.9 million), which was attributable to a decrease in claims and penalty on late repayment of bank and other borrowings as the reduction in interest-bearing financial liabilities following the disposal of Huzi Group by the Group in March 2022, as well as the debt settlement with relevant financial institutions;

f. a decrease in finance costs by approximately RMB282.0 million to approximately RMB266.5 million (fifteen months ended 31 March 2022: RMB548.5 million) attributable to a decrease in interest-bearing financial liabilities following the disposal of Huzi Group by the Group in the March 2022; and

g. a decrease in income tax expenses by approximately RMB97.6 million to approximately RMB577.7 million (fifteen months ended 31 March 2022: RMB675.3 million) as a result of an decrease in corporate income tax and land appreciation tax in the PRC during the Reporting Year.

Profit attributable to owners of the Company and to non-controlling interests of the Group for the Reporting Year were approximately RMB966.7 million (fifteen months ended 31 March 2022: profit of RMB1,509.5 million) and RMB52.2 million (fifteen months ended 31 March 2022: loss of RMB1,943.2 million) respectively.

Basic and diluted profit per share attributable to owners of the Company for the Reporting Year was approximately RMB13.71 cents (fifteen months ended 31 March 2022: RMB23.53 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 2023, the Group had interest-bearing bank and other borrowings of approximately RMB1,919.6 million (31 March 2022: RMB4,518.0 million), of which approximately RMB639.0 million (31 March 2022: RMB456.8 million) bear interest at floating rates and RMB1,280.6 million (31 March 2022: RMB4,061.2 million) bear interest at fixed rates. The borrowings, which were subject to little seasonality, consisted mainly of bank loans, trust loans and loans from Peking Founder, and borrowings from financial institutions. All interest-bearing bank and other borrowings were denominated in RMB, of which approximately RMB1,325.9 million (31 March 2022: RMB3,497.9 million) were repayable within one year, approximately RMB293.0 million (31 March 2022: RMB1,020.1 million) were repayable within two years and approximately RMB300.7 million (31 March 2022: Nil) were repayable within three years. The Group's banking facilities were secured by guarantees given by Peking Founder and Peking University Resources Group Co., Ltd. (北大資源集團有限公司) (each a former controlling shareholder of the Company), and certain properties under development and properties held for sale of the Group, investment properties, equity interests of certain subsidiaries of the Group, receivables of certain subsidiaries in 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 41.05% to approximately RMB2,507.8 million (31 March 2022: RMB4,254.0 million) was due to other payables and accruals of Founder Data and its subsidiaries was no longer consolidated into the accounts of the Group following its disposal and partial repayment of other payables.

As at 31 March 2023, the Group recorded total assets of approximately RMB12,648.6 million (31 March 2022: RMB18,267.4 million), total liabilities of approximately RMB10,113.1 million (31 March 2022: RMB15,878.9 million), non-controlling interests of approximately RMB1,074.1 million (31 March 2022: RMB2,850.6 million) and equity attributable to owners of the Company of approximately RMB1,461.5 million (31 March 2022: deficit of approximately RMB462.1 million). The turnaround from the deficit position was due to the profit for the Reporting Year. The Group's net asset value per share as at 31 March 2023 was RMB27.8 cents (31 March 2022: RMB37.2 cents). The increase in net asset value per share was attributable to the profit for the Reporting Year.

As at 31 March 2023, the Group had total cash and cash equivalents and restricted cash of approximately RMB725.9 million (31 March 2022: RMB683.9 million). As at 31 March 2023, the Group's gearing ratio, calculated as a percentage of total borrowings over total equity, was 0.76 (31 March 2022: 1.89) while the Group's current ratio was 1.18 (31 March 2022: 1.19).

As at 31 March 2023, the capital commitments for contracted, but not provided for, properties under development were approximately RMB2,133.2 million (31 March 2022: RMB1,829.0 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 2023, properties under development of approximately RMB848.2 million (31 March 2022: RMB2,425.2 million), properties held for sale of approximately RMB298 million (31 March 2022: RMB912.3 million), investment properties of approximately RMB295.8 million (31 March 2022: Nil), receivables of approximately RMB32.1 million (31 March 2022: Nil), bank deposits of approximately RMB29.8 million (31 March 2022: RMB42.0 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 2023, the Group had contingent liabilities as follows:

(1) The Group had contingent liabilities relating to guarantees mainly in respect of mortgages granted by certain banks to certain purchasers of the Group's properties amounting to approximately RMB1,339.7 million (31 March 2022: RMB3,136.7 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 the building ownership certificates which are generally issued within three months after the purchasers obtain the relevant properties; and (ii) repayment of the mortgages 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 the guarantees in the financial statements.

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

MAJOR LITIGATIONS

As at 31 March 2023, the Group has been involved in the following significant legal proceedings and has been proactively responding to the cases:

(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 judgment was upheld. Currently, Minmetals International, Dongguan Yihui, Yuxi Runya and Chongqing Yingfeng 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.

(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 are 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 judgment 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) CITIC Trust Co., Ltd. (中信信託有限責任公司) ("CITIC Trust") filed a civil complaint in the Beijing Financial Court against certain subsidiaries of the Company, namely Hong Kong Tianhe Holdings Limited (香港天合控股有限公司) ("HK Tianhe"), Ezhou Jinfeng Property Development Co., Limited* (鄂州金豐房地產開發有限公司) ("Ezhou Jinfeng"), and Tianhe Property Development Co., Limited* (天合地產發展有限公司) ("Tianhe Property") as defendants in respect of the (i) outstanding debts amounting to approximately RMB1.05 billion (which includes the related interest calculated up to 10 November 2021); and (ii) CITIC Trust's priority in compensation over the proceeds from the auction or sale of the 90% equity interests in Tianhe Property held by HK Tianhe and the land use rights in several properties held by Ezhou Jinfeng. As at the date of this announcement, the case is still on-going. Details of the litigation are set out in the announcement of the Company dated 8 April 2022.

(4) a civil legal proceeding filed by China Construction Eighth Engineering Division Corp., Ltd.* (中國建築第八工程局有限公司) against Zhejiang Peking University Resources Real Estate Co., Ltd.* (浙江北大資源地產有限公司) ("Zhejiang Resources") with the Zhejiang Hangzhou Intermediate People's Court* (浙江省杭州市中級人民法院) in respect of outstanding construction project sum with interests and penalties amounting to approximately RMB105.3 million, in relation to a property development project of Zhejiang Resources. As at the date of this announcement, the hearing has taken place, with judgment from the court pending and Zhejiang Resources was unable to estimate the expected date of rendering of judgment.

(5) 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, Zhejiang Resources and Western Trust are actively negotiating for the settlement of the outstanding debts under this litigation.

(6) 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. The relevant companies have appealed the judgement to the Higher People's Court of Guizhou Province. As at the date of this announcement, the second instance proceeding is still on-going. Details of the litigation are set out in the announcement of the Company dated 21 April 2023.

Future plans for material investments or capital assets

As at 31 March 2023, the Group did not have any specific future plans for material investments or capital assets (31 March 2022: Nil). Nonetheless, the Group is always seeking new investment opportunities in the real estate 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, there was no material acquisitions or disposals of subsidiaries, associates and joint ventures of the Group during the Reporting Year:

(1) On 21 April 2022, Chongqing Ruihesheng Project Management Co., Limited* (重慶睿和升項目管理有限公司) ("Chongqing Ruihesheng"), an indirectly wholly-owned subsidiary of the Company, entered into the equity transfer agreement with certain independent third parties, Chengdu Moding Zhishi Investment Management Co., Limited* (成都摩頂智識投資管理有限公司) ("Chengdu Moding"), Chengdu Yizhong Wisdom Investment Management Co., Limited* (成都一眾智慧投資管理有限公司)

(“Chengdu Yizhong”), and Chongqing Shengfu Future Industry Co., Limited* (重慶盛福未來實業有限公司) (“Cheongqing Shengfu”), pursuant to which Chengdu Moding has agreed to acquire 26% equity interest of Chongqing Xinlongrui Information Technology Co., Limited* (重慶鑫隆睿信息科技有限公司) (“Chongqing Xinlongrui”) from Chongqing Ruihesheng at the consideration of approximately RMB51,240,000, Chengdu Yizhong has agreed to acquire 17% equity interest of Chongqing Xinlongrui from Chongqing Ruihesheng at the consideration of approximately RMB33,503,000, and Chongqing Shengfu has agreed to acquire 8% equity interest of Chongqing Xinlongrui from Chongqing Ruihesheng at the consideration of approximately RMB15,766,000, respectively. Chongqing Xinlongrui is an investment holding company and, through its subsidiaries, are principally engaged in property development business in the PRC. Details of the aforementioned disposal are set out in the Company’s announcement dated 21 April 2022.

(2) On 19 October 2022, the Company (as the vendor), and Ms. Zhao Ge (趙舸) (as the purchaser), entered into the sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the purchaser has conditionally agreed to acquire the entire issued share capital in Founder Data Corporation International Limited (方正數碼國際有限公司) (“Founder Data”) at the consideration of HK$1,000,000. The disposal was approved by the shareholders of the Company at the special general meeting of the Company held on 12 December 2022, and the disposal was completed during the Reporting Year in accordance with the terms of the sale and purchase agreement. Upon completion, Founder Data has ceased to be a subsidiary of the Company.

The disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. For further details of the disposal, please refer to the announcements of the Company dated 19 October 2022 and 10 November 2022, the circular of the Company dated 2 December 2022, and the announcements of the Company dated 22 December 2022 and 17 January 2023.

(3) On 9 January 2023, (1) Wuhan Jinxiang Asset Management Co., Ltd.* (武漢錦祥資產管理有限公司) (“Wuhan Jinxiang”), an indirect wholly-owned subsidiary of the Company (as the acquirer), and Chongqing Feidia Information Technology Partnership (Limited Partnership)* (重慶飛迪亞信息技術合夥企業(有限合夥)) (“Chongqing Feidia”) (as the vendor) entered into Debt Settlement Agreement A, pursuant to which Chongqing Feidia has conditionally agreed to transfer 49% equity interest of Chongqing Yayuan Henghui Information Technology Co., Ltd.* (重慶雅源恒輝信息技術有限公司) (“Chongqing Yayuan Henghui”) to Wuhan Jinxiang at the consideration, subject to adjustments, of approximately RMB929,422,000, (2) Chongqing Yingfeng Real Estate Co., Ltd.* (重慶盈豐地產有限公司) (“Chongqing Yingfeng”), an indirect wholly-owned subsidiary of the Company (as the acquirer), and Chongqing Longsay Information Technology Partnership (Limited Partnership)* (重慶朗賽信息科技合夥企業(有限合夥)) (“Chongqing Longsay”) (as the vendor) entered into Debt Settlement Agreement B, pursuant to which Chongqing Longsay has conditionally agreed to transfer 49% equity interest of Chongqing Yinghe Yiyuan Enterprise Management Co., Ltd.* (重慶盈合益

遠企業管理有限公司) (“Chongqing Yinghe Yiyuan”) to Chongqing Yingfeng at the consideration, subject to adjustments, of approximately RMB932,774,000, (3) Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.* (武漢天合錦程房地產發展有限公司) (“Wuhan Tianhe Jincheng”), an indirect 70%-owned subsidiary of the Company (as the acquirer), and Chongqing Minos Information Technology Partnership (Limited Partnership)* (重慶美諾思信息科技合夥企業(有限合夥)) (“Chongqing Minos”) (as the vendor) entered into Debt Settlement Agreement C, pursuant to which Chongqing Minos has conditionally agreed to transfer approximately 20.59% equity interest of Zhejiang Resources to Wuhan Tianhe Jincheng at the consideration, subject to adjustments of approximately RMB291,283,000, and (4) Chongqing Yuefeng Real Estate Co., Ltd.* (重慶悦豐地產有限公司) (“Chongqing Yuefeng”), an indirect 70%-owned subsidiary of the Company (as the acquirer), and Chongqing Minos (as the vendor) entered into Debt Settlement Agreement D, pursuant to which Chongqing Minos has conditionally agreed to transfer approximately 10.94% equity interest of Zhejiang Resources to Chongqing Yuefeng at the consideration, subject to adjustments, of approximately RMB154,766,000.

The debt settlement was approved by the shareholders of the Company at the special general meeting of the Company held on 10 March 2023, and the debt settlement was completed on 24 March 2023 in accordance with the terms of the relevant agreements. Upon completion, the Company’s equity interest in (1) Chongqing Yayuan Henghui has increased from 51% to 100%; (2) Chongqing Yinghe Yiyuan has increased from 51% to 100%; and (3) Zhejiang Resources has increased from approximately 68.47% to 100% (of which 31.53% was held through the Company’s 70%-owned subsidiaries), and the financial information of the target companies will continue to be consolidated into the financial statements of the Group.

The debt settlement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. For further details of the debt settlement, please refer to the announcement of the Company dated 9 January 2023, the circular of the Company dated 17 February 2023, and the announcements of the Company dated 10 March 2023 and 24 March 2023.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2023, the Group has approximately 454 employees (31 March 2022: 565). The decrease in the number of employees is attributable to the reduction in operation scale of the property development business and the distribution business.

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 Listing Rules.

The total number of shares of the Company (the "Shares") in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the Shares in issue on the adoption date, i.e. 163,396,901 Shares. During the Reporting Year, the Company has granted share options to certain eligible individuals to subscribe for up to a total of 147,051,211 shares under the Share Option Scheme. Details of the options granted under the Share Option Scheme are set out in the announcement of the Company dated 2 September 2022.

As at 31 March 2023, 147,051,211 share options granted under the Share Option Scheme has been fully exercised. As at 31 March 2023, the total number of Shares to be issued upon the exercise of the share options available for grant under the Share Option Scheme was 16,345,690 Shares, representing approximately 0.18% of the total Shares in issue as at the date of this announcement.

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:

					Number of share options					
Name or category of participant	**Date of grant**	**Vesting period**	**Exercise period**	**Exercise price**	**Outstanding as at 1 April 2022**	**Granted during the year**	**Exercised during the year**	**Cancelled/ lapsed during the Reporting Year**	**Outstanding as at 31 March 2023**	**Closing price (weighted average) of the Shares immediately before the dates on which the options were exercised**
Directors and chief executive										
– Wong Kai Ho	2 September 2022	From the date of grant until the commencement of the exercise period	From 1 November 2022 until 31 October 2026 (both days inclusive)	HK$0.125 per Share *(Note)*	–	6,416,155	6,416,155	–	–	0.111
– Xia Ding					–	38,000,000	38,000,000	–	–	0.111
– Jiang Xiaoping					–	34,000,000	34,000,000	–	–	0.111
Other employees					–	68,635,056	68,635,056	–	–	0.111
					–	147,051,211	147,051,211	–	–	

Note: The exercise price is HK$0.125 per Share, which is higher than the following: (i) the closing price of HK$0.119 per Share on the date of grant; (ii) the average closing price of HK$0.1242 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.

EVENTS AFTER THE REPORTING PERIOD

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

Hong Kong Resources Rui Cheng Property Holdings Limited (香港資源睿成地產控股有限公司) ("Vendor A"), an indirect wholly-owned subsidiary of the Company, and YE KAI TAI (HK) LIMITED (葉開泰(香港)有限公司) ("Purchaser A") entered into Equity Transfer Agreement A, pursuant to which Purchaser A has agreed to acquire, and Vendor A has agreed to sell the entire issued share capital of Hong Kong Tianhe for the consideration of HK$1,000,000. Chongqing Heyumei Commercial Information Consultant Co., Ltd* (重慶合裕美商務信息諮詢有限公司) ("Vendor B"), an indirect wholly-owned subsidiary of the Company, and Wuhan Yiyuan Enterprise Management Co., Ltd.* (武漢憶圓企業管理有限公司) ("Purchaser B") entered into Equity Transfer Agreement B, pursuant to which Purchaser B has agreed to acquire, and Vendor B has agreed to sell 100% equity interest in Chongqing Yueyingya Enterprise Management Co., Ltd.* (重慶悦盈雅企業管理有限公司) for the consideration of RMB1,000,000. Immediately after the completion of the disposals, the Group will cease to have any interest in the target groups. The target groups' financial results, assets and liabilities will cease to be consolidated into the Group's consolidated financial statements.

The disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. For further details of the disposals, please refer to the announcement of the Company dated 11 May 2023.

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.

Real Estate Business

Looking ahead in 2023, China's economy is on a slow pace of recovery as growth in domestic demand remains lethargic. It is expected that uncertainties such as global geopolitical conflicts and trade sanctions will continue to weigh on allocation of major assets such as domestic real estate as well as consumer confidence. Since the start of 2022, China's central and local governments have initiated and enhanced stimulus measures in relation to the real estate sector in order to "secure delivery, protect livelihoods, ensure stability" and allow the industry to gradually get back on track with healthy development. Still, the implementation of favourable real estate policies by the government has produced a mixed bag of results, with tier-one, tier-two cities and tier-three, tier-four cities at opposite extremes. Market sales may also experience a mixed response to different areas within cities. Despite general signs of industry and market recovery in the first quarter, the Group remains cautiously optimistic of industry prospects in 2023.

In response to the prevailing challenges in the industry, the Group will continue to emphasise financial security, streamline organisational structure and enhance management efficiency. Maintaining adequate liquidity for operations, deleveraging and stabilising debt level are the Group's business priorities. Under the new normal for the industry, the Group's main approach to operations at present are to revitalise inventories, innovate business models for inventories, and maintain cash inflow. In terms of business operation, the Group will devote efforts to rebuild and enhance the Group's brand value, optimise and expand product lines to accommodate different customer groups, actively focus on three development tracks of "asset-light operations, agent construction and property management services" in the post-pandemic era, and leverage the technology of the Nibiru metaverse platform to launch the Group's own NFT digital artifacts and develop a virtual-physical integrated real estate development business as well as diversified O2O online and offline value-added lifestyle service business, actively transition to a new "real estate + technology" track, in order to ensure that the Group responds to industry challenges with precision, mitigate the impacts of the industry cycle, and seize opportunities for future development.

E-commerce Business

According to an assessment of the current trends, given China's industrial policy guidance, the rapid development of informatisation construction and the continuous integration of informatisation and industrialisation, a great development opportunity will be available to China's IT distribution industry. Nonetheless, the development and proliferation of the internet, e-commerce platforms and livestream marketing has created a more convenient and direct channel of communication and transaction between producers and sellers, which has diminished the role of IT distributors in the distribution process, resulting in significantly less room for distributors to survive in the traditional supply chain process.

Traditional IT distributors are currently in the midst of a successful transformation to e-commerce platforms and have been tasked with an even tougher challenge. Given the advantage of having traditional supply chain channels as well as downstream sales networks and operation capabilities, IT distributors have the potential to be a major hub between brands and e-commerce platforms, offering a full chain of integrated online operation and sales services including IT and digital content marketing.

China's e-commerce market will maintain its rapid pace of growth in 2023. In light of the impact of the post-pandemic era, China's consumer market is growing rapidly. Further, China's government has been implementing various policies to increase domestic demand, stimulate new consumption patterns, and drive high-quality development, which would fast-track China's consumer market to upgraded consumption and innovative models. Already being one of the world's largest e-commerce markets, there will be even greater room for growth in China's e-commerce market. The Group will leverage its general operation and sales service capabilities to intensify development of its e-commerce business.

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. 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). The Company will leverage its extensive experience in the real estate industry and build on its expertise in planning, design, construction and management to create greater value for its shareholders.

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 great potential and room for development, and will therefore also focus on such related industries. In the future, the Group will maintain a prudent and sound principle of investment in order to create greater returns for its shareholders and clients.

The Board is confident in the future development of the Group and believes that by continuously expanding its business scope and improving its overall strength, the Group will create sustainable and robust growth in value for its shareholders and other stakeholders.

DIVIDEND

No interim dividend was paid during the Reporting Year (fifteen months ended 31 March 2022: Nil) and the Board did not recommend the payment of any final dividend for the Reporting Year (fifteen months ended 31 March 2022: Nil).

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial statements and results of the Group for the year ended 31 March 2023.

COMPLIANCE WITH THE CG CODE

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 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 Year.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code as set out in Appendix 10 to the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the model code regarding the Directors' securities transactions during the Reporting Year.

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

Saved as disclosed below, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities throughout the Reporting Year.

(1) On 22 August 2022, the Company (as issuer) entered into eight subscription agreements with eight subscribers in respect of the subscription of an aggregate of 1,283,231,129 Subscription Shares at the subscription price of HK$0.10 per share. Each of the subscriber is an independent private investor. Completion of the subscriptions took place on 24 October 2022 in accordance with the terms and conditions of the subscription agreements and an aggregate of 1,283,231,129 subscription shares have been issued and allotted to the subscribers. For further details of the subscriptions, please refer to the announcements of the Company dated 22 August 2022, 25 August 2022 and 24 October 2022.

(2) On 9 March 2023, the Company (as issuer) entered into two subscription agreements with two subscribers in respect of the subscriptions of 122,000,000 Subscription Shares at the subscription price of HK$0.10 per share. Completion of the subscriptions took place on 20 March 2023 in accordance with the terms and conditions of the subscription agreements and an aggregate of 122,000,000 subscription shares have been issued and allotted to the Subscribers. For further details of the subscriptions, please refer to the announcements of the Company dated 9 March 2023, 17 March 2023 and 27 March 2023.

(3) On 15 March 2023, the Company (as issuer) entered into the subscription agreement with Wealth Elite Group Investment Limited ("Wealth Elite") in respect of the subscription of 1,161,231,129 subscription shares at the subscription price of HK$0.10 per Share. Completion of the subscription took place on 23 March 2023 in accordance with the terms and conditions of the subscription agreement and an aggregate of 1,161,231,129 subscription shares have been issued and allotted to Wealth Elite. For further details of the subscriptions, please refer to the announcements of the Company dated 15 March 2023 and 23 March 2023.

SCOPE OF WORK OF CCTH CPA LIMITED ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and related notes thereto for the year ended 31 March 2023 as set out in this announcement have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2023. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 March 2023 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.pkurh.com) in due course.

By Order of the Board
Peking University Resources (Holdings) Company Limited
Wong Kai Ho
Chairman

Hong Kong, 26 June 2023

As at the date of this announcement, the Board comprises executive Directors of Mr. Wong Kai Ho (Chairman), Mr. Wang Guiwu, Mr. Huang Zhuguang and Mr. Guo Langhua; and the independent non-executive Directors of Mr. Chin Chi Ho, Stanley, Mr. Chung Wai Man and Mr. Hua Yichun.