P.B. Group Limited
倍搏集團有限公司

(incorporated in Cayman Islands with limited liability)
(Stock code: 8331)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors" and each the "Director") of P.B. Group Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for a minimum period of seven days from the date of its publication and on the Company's website at www.thepbg.com.

The board (the "Board") of Directors of the Company announces the consolidated annual results of the Group for the year ended 31 March 2025 (the "Financial Year" or "Reporting Period"), together with the comparative figures for the year ended 31 March 2024 (the "Comparative Period") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2025

	Notes	**Year ended 31 March 2025** *CNY'000*	Year ended 31 March 2024 *CNY'000*
Revenue	*5*	**52,880**	64,716
Cost of sales		**(31,344)**	(42,973)
Gross profit		**21,536**	21,743
Other income, other gains/(loss), net	*6*	**1,509**	4,571
Selling and distribution expenses		**(3,096)**	(3,287)
Administrative expenses		**(27,040)**	(29,773)
Finance costs	*7*	**(577)**	(541)
Loss before tax	*8*	**(7,668)**	(7,287)
Income tax credit	*9*	**145**	206
Loss for the year		**(7,523)**	(7,081)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations		**221**	1,662
Loss and total comprehensive expense for the year		**(7,302)**	(5,419)
Loss for the year attributable to owners of the Company		**(7,523)**	(7,081)
Total comprehensive expense for the year attributable to owners of the Company		**(7,302)**	(5,419)
Loss per share:			
Basic (CNY)	*11*	**(4.73) cents**	(4.45) cents
Diluted (CNY)	*11*	**(4.73) cents**	(4.45) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	As at 31 March 2025 CNY'000	As at 31 March 2024 CNY'000
Non-current assets			
Property, plant and equipment		**39,491**	19,066
Right-of-use assets		**2,516**	2,609
Investment property		**1,904**	2,426
Intangible assets		**4,877**	4,936
Deferred tax assets		**908**	543
Restricted bank balances		**14,499**	14,345
		64,195	43,925
Current assets			
Inventories		**8,357**	5,715
Trade, guarantee service fee, loan and loan interest, bills and other receivables	*12*	**45,535**	53,218
Financial assets at fair value through profit or loss		**2,287**	1,551
Pledged bank deposit		**20,000**	20,000
Bank balances and cash		**5,961**	27,445
		82,140	107,929
Current liabilities			
Trade and other payables	*13*	**22,314**	20,892
Income tax payables		**976**	1,150
		23,290	22,042
Net current assets		**58,850**	85,887
Total assets less current liabilities		**123,045**	129,812

	Notes	As at 31 March 2025 CNY'000	As at 31 March 2024 CNY'000
Non-current liabilities			
Asset retirement obligations		**10,732**	10,182
Deferred income		**143**	158
		10,875	10,340
Net assets		**112,170**	119,472
Capital and reserves			
Share capital	*14*	**13,261**	13,261
Share premium and reserves		**98,909**	106,211
Total equity		**112,170**	119,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. GENERAL INFORMATION

P.B. Group Limited was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 15 July 2015 and its shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 December 2015.

The address of the registered office of the Company is 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands and the address of the principal place of business of the Company is Room 1601, 16/F, Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong.

The Company is an investment holding Company. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the bentonite mining, production and sales of drilling mud and pelletising clay, financial service business, rental business and wholesales of personal care products.

The consolidated financial statements are presented in Chinese Yuan ("CNY"), which is different from the Company's functional currency of Hong Kong dollars ("HK$").

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

2.1 Impacts on application of Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

2.2 Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2.3 Impacts on application of Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

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

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

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

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 March 2025 but are extracted from those financial statement.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB. 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 GEM of The Stock Exchange of Hong Kong Limited ("GEM Listing Rules") and have been properly prepared in compliance with the disclosure requirement of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment property that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. SEGMENT REPORTING

Information reported to the chief operating decision maker (being the Directors), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or service provided by the Group. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

For each of the business units, the Directors review internal management reports on a monthly basis. Segment information below is presented in a manner consistent with the way in which information is reported internally to the Directors for the purposes of resource allocation and performance assessment.

For the year ended 31 March 2025, the Group is organised into business units based on its products and services and has three (for the year ended 31 March 2024: three) reportable segments as described below.

The following describes the operations in each of the Group's reportable segments:

Reporting segment	**Nature**	**Place of operation**
Bentonite mining operation	Bentonite mining, production and sales of drilling mud and pelletising clay	The People's Republic of China (the "**PRC**")
Financial service business	Provision of wealth management services, money lending services and provision of financial services	Hong Kong ("HK") and The PRC
Property investment business	Properties for rental income potential and/or for capital appreciation	HK

Reportable segment revenue, profit, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment assets include all tangible assets, intangible assets, restricted bank balances, deferred tax assets and current assets with the exception of other corporate assets managed by head office.

Segment liabilities include trade and other payables, income tax payables, asset retirement obligations and deferred income attributable to the activities of the individual segments managed directly by the segments with the exception of other payables managed by head office.

The reportable segments of the Group as described below represents the Group's strategic business units. The following describes the operations in each of the Group's reportable segments:

For the year ended 31 March 2025

	Bentonite mining operation *CNY'000*	Financial service business *CNY'000*	Property investment business *CNY'000*	Unallocated *CNY'000*	Total *CNY'000*
Revenue from external customers and reportable segment revenue *(Note 5)*	38,278	13,519	95	988	52,880
Reportable segment results	(2,950)	3,272	77	988	1,387
Bank interest income	1,463	4	–	1	1,468
Other income, other (losses)/gains, net	364	256	(547)	(521)	(448)
Finance costs	(550)	(27)	–	–	(577)
Unallocated corporate expenses	–	–	–	(9,987)	(9,987)
Net reversal of expected credit loss on trade, loan and loan interest receivables and other receivables	104	310	–	75	489
(Loss)/profit before tax	(1,569)	3,815	(470)	(9,444)	(7,668)
Income tax credit	100	45	–	–	145
(Loss)/profit for the year	(1,469)	3,860	(470)	(9,444)	(7,523)
As at 31 March 2025					
Assets					
Reportable segment assets	121,766	18,739	1,904	–	142,409
Unallocated corporate assets	–	–	–	3,926	3,926
Consolidated total assets	121,766	18,739	1,904	3,926	146,335
Liabilities					
Reportable segment liabilities	24,241	3,254	24	–	27,519
Unallocated corporate liabilities	–	–	–	6,646	6,646
Consolidated liabilities	24,241	3,254	24	6,646	34,165
Other segment information					
Addition of property, plant and equipment	22,508	–	–	–	22,508
Addition of right-of-use asset	–	1,230	–	–	1,230
Depreciation of property, plant and equipment	1,047	220	–	14	1,281
Depreciation of right-of-use assets	93	1,230	–	–	1,323
Amortisation of intangible assets	65	–	–	–	65
Loss on disposal/write off of property, plant and equipment	464	–	–	243	707
Fair value loss on investment property	–	–	547	–	547
Fair value loss on financial assets at fair value through profit or loss	–	–	–	280	280
Net reversal of expected credit loss on trade, loan and loan interest receivables and other receivables	(104)	(310)	–	(75)	(489)

For the year ended 31 March 2024

	Bentonite mining operation *CNY'000*	Financial service business *CNY'000*	Property investment business *CNY'000*	Unallocated *CNY'000*	Total *CNY'000*
Revenue from external customers and reportable segment revenue *(Note 5)*	43,823	20,802	91	–	64,716
Reportable segment results	1,814	(384)	68	–	1,498
Bank interest income	902	4	–	1	907
Other income, other (losses)/gains, net	(1,471)	366	(163)	3,663	2,395
Finance costs	(522)	(19)	–	–	(541)
Unallocated corporate expenses	–	–	–	(12,815)	(12,815)
Net (provision)/reversal of expected credit loss on trade, loan and loan interest receivables and other receivables	(26)	1,220	–	75	1,269
Profit/(loss) before tax	697	1,187	(95)	(9,076)	(7,287)
Income tax credit	100	106	–	–	206
Profit/(loss) for the year	797	1,293	(95)	(9,076)	(7,081)
As at 31 March 2024					
Assets					
Reportable segment assets	117,127	20,020	2,426	–	139,573
Unallocated corporate assets	–	–	–	12,281	12,281
Consolidated total assets	117,127	20,020	2,426	12,281	151,854
Liabilities					
Reportable segment liabilities	22,613	4,630	24	–	27,267
Unallocated corporate liabilities	–	–	–	5,115	5,115
Consolidated liabilities	22,613	4,630	24	5,115	32,382
Other segment information					
Addition of property, plant and equipment	8,595	–	–	68	8,663
Depreciation of property, plant and equipment	1,285	263	–	93	1,641
Depreciation of right-of-use assets	93	927	–	–	1,020
Amortisation of intangible assets	84	–	–	–	84
Loss on disposal/write off of property, plant and equipment	1,804	–	–	–	1,804
Fair value loss on investment property	–	–	163	–	163
Fair value loss on financial assets at fair value through profit or loss	–	–	–	908	908
Net provision/(reversal) of expected credit loss on trade, loan and loan interest receivables and other receivables	26	(1,220)	–	(75)	(1,269)

Information about geographical areas

The Group's revenue from sales of drilling mud and pelletising clay are derived from the customers based in the PRC (country of domicile). Financial service business and property investment business are located in Hong Kong. Locations are determined according to principal place of operating the businesses.

The non-current assets excluding financial assets and deferred tax assets are based on the physical locations of the assets.

	As at 31 March 2025	As at 31 March 2024
	CNY'000	*CNY'000*
Hong Kong	**2,708**	3,696
Mainland China	**46,080**	25,341
	48,788	29,037

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group were as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
	CNY'000	*CNY'000*
Customer A*	**10,273**	11,187
Customer B* *(Note)*	**5,613**	–

* Relating to bentonite mining operation

Note:

The customer does not contribute over 10% of the total revenue of the Group during the year ended 31 March 2024.

Information about major products

The following is an analysis of the Group's revenue from sales of its major products to external customers under bentonite mining operation:

	Year ended 31 March 2025	Year ended 31 March 2024
	CNY'000	*CNY'000*
Drilling mud	**17,659**	20,146
Pelletising clay	**20,619**	23,677
	38,278	43,823

5. REVENUE

Revenue represents the sales of drilling mud and pelletising clay, wholesales of personal care products, wealth management service income, loan interest income, financial guarantee fee income and rental income.

	Year ended 31 March 2025 *CNY'000*	Year ended 31 March 2024 *CNY'000*
Types of goods		
Drilling mud	**17,659**	20,146
Pelletising clay	**20,619**	23,677
Wholesales of personal care products	**988**	–
Types of services		
Financial service business		
– Wealth management service income	**10,729**	17,774
– Loan interest income	**1,658**	1,896
– Financial guarantee fee income	**1,132**	1,132
Property investment business		
– Rental income	**95**	91
	52,880	64,716

The disaggregation of the Group's revenue from contracts with customers were as follows:

	Year ended 31 March 2025 *CNY'000*	Year ended 31 March 2024 *CNY'000*
Timing of revenue recognition under IFRS 15		
At a point in time		
– Sales of drilling mud and pelletising clay	**38,278**	43,823
– Wealth management service income	**10,729**	17,774
– Wholesales of personal care products	**988**	–
At over time		
– Financial guarantee fee income	**1,132**	1,132
	51,127	62,729
Revenue from other sources		
– Loan interest income	**1,658**	1,896
– Rental income	**95**	91
	1,753	1,987
	52,880	64,716

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 March 2025

Segments	**Bentonite mining operation** *CNY'000*	**Financial service business** *CNY'000*	**Property investment business** *CNY'000*	**Unallocated** *CNY'000*	**Total** *CNY'000*
Types of goods					
Sales of drilling mud	**17,659**	**–**	**–**	**–**	**17,659**
Sales of pelletising clay	**20,619**	**–**	**–**	**–**	**20,619**
Wholesales of personal care products	**–**	**–**	**–**	**988**	**988**
Total	**38,278**	**–**	**–**	**988**	**39,266**
Types of services					
Wealth management service income	**–**	**10,729**	**–**	**–**	**10,729**
Loan interest income	**–**	**1,658**	**–**	**–**	**1,658**
Financial guarantee fee income	**–**	**1,132**	**–**	**–**	**1,132**
Rental income	**–**	**–**	**95**	**–**	**95**
Total	**–**	**13,519**	**95**	**–**	**13,614**
Timing of revenue recognition					
Goods and services transferred at a point in time	**38,278**	**10,729**	**–**	**988**	**49,995**
Services transferred over time	**–**	**2,790**	**95**	**–**	**2,885**
Total	**38,278**	**13,519**	**95**	**988**	**52,880**

For the year ended 31 March 2024

Segments	Bentonite mining operation *CNY'000*	Financial service business *CNY'000*	Property investment business *CNY'000*	Total *CNY'000*
Types of goods				
Sales of drilling mud	20,146	–	–	20,146
Sales of pelletising clay	23,677	–	–	23,677
Total	43,823	–	–	43,823
Types of services				
Wealth management service income	–	17,774	–	17,774
Loan interest income	–	1,896	–	1,896
Financial guarantee fee income	–	1,132	–	1,132
Rental income	–	–	91	91
Total	–	20,802	91	20,893
Timing of revenue recognition				
Goods and services transferred at a point in time	43,823	17,774	–	61,597
Services transferred over time	–	3,028	91	3,119
Total	43,823	20,802	91	64,716

6. OTHER INCOME, OTHER GAINS/(LOSS), NET

	Year ended 31 March 2025 *CNY'000*	Year ended 31 March 2024 *CNY'000*
Other income		
Bank interest income	**1,468**	907
Government grants *(Note (i))*	**744**	150
Release of government grant for property, plant and equipment	**15**	15
Sundry income	**262**	409
	2,489	1,481
Other gains/(loss), net		
Fair value loss on investment property	**(547)**	(163)
Fair value loss on financial assets at fair value through profit or loss	**(280)**	(908)
Loss on disposal/written off of property, plant and equipment	**(707)**	(1,804)
Exchange gain, net	**65**	124
Write off of other payable	**–**	4,572
Net reversal of expected credit loss on trade, loan and loan interest receivables and other receivables	**489**	1,269
	1,509	4,571

Note:

(i) Government grants of approximately CNY744,000 (for the year ended 31 March 2024: approximately CNY150,000) received from PRC government authority were related to product innovation contributed by the Group to the industry, employment stabilisation fund, economic development subsidies and Hi-tech enterprise subsidies. The government grants were recognised as other income for the year as the Group fulfilled the relevant granting criteria. There was no unfulfilled conditions or contingencies relating to these government grants.

7. FINANCE COSTS

	Year ended 31 March 2025 *CNY'000*	Year ended 31 March 2024 *CNY'000*
Interest expense on lease liability	**27**	20
Unwinding of discount on provision for dismantlement	**550**	521
	577	541

8. LOSS BEFORE TAX

	Year ended 31 March 2025 *CNY'000*	Year ended 31 March 2024 *CNY'000*
Loss before tax is arrived at after charging/(crediting):		
Directors' and chief executive's emoluments	**778**	1,421
Salaries, wages, allowances and other benefits	**12,668**	13,989
Contributions to retirement benefits scheme (excluding directors' and chief executive's emoluments)	**956**	1,067
Total staff costs	**14,402**	16,477
Auditor's remuneration	**742**	731
Depreciation of property, plant and equipment	**1,281**	1,641
Depreciation of right-of-use assets	**1,323**	1,020
Amortisation of intangible assets	**65**	84
Amount of inventories recognised as an expense	**19,633**	18,624
Exchange gain, net	**(65)**	(124)
Research and development cost *(Note (i))*	**2,386**	2,850
Expenses related to short-term leases – office premise and plant and equipment	**3,256**	3,684
Rental income from investment properties less direct operating expenses of CNY14,000 (for the year ended 31 March 2024: CNY18,000)	**(81)**	(73)

Note:

(i) Staff cost of approximately CNY998,000 (for the year ended 31 March 2024: approximately CNY1,209,000) are included in the research and development cost for the year ended 31 March 2025.

9. INCOME TAX CREDIT

	Year ended 31 March 2025 *CNY'000*	Year ended 31 March 2024 *CNY'000*
Current tax:		
PRC Enterprise Income Tax ("EIT")	**238**	–
Hong Kong Profits Tax	**–**	22
Over-provision in previous period	**(21)**	(31)
	217	(9)
Deferred tax:		
Current year	**(362)**	(197)
	(145)	(206)

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) No provision for profits tax in Hong Kong has been made as the Group has no assessable income for profits tax in Hong Kong during the year ended 31 March 2025. The provision of Hong Kong profit tax is calculated at a tax rate of 16.5% during the year ended 31 March 2024, except for one subsidiary of the group which is a qualifying corporation under the two-tiered profits tax rate regime. For that subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

(iii) Under the Law of the PRC on EIT (the "EIT Law") and implementation regulation of the EIT Law, the tax rate of the subsidiaries established in the PRC other than Wuhu Feishang Non-metal Material Co., Ltd*（蕪湖飛尚非金屬材料有限公司）("Feishang Material") is 25% for the fiscal year.

(iv) Feishang Material was recognised as a High Technology Enterprise and subject to EIT Law at 15% for the year.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (for the year ended 31 March 2024: nil).

11. LOSS PER SHARE

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

	Year ended 31 March 2025 ***CNY'000***	Year ended 31 March 2024 *CNY'000*
Loss		
Loss for the purpose of basic and diluted loss per share	**(7,523)**	(7,081)

	Year ended 31 March 2025	Year ended 31 March 2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ('000 shares)	**159,114**	159,114
Basic and diluted loss per share (CNY)	**(4.73) cents**	(4.45) cents

The diluted loss per share is same as basic loss per share for the year ended 31 March 2025 and 2024 as there were no potential ordinary shares in issue for the year.

* *For identification purpose only*

12. TRADE, GUARANTEE SERVICE FEE, LOAN AND LOAN INTEREST, BILLS AND OTHER RECEIVABLES

	As at 31 March 2025	As at 31 March 2024
	CNY'000	*CNY'000*
Trade receivables – goods	**5,466**	9,584
Trade receivables – wealth management services	**1,372**	1,054
Less: allowance for credit losses	**(182)**	(144)
	6,656	10,494
Loan and loan interest receivables	**12,341**	14,158
Less: allowance for credit losses	**(1,701)**	(1,932)
	10,640	12,226
Bills receivables	**15,646**	12,610
Deposits	**371**	396
Prepayments	**8,734**	8,647
Amount due from a director *(Note (b))*	**77**	77
Other receivables *(Note (a))*	**3,506**	9,137
Less: allowance for credit losses	**(95)**	(369)
	45,535	53,218

As at 31 March 2025, trade receivables from contracts with customers amounted to approximately CNY6,656,000 (as at 31 March 2024: approximately CNY10,494,000).

The Group allows credit period ranging from 5 days upon receipt of invoice to three months from the receipt of goods by or invoices to its trade customers. The following is an ageing analysis of trade receivables, net of allowance for credit losses of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	As at 31 March 2025	As at 31 March 2024
	CNY'000	*CNY'000*
Within 30 days	**3,161**	10,238
31 to 60 days	**1,479**	222
61 to 90 days	**702**	29
Over 91 days	**1,314**	5
	6,656	10,494

The following is ageing analysis on loan and loan interest receivables, net of allowance for credit losses, based on their respective contractual maturity date.

	As at 31 March 2025 *CNY'000*	As at 31 March 2024 *CNY'000*
Within 30 days	**7,266**	9,569
31 to 60 days	**–**	3
61 to 90 days	**–**	–
Over 91 days	**3,374**	2,654
	10,640	12,226

As at 31 March 2025 and 2024, all of the bills receivables were aged within 180 days.

(a) Include in other receivables were refundable deposits paid to agents for the Group's business strategy of searching and acquisition potential projects of non-metal mine business of approximately CNY2,958,000 (as at 31 March 2024: approximately CNY7,880,000). As at the date of this announcement, the deposits were fully refunded to the Group.

(b) The amount due from a director is non-trade nature, interest-free and repayable on demand.

13. TRADE AND OTHER PAYABLES

	As at 31 March 2025 *CNY'000*	As at 31 March 2024 *CNY'000*
Trade payables *(Note (a))*	**4,964**	4,956
Other payables and accruals	**17,206**	15,790
Contract liabilities *(Note (b))*	**124**	126
Amount due to a related company *(Note (c))*	**8**	9
Amounts due to directors *(Note (d))*	**12**	11
	22,314	20,892

(a) Trade payables

The following is an ageing analysis of trade payable presented based on invoice date at the end of the reporting period.

	As at 31 March 2025 *CNY'000*	As at 31 March 2024 *CNY'000*
Within 30 days	**2,037**	4,376
31 to 60 days	**455**	350
61 to 90 days	**1,283**	217
91 to 365 days	**951**	13
Over 365 days	**238**	–
	4,964	4,956

The average credit period granted is 30 days.

(b) Contract liabilities

The Group has recognised the following revenue-related to contract liabilities:

	As at 31 March 2025 *CNY'000*	As at 31 March 2024 *CNY'000*
Contract liabilities arising from:		
Sale of goods	**124**	126

The deposit of the Group received on sales of drilling mud and pelletising clay remains as a contract liability until the date the goods are delivered to customers.

(c) The amount due to a related company is non-trade in nature, interest-free and repayable on demand.

(d) The amounts due to directors are non-trade in nature, interest-free and repayable on demand.

14. SHARE CAPITAL

	Number of ordinary shares HK$0.1 each	*HK$'000*	**Share capital** (Equivalent to) *CNY'000*
Authorised			
As at 1 April 2023, 31 March 2024 and 31 March 2025	1,000,000,000	100,000	
Issued and fully paid			
As at 1 April 2023, 31 March 2024 and 31 March 2025	159,114,400	15,911	13,261

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Bentonite Mining

In 2024, amid persistent geopolitical tensions, sluggish global growth and domestic demand constraints, the PRC intensified macroeconomic regulation through proactive fiscal policies and precision-targeted monetary measures. The full-year gross domestic product (GDP) grew by approximately 5.0% year-on-year, supported by sustained infrastructure and manufacturing investment which was bolstered by accelerated special bonds and equipment upgrade initiatives. Conversely, real estate investment contracted sharply by 10.6%, exacerbating downstream demand weakness in traditional industries such as iron and steel. Consequently, bentonite demand faced prolonged pressure, reflected in a approximately 12.7% decrease in bentonite product revenue from approximately CNY43.8 million to approximately CNY38.3 million along with a drop in gross profit from approximately CNY15.9 million in the Comparative Period to approximately CNY14.4 million in the Financial Year, while gross profit margin from approximately 36.4% to approximately 37.5% in the Financial Year compared to the Comparative Period.

Financial Services

Apart from the production and sale of bentonite products in the PRC, the Group has also carried out its business on financial services in Hong Kong through its wholly-owned subsidiaries – P.B. Wealth Management Limited (formerly known as P.B. Nikyo Wealth Management Limited) ("P.B. WM") and P.B. Credit Limited ("P.B. Credit") as well as generating financial guarantee fee income through Wuhu Feishang Non-metal Material Co., Limited*（蕪湖飛尚非金屬材料有限公司）, a wholly-owned subsidiary of the Company in the PRC. The financial services of the Group include the wealth management services, money lending business and financial guarantee services.

P.B. WM is a company incorporated in Hong Kong with limited liability and is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong). It is also registered as an MPF Corporate Intermediary with the Mandatory Provident Fund Schemes Authority in accordance with the Mandatory Provident Fund Intermediary Certificate issued by the Mandatory Provident Fund Schemes Authority. P.B. Credit is a company incorporated in Hong Kong with limited liability and has been carried on business as a money lender under the Money Lenders Ordinance.

Wealth Management Services

For the overall market trends analysis, Hong Kong's wealth management sector continued to demonstrate robust growth and resilience in 2025, despite global economic uncertainties. The Hong Kong Government has strengthened its commitment to positioning the city as the world's premier wealth management center. This transformation is supported by the government's formulation of additional tax incentive schemes for funds, single-family offices, and carried interest, which are expected to take effect from the 2025-26 financial year.

* *For identification purpose only*

Hong Kong's unique position as a gateway to mainland China continues to drive growth, with the Greater Bay Area serving as a major source of wealth creation. The city benefits from over 2,700 single-family offices, more than half of which hold assets exceeding US$50.0 million. Cross-border wealth flows remain strong, with wealth management firms expanding their services to capture opportunities from the Middle East and Southeast Asia, further diversifying Hong Kong's investor base.

Technology Enhancement and System Adoption

In response to the evolving market landscape and the need for enhanced operational efficiency, the Group adopted a comprehensive insurance brokerage management system (the "System") during the Reporting Period. The System represents a significant technological advancement for our wealth management operations, providing a whole-chain SaaS solution specifically designed for Hong Kong's insurance distribution market. This cloud-based system integrates multiple operational functions including artificial intelligence (AI)-powered proposal generation, automated commission reconciliation, appointment scheduling and premium due reminders. The System features both personal computer and mobile applications, enabling our licensed technical representatives ("TR") to access their client information and conduct business seamlessly across different channels. Key capabilities include intelligent proposal creation through AI robots, multi-hierarchical sales channel management, automated policy management with renewal reminders, and sophisticated commission calculation systems that support multiple contract templates and automatic statement reconciliation. The System's private cloud deployment ensures data security while maintaining compliance with Hong Kong's regulatory requirements, positioning our wealth management services to better serve clients in an increasingly digital marketplace.

Financial Performance

For the year ended 31 March 2025, the Group's wealth management and insurance brokerage services demonstrated resilience despite market challenges. The value of new business decreased from approximately HK$6.4 million for the year ended 31 March 2024 to approximately HK$4.2 million for the year ended 31 March 2025, representing a decline of approximately 34.2%. This decrease reflects the more cautious market sentiment and increased selectivity among clients in their investment decisions. However, the persistency rate of insurance policies improved marginally from approximately 99.79% for the year ended 31 March 2024 to approximately 99.95% for the year ended 31 March 2025, indicating sustained high levels of customer satisfaction and trust in our services. The TR was strategically optimized from 53 to 34, reflecting our continued focus on productivity and efficiency while maintaining high service levels and client satisfaction.

Key performance indicator of wealth management services

		Year ended 31 March 2025	Year ended 31 March 2024	Change
Value of new business *(note)*	*HK$'000*	**4,200**	6,380	(34.2)%
Persistency Rate of insurance policy	*Percentage*	**99.95**	99.79	0.2%
Technical Representatives	*Number of TR*	**34**	53	(35.8)%

Note:

The value of new business is defined as the annualised first year commission, which is the basic commission paid to TR, generated from the insurance policy issued during the Financial Year.

Money Lending Business

During the year ended 31 March 2025, the Hong Kong credit market operated within a challenging economic environment characterized by subdued loan demand and heightened credit risk. Projections from international credit rating agency indicated that Hong Kong may experience the largest rise in non-performing loans in the Asia-Pacific region in 2025, largely due to a persistent malaise in the property sector. As per the report of Hong Kong credit reference agency, while overall loan volume showed slight growth in the first quarter of 2025, the consumer credit market exhibited diverging trends, with lenders adopting a more cautious approach by issuing smaller loan amounts and tightening their focus on less risky borrowers amid rising delinquencies.

In this context, the Group implemented a proactive and prudent money lending strategy to prioritize stability and asset quality. The primary objective was to moderate the pace of new lending and actively manage the overall size of the loan portfolio to mitigate potential credit risks.

Looking ahead, the Group will continue its cautious approach to the money lending business. The Group will prioritize rigorous credit assessment, effective risk control, and the pursuit of sustainable, risk-adjusted returns.

Internal control procedures for credit and lending services

To monitor the credit status of borrowers, the management of money lending business and credit control team review the loan portfolio of the Group regularly and conduct comprehensive review over the credit policies and control procedures annually to ensure the Group's interests are well-protected. The Company has put in place clear credit policies, guidelines and controls procedures covering the entire life cycle of money lending operation, which are summarised as follows:

– Loan application: Upon receipt of loan application from potential borrower, a series of know-your-client ("KYC") procedures are performed by our credit control team. The KYC procedures include interviewing the applicants to understand their financial needs and repayment abilities, inspecting supporting documents to verify their information submitted, performing background research and on-site visiting. The credit control team summarises the results of the KYC procedures and reports to the management of money lending department for recommendations of approval.

–	Loan approval	With reference to the application information and the KYC result, the credit control team make recommendations to the management of money lending department in terms of approvability, credit limit, interest rate and length of loan period. Factors being taken into account in considering the loan application include: 1) the financial ability of the applicant, namely, their assets, liabilities and income; 2) the past credit records of the applicant; 3) prevalent market interest rates; and 4) the availability of guarantee or provision of collateral. If the management of money lending business approved the loan application, a set of loan documents together with the loan agreement are prepared and arranged among the borrower, the guarantor (if any) and the Group. Once the loan is properly documented and executed, the borrower can request for loan drawdown in accordance with the loan agreement.
–	Loan monitoring and repayment collection	The management of money lending business monitor and review the loan portfolio regularly. A loan summary is prepared by the credit control team and indicates changes and maturity of each loan. In response to the mature loans, the credit control team reminds the borrowers with the repayment schedules via phone calls, email or text messages. In case of overdue loans or default, the management of money lending department determine the follow up actions including issue demand letter, seize of collateral, request guarantor for repayment and commence legal proceeding if necessary.

Size and diversity of loans receivable

	Interest rate, terms, maturity for 2025, and securities obtained	As at 31 March 2025 Carrying amount *CNY'000*	Percentage to the total gross carrying amount	Interest rate, terms, maturity for 2024, and securities obtained	As at 31 March 2024 Carrying amount *CNY'000*	Percentage to the total gross carrying amount
Customer 1	17% per annum, 4 years term, maturity within 1 year, unsecured	2,082	16.9%	18% per annum, 3 years term, maturity within 1 year, unsecured	2,077	14.7%
Customer 2	12% per annum, 4 years term, maturity within 1 year, unsecured	1,855	15.0%	17% per annum, 4 years term, maturity within 2 years, unsecured	1,995	14.1%
Customer 3	16% per annum, 4 years term, maturity within 1 year, unsecured	1,581	12.8%	12% per annum, 4 years term, maturity within 2 years, unsecured	1,975	13.9%
Customer 4	18% per annum, 3 years term, maturity immediately, unsecured	1,339	10.9%	16% per annum, 4 years term, maturity within 2 years, unsecured	1,674	11.8%
Customer 5	13% per annum, 1 year term, maturity immediately, unsecured	1,202	9.7%	18% per annum, 3 years term, maturity within 1 year, unsecured	1,471	10.4%
Others		4,282	34.7%		4,966	35.1%
Total gross carrying amount		12,341	100.0%		14,158	100.0%

Overview of Loans Receivable Portfolio

As of 31 March 2025, the Group's total gross carrying amount of loans receivable was approximately CNY12.3 million, a decrease of about approximately 12.8% from approximately CNY14.2 million as of 31 March 2024. This reduction is primarily due to repayments from customers during the Financial Year and the Group's adoption of a cautious money lending strategy aimed at slowing down new borrowing activities.

The concentration of the portfolio within the five largest customers slightly increased, accounting for 65.3% of the total gross carrying amount as of 31 March 2025, compared to 64.9% in the previous year. As of 31 March 2025, the top five customers represented a combined carrying amount of approximately CNY8.1 million, which is a decrease of approximately 12.3% or approximately CNY1.1 million compared to the combined carrying amount of the top five customers as of 31 March 2024.

All major loans in the portfolio as of 31 March 2025 are unsecured, which exposes the Group to credit risk. The maturity profile has shifted towards the shorter term, with two loans (Customer 4 and Customer 5), totaling approximately CNY2.5 million or approximately 20.6% of the portfolio, becoming due immediately at the year-end.

To ensure the recoverability of these immediate-term receivables, management has taken active follow-up actions. As at the date of this announcement, Customer 4 and Customer 5 have fully repaid their outstanding loan balance. The management of the money lending department continues to monitor and pursue the collection of all outstanding loan receivables.

Breakdown of loans receivable by categories

Client type	**As at 31 March 2025** *CNY'000*	As at 31 March 2024 *CNY'000*	**Terms**
Corporate client	**2,082**	1,995	unsecured with personal guarantee
Personal client	**10,259**	12,163	unsecured
	12,341	14,158	

Ageing analysis of loans receivable

Ageing analysis	**2025** *CNY'000*	2024 *CNY'000*
within 30 days	**7,666**	10,000
31-60 days	**–**	4
61-90 days	**–**	–
91-180 days	**2,123**	541
over 180 days	**2,552**	3,613
	12,341	14,158

Impairment assessment of loans receivable

	As at 31 March 2025 Amount of allowance *CNY'000*	**Percentage to the total allowance**	As at 31 March 2024 Amount of allowance *CNY'000*	Percentage to the total allowance
Customer 1	**109**	**6.4%**	90	4.7%
Customer 2	**96**	**5.6%**	83	4.3%
Customer 3	**83**	**4.9%**	86	4.5%
Customer 4	**85**	**5.0%**	70	3.6%
Customer 5	**407**	**23.9%**	63	3.3%
Others	**921**	**54.2%**	1,540	79.6%
	1,701	**100.0%**	1,932	100.0%

There was total 19 (2024: 20) number of loans receivable as at 31 March 2025.

The Group assesses its loans receivable for expected credit losses (the "ECL") on an ongoing basis. In addition, the Group also engaged an independent professional valuer to conduct impairment assessment on the outstanding loans for each reporting period end date. For the Reporting Year, the total accumulated allowance for ECL on loans receivable decreased by approximately CNY231,000, or approximately 12.0%, to approximately CNY1,701,000 from approximately CNY1,932,000 in the prior year. This net decrease was the result of the positive impacts of a decrease in the total size of the loan portfolio and the successful recovery of a substantial portion of previously overdue loans receivable.

Financial Guarantee Services

The Group generated financial guarantee fee income through Wuhu Feishang Non-metal Material Co., Limited*（蕪湖飛尚非金屬材料有限公司）("Wuhu Subsidiary"), a wholly-owned subsidiary of the Company in the PRC. Wuhu subsidiary has been providing financial guarantee services to a borrower since 2018.

The financial guarantee fee income was approximately CNY1,132,000 during the Reporting Period (Comparative Period: approximately CNY1,132,000).

Property Investment

The Group holds the property for investment purpose and has leased out the property for generating stable rental income and gaining from long-term capital appreciation. The rental income derived from the investment property is approximately CNY95,000 during the Reporting Period (Comparative Period: approximately CNY91,000).

Wholesales Business of Greater Health Personal Care Products

During the Financial Year, the Group expanded into the wholesales business, focusing on the trading of greater health products, particularly premium personal care items. This new business segment includes a curated selection of internationally sourced products. The products are designed to meet the growing consumer demand for high-quality, natural, and wellness-oriented personal care solutions.

The global market for personal care and health products continues to experience robust growth, driven by rising health consciousness, increased disposable income, and a heightened focus on wellness and self-care. Our wholesales business leverages these trends by offering a diverse portfolio that caters to both retail and professional clients, including skincare, aromatherapy, and daily hygiene products. By sourcing innovative and eco-friendly products, the Group aims to address evolving consumer preferences for natural ingredients and sustainable packaging.

Through this strategic expansion, the Group not only diversifies its revenue streams but also positions itself to capitalize on the increasing demand for personal care and wellness products in the Greater China region and beyond. Looking ahead, the Group will continue to enrich its product range and strengthen supplier partnerships to further grow its presence in the greater health and personal care wholesales market.

* *For identification purpose only*

Key Performance Analysis

		Year ended 31 March 2025	Year ended 31 March 2024	Variance
Revenue	*CNY'000*	**52,880**	64,716	(18.3)%
Loss attributable to shareholders	*CNY'000*	**(7,523)**	(7,081)	6.2%
Loss per share	*CNY*	**(4.73) cents**	(4.45) cents	6.2%
Loss on equity	*%*	**(6.71)**	(5.93)	13.2%
Net assets per share	*CNY*	**0.71**	0.75	(6.1)%
Trade receivables collection period	*Days*	**152**	149	2.0%

Revenue and Profitability

The Group recorded revenue of approximately CNY52.9 million for the year ended 31 March 2025, representing a decrease of approximately 18.3% compared to approximately CNY64.7 million in the previous year. This decline was primarily due to lower revenues from both bentonite mining and financial services, particularly a significant drop in wealth management service income and a reduction in loan interest income. The decrease was partially offset by the introduction of wholesales revenue and a slight increase in rental income.

Gross profit remained largely stable at approximately CNY21.5 million (2024: approximately CNY21.7 million), with the gross profit margin improving to approximately 40.7% (2024: approximately 33.6%). The increase in gross profit margin was mainly attributable to a higher margin in financial services, especially in wealth management, due to reduced commission expenses following a strategic reduction in TR. The gross profit margin for bentonite mining also improved, despite a decrease in gross profit, as cost control measures and a shift in product mix partially offset lower sales volumes.

Loss and Shareholder Returns

Loss attributable to shareholders increased slightly to approximately CNY7.5 million (2024: approximately CNY7.1 million), reflecting a approximately 6.2% rise. Loss per share rose to CNY4.73 cents (2024: CNY4.45 cents), and loss on equity increased to approximately 6.71% (2024: approximately 5.93%). The net assets per share declined by approximately 6.1% to approximately CNY0.71 (2024: approximately CNY0.75), reflecting the impact of continued loss on shareholder equity.

Trade and Loan Receivables

The Group's trade receivables collection period slightly increased by 3 days from 149 days for the year ended 31 March 2024 to 152 days for the year ended 31 March 2025, representing a 2.0% increase. The slight increase in collection period suggests that while the Group maintained relatively stable collection efficiency overall. The Group continues to monitor receivables ageing and collection activities to ensure optimal working capital management while supporting customer relationships in both business segments.

FINANCIAL REVIEW

Revenue

Breakdown of Revenue by Bentonite Mining, Financial Services, Property Investment and Wholesales of Personal Care Products

	Year ended 31 March 2025		Year ended 31 March 2024	
	CNY'000	***%***	*CNY'000*	*%*
Drilling mud	**17,659**	**33.4**	20,146	31.1
Pelletising clay	**20,619**	**39.0**	23,677	36.6
Total revenue of bentonite mining	**38,278**	**72.4**	43,823	67.7
Wealth management services income	**10,729**	**20.3**	17,774	27.5
Loan interest income	**1,658**	**3.1**	1,896	2.9
Financial guarantee fee income	**1,132**	**2.1**	1,132	1.8
Total revenue of financial services	**13,519**	**25.5**	20,802	32.2
Rental income	**95**	**0.2**	91	0.1
Wholesales of personal care products	**988**	**1.9**	–	–
Total revenue	**52,880**	**100.0**	64,716	100.0

The overall revenue decreased by approximately 18.3% from approximately CNY64.7 million in the Comparative Period to approximately CNY52.9 million in the Financial Year. The decrease in revenue was due to the combined effect of (i) decrease of revenue of bentonite mining, loan interest income and wealth management services income and net-off with the effect of (ii) increase of revenue of wholesales of personal care products and rental income.

Revenue of Bentonite Mining

Breakdown of Sales Volume and Average Selling Price by bentonite mining

	Year ended 31 March 2025		Year ended 31 March 2024	
	Sales volume *(tonnes)*	**Average selling price *(CNY/tonne)***	Sales volume *(tonnes)*	Average selling price *(CNY/tonne)*
Drilling mud	**40,441**	**436.7**	45,049	447.2
Pelletising clay	**35,068**	**588.0**	44,037	537.7

The revenue of drilling mud and pelletising clay decreased by approximately CNY2.5 million and approximately CNY3.1 million respectively in the Financial Year compared to the Comparative Period. The decrease in revenue was mainly due to the downturn of the iron and steel industry. The market demand for bentonite products continued to slacken in second consecutive year. For drilling mud, the sales volume decreased by approximately 10.2% from approximately 45,049 tonnes to approximately 40,441 tonnes in the Financial Year compared to the Comparative Period, and the average selling price decreased by approximately 2.4% from approximately CNY447.2 to approximately CNY436.7 per tonne. For pelletising clay, sales volume decreased by approximately 20.4%, from approximately 44,037 tonnes to approximately 35,068 tonnes in the Financial Year compared to the Comparative Period. This decrease was primarily due to reduced output from one of the top 5 customers. The average selling price for the pelletising clay increased by approximately 9.4%, from approximately CNY537.7 to approximately CNY588.0 per tonne. It, however, cannot offset the impact of the decline in sales volume.

Revenue of Financial Services

The revenue of financial services decreased by approximately CNY7.3 million or approximately 35.0% from approximately CNY20.8 million in the Comparative Period to approximately CNY13.5 million during the Financial Year. The decrease in revenue of financial services for the Financial Year was mainly driven by the decrease of approximately 39.6% in wealth management services income and decrease of approximately 12.6% in loan interest income comparing to the Comparative Period.

During the Reporting Period, wealth management services income decreased by approximately 39.6% to approximately CNY10.7 million (2024: approximately CNY17.8 million). This decline was primarily attributable to the strategic reduction in the number of TR from 53 to 34, representing an approximately 35.8% reduction in headcount.

During the Reporting Period, loan interest income decreased by approximately 12.6% to approximately CNY1.7 million (2024: approximately CNY1.9 million). The decrease in loan interest income was primarily driven by the Group's deliberate decision to reduce the overall size of its loan portfolio, with total gross loans receivable declining by approximately 12.8% to approximately CNY12.3 million as at 31 March 2025, compared to approximately CNY14.2 million in the previous year.

Revenue of Property Investment

The rental income increased from approximately CNY91,000 to CNY95,000 contributed by the increase of monthly rental income since renewal of tenancy agreement.

Cost of Sales

Breakdown of Cost of Sales by Bentonite Mining, Financial Services, Property Investment and Wholesales of Personal Care Products

Cost Items	Year ended 31 March 2025 CNY'000	%	Year ended 31 March 2024 CNY'000	%
Extraction costs	**1,559**	**5.0**	1,656	3.9
Processing costs				
– Air-drying costs	**2,024**	**6.5**	2,155	5.0
– Consumables, materials and supplies	**6,636**	**21.2**	8,872	20.6
– Depreciation and amortisation	**1,290**	**4.0**	1,155	2.7
– Staff costs	**3,609**	**11.5**	3,589	8.4
– Transportation costs	**2,937**	**9.4**	3,544	8.2
– Utility costs	**3,596**	**11.5**	4,027	9.4
– Others	**1,056**	**3.4**	1,447	3.4
Sales tax and surcharges	**1,199**	**3.8**	1,430	3.3
Total cost of bentonite mining	**23,906**	**76.3**	27,875	64.9
Commission expenses of wealth management services	**6,579**	**21.0**	15,098	35.1
Total cost of financial services	**6,579**	**21.0**	15,098	35.1
Wholesales of personal care products	**859**	**2.7**	–	–
Total cost of wholesales of personal care products	**859**	**2.7**	–	–
Total cost	**31,344**	**100.0**	42,973	100.0

The overall cost of sales decreased by approximately 27.1% from approximately CNY43.0 million in the Comparative Period to approximately CNY31.3 million during the Financial Year. The decrease in cost of sales was mainly due to the combined effect of (i) decrease in cost of sales of bentonite mining and (ii) decrease of cost of commission expenses of wealth management services.

Cost of Sales of Bentonite Mining

Breakdown of Cost of Sales of Bentonite Mining by Product

Cost Items		**Year ended 31 March 2025**			Year ended 31 March 2024	
	Average cost of sales	**Total cost of sales**		Average cost of sales	Total cost of sales	
	CNY/tonne	***CNY'000***	*%*	*CNY/tonne*	*CNY'000*	*%*
Drilling mud	**286.1**	**11,570**	**48.4**	313.4	14,118	50.6
Pelletising clay	**351.8**	**12,336**	**51.6**	312.4	13,757	49.4
Total cost of bentonite mining		**23,906**	**100.0**		27,875	100.0

The total cost of sales of bentonite mining decreased by approximately 14.2% from approximately CNY27.9 million to approximately CNY23.9 million in the Financial Year compared to the Comparative Period. The decrease in the total cost of sales was mainly caused by the decline in output as the sales volume decreased.

The cost of sales for drilling mud decreased by approximately 18.0% from approximately CNY14.1 million to approximately CNY11.6 million in the Financial Year compared to the Comparative Period. The decrease in the cost of sales for drilling mud was mainly due to:

1) A decrease in the unit processing cost from approximately CNY313.4 per tonne to approximately CNY286.1 per tonne.

2) A decrease in the sales volume of drilling mud from approximately 45,049 tonnes to approximately 40,441 tonnes.

The cost of sales for pelletising clay decreased by approximately 10.3% from approximately CNY13.8 million to approximately CNY12.3 million in the Financial Year compared to the Comparative Period. The decrease in the cost of sales for pelletising clay was caused by the sharp decline in sale volume from approximately 44,037 tonnes to approximately 35,068 tonnes and net-off with the effect of an increase in the unit processing cost from approximately CNY312.4 per tonne to approximately CNY351.8 per tonne.

Cost of Financial Services

The commission expense of wealth management services sharply decreased by approximately CNY8.5 million or approximately 56.4% from approximately CNY15.1 million for the Comparative Period to approximately CNY6.6 million for the Financial Year. The decrease of commission expense of wealth management services was driven by the decrease of wealth management services income and the decrease of commission rate paid to the technical representatives.

Gross Profit and Gross Profit Margin

Breakdown of Gross Profit and Gross Profit Margin by Bentonite Mining, Financial Services, Property Investment and Wholesales of Personal Care Products

	Year ended 31 March 2025		Year ended 31 March 2024	
	Gross profit *CNY'000*	**Gross profit margin** *%*	Gross profit *CNY'000*	Gross profit margin *%*
Drilling mud	**6,089**	**34.5**	6,028	29.9
Pelletising clay	**8,283**	**40.2**	9,920	41.9
Bentonite mining	**14,372**	**37.5**	15,948	36.4
Wealth management services income	**4,150**	**38.7**	2,676	15.1
Loan interest income	**1,658**	**100.0**	1,896	100.0
Financial guarantee fee income	**1,132**	**100.0**	1,132	100.0
Financial services	**6,940**	**51.3**	5,704	27.4
Rental income	**95**	**100.0**	91	100.0
Wholesales of personal care products	**129**	**13.1**	–	–
Total	**21,536**	**40.7**	21,743	33.6

The overall gross profit slightly decreased by approximately 1.0% from approximately CNY21.7 million in the Comparative Period to approximately CNY21.5 million during the Financial Year, while the overall gross profit margin increased from approximately 33.6% in the Comparative Period to approximately 40.7% during the Financial Year. The slightly decrease in the overall gross profit was mainly due to the decrease of gross profit of bentonite mining by approximately 9.9% with net-off effect of the increase of financial services business by approximately 21.7%. The increase in overall gross profit margin was mainly due to the increase of gross profit margin of financial services and bentonite mining.

Gross Profit and Gross Profit Margin of Bentonite Mining

The gross profit of drilling mud relatively stable that increased by approximately 1.0% from approximately CNY6.0 million to approximately CNY6.1 million in the Financial Year compared to the Comparative Period, with the gross profit margin increasing from approximately 29.9% to approximately 34.5%. The average selling price decreased by approximately 2.3% from approximately CNY447.2 per tonne in Comparative Period to approximately CNY436.7 per tonne in Financial Year, while the average cost of sales decreased by approximately 8.7% from approximately CNY313.4 per tonne in Comparative Period to approximately CNY286.1 per tonne in Financial Year. This resulted in an increase in both gross profit and gross profit margin.

The gross profit of pelletising clay decreased by approximately 16.5% from approximately CNY9.9 million to approximately CNY8.3 million in the Financial Year compared to the Comparative Period, with the gross profit margin for decreasing from approximately 41.9% to approximately 40.2%. The decrease in gross profit margin was caused by the decline in sales volume with net-off effect both increased in unit selling price and unit cost of sales.

Gross Profit and Gross Profit Margin of Financial Services

The financial services segment delivered growth in both gross profit and gross profit margin during the year ended 31 March 2025, with gross profit increasing by approximately 21.7% to approximately CNY6.9 million (2024: approximately CNY5.7 million). The gross profit margin increased from approximately 27.4% in last year to approximately 51.3% for the Reporting Period, representing the higher profitability level achieved by this segment.

The increase of gross profit and gross profit margin of financial services were primarily driven by the wealth management services business, which contributed approximately CNY4.2 million in gross profit compared to approximately CNY2.7 million in the previous year, representing an approximately 55.1% increase. The wealth management services gross profit margin more than doubled from approximately 15.1% to approximately 38.7%, reflecting the success of the Group's strategic focus on productivity enhancement and commission cost optimization through the restructure of TR from 53 to 34.

Other Income, Other Gains/(Loss), Net

Other income, other gains/(loss), net decreased by approximately 67.0% to approximately CNY1.5 million for the Reporting Period (2024: approximately CNY4.6 million). This substantial decrease was primarily attributable to the decrease of net reversal of expected credit loss on trade, loan and loan interest receivables and other receivables by approximately CNY0.8 million and the absence of a one-off, non-recurring gain from write off of other payable of approximately CNY4.6 million recorded in the Comparative Period net-off by an increase of bank interest income of approximately CNY0.6 million and an increase of government grant of approximately CNY0.6 million.

The Comparative Period included a significant one-time write off of other payable amounting to approximately CNY4.6 million. The write off related to a business development agreement originally valued at approximately HK$6.0 million, where the Group had paid approximately HK$1.0 million with the remaining approximately HK$5.0 million recorded as other payable. Following the formation of a new board of directors in early 2018, the Group was unable to contact the service provider and did not receive the contracted services. After maintaining this payable on the books for prudential reasons, the Group wrote off the liability in the Comparative Period upon legal advice that the six-year statute of limitations had elapsed.

Selling and Distribution Expenses

The selling and distribution expenses decreased by approximately 5.8% from approximately CNY3.3 million in the Comparative Period to approximately CNY3.1 million during the Financial Year. The decrease of selling and distribution expenses was due to the decrease of sales volume for the Reporting Period.

Administrative Expenses

The administrative expenses decreased by approximately 9.2% from approximately CNY29.8 million in the Comparative Period to approximately CNY27.0 million during the Financial Year. The decrease of administrative expenses was due to the combined effect of (i) decrease of staff cost and (ii) decrease of legal and professional fee and office expenses for the Reporting Period.

Finance Costs

The finance costs increased by approximately 6.7% from approximately CNY541,000 in the Comparative Period to approximately CNY577,000 during the Financial Year. The increase of finance cost was due to increase of interest expense on lease liability and unwinding of discount on provision for dismantlement.

Income Tax Credit

The Group decreased by approximately 29.6% from approximately CNY0.2 million during the Comparative Period as compared to approximately CNY0.1 million in the Financial Year. The decrease of income tax credit was due to the net decrease in income tax credit across from deferred tax credit and current tax expense of approximately CNY0.1 million.

Loss for the Year

The loss for the Financial Year was approximately CNY7.5 million for the Financial Year, an increase of approximately CNY0.4 million from approximately CNY7.1 million in the Comparative Period. The increase in the loss of the Group for the Financial Year is mainly due to combined effect of (i) the decrease in revenue and gross profit of bentonite mining business; (ii) the absence of a one-off, non-recurring gain from write off of other payable; and (iii) the decrease of reversal of net expected credit loss recognised for trade, loan and loan interest receivables for the Reporting Period.

Property, Plant and Equipment

The Group's property, plant and equipment amounted to approximately CNY39.5 million as at 31 March 2025, compared to approximately CNY19.1 million as at 31 March 2024.

The increase was primarily due to the addition of construction in progress of approximately CNY21.7 million during the year ended 31 March 2025. The addition of construction in progress including the amount of approximately CNY18.0 million of construction cost of the factory and approximately CNY3.7 million of the plant and machinery relevant to the factory. The acquisition of plant and machinery did not constitute notifiable transactions pursuant to Chapter 19 of the GEM Listing Rules. In order to improve the efficiency of the internal logistics and transport of materials among the currently dispersed storage of raw materials, semi-finished products and finished products, the Group upgraded and expanded the production line of the existing plant since March 2024 by reconstructing its integrated workshop and finished product warehouse. The construction involving installation of facilities and building of equipment foundation is conducive for the automation of production process and centralized management. The construction work is currently in progress. The capital expenditures were financed by the Group's internal resources.

Bank Balances and Cash

The bank balances and cash decreased by approximately CNY21.5 million from approximately CNY27.4 million for the Comparative Period to approximately CNY6.0 million for the Reporting Period. The decrease was mainly due to the payment for the addition of construction in progress.

FINANCIAL RESOURCES REVIEW

Liquidity and Financial Resources

As at 31 March 2025, the Group had net current assets of approximately CNY58.9 million (2024: approximately CNY85.9 million).

As at 31 March 2025, the Group had cash and cash equivalents of approximately CNY6.0 million (2024: approximately CNY27.4 million) which was mainly dominated in CNY.

Charges on the Group's Assets

As at 31 March 2025, the Group has pledged its bank deposit CNY20.0 million (2024: CNY20.0 million) to secure the general banking facilities granted to an independent third party with principal amount of CNY19.0 million (2024: CNY19.0 million).

Capital Commitments

As at 31 March 2025, the Group had capital commitments of approximately CNY8.4 million (2024: nil) in respect of property, plant and equipment.

Capital Structure

There was no change to the Group's capital structure for the year ended 31 March 2025 (2024: nil).

Gearing Ratio

As at 31 March 2025, the gearing ratio was nil (2024: nil) as the Group was not in need of any material debt financing during the Reporting Period.

Currency Exposure and Management

Since the majority of the Group's business activities are transacted in CNY, the Directors consider that the Group's risk in foreign exchange is insignificant.

Contingent Liabilities

As at 31 March 2025, the Group did not have any loan capital or debt securities issued or agreed to be issued, outstanding bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits, finance leases or hire purchase commitments or guarantees or material contingent liabilities (2024: nil).

Significant Investments Held

The Group had no significant investment held during the Financial Year (2024: nil).

Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding

Save as disclosed in this announcement, the Group did not have other plan for material investments or acquisition of material capital assets as at 31 March 2025.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Financial Year (2024: nil).

Employees and Remuneration Policy

As at 31 March 2025, the Group had a total of 105 full time employees (2024: 127) for its main business. For the Reporting Period, the Group incurred staff costs, including Directors' remuneration, of approximately CNY14.4 million (2024: approximately CNY16.5 million).

The Group deeply understands that talented and professional employees are valuable assets to the Group. The Group will continue to determine the employee remuneration policy based on industry practice, the merits of employees, the industry experience and capabilities and will provide them with various employee benefits including medical and retirement benefits. The remuneration and compensation packages of the Directors are determined with reference to the performance of the Group, the performance of individuals, and salaries paid by comparable companies. None of the Directors, their respective associates or any of the Group's executives participated in the determination of their respective remuneration.

The Company has adopted a share option scheme pursuant to which selected participants may be granted options to subscribe for shares as incentives or rewards for their services rendered to the Group and any entity in which any member of the Group holds an equity interest.

As of 31 March 2025 and the date of this announcement, the Group has maintained good working relationships with its employees. The management team and employees have remained stable.

OUTLOOK

For our bentonite mining operations, market conditions are expected to benefit from China's supportive macroeconomic environment and targeted government policies. China's economy achieved robust GDP growth of 5.4% year-on-year in the first quarter of 2025, exceeding market expectations, and is projected to meet its growth target of around 5% for the full year. This economic momentum is being sustained through appropriately loose monetary policy and significant fiscal expansion measures that directly benefit infrastructure-dependent industries like bentonite mining.

China's continued focus on expanding domestic demand and implementing extraordinary fiscal measures, including increasing the fiscal deficit ratio to between 3.5 and 4 percent, creates a favorable environment for construction and industrial activities that drive bentonite consumption. The government's emphasis on manufacturing technology transformation and New Quality Productive Forces (NQPFs), combined with green technologies and high-end manufacturing prioritization, supports sustained demand from bentonite's key end-user industries.

The Group will continue to leverage the upgraded facilities to strengthen its competitive position in the bentonite industry while maintaining its commitment to sustainable and efficient operations.

The outlook for our financial services segment remains promising, underpinned by several positive market developments. Hong Kong's wealth management sector continues to demonstrate robust growth, with the wealth management platform market experiencing strong expansion driven by increasing affluent population and rising interest in personalised financial services. Hong Kong's insurance market is projected to grow from approximately US$80.38 billion in 2025 to approximately US$127.02 billion by 2032, reflecting a compound annual growth rate of approximately 6.8%. This growth is driven by increasing consumer awareness, cross-border activity with Mainland China, and rising demand for financial protection.

For our money lending business, Hong Kong's banking sector is prioritising resilience, costs, and digital transformation in 2025. While the pace of interest rate reductions is expected to be slower than previously forecasted, this should help preserve margins for financial institutions. The positive policy measures in China are expected to enhance consumer sentiment and foster capital raising activity, which should ultimately benefit Hong Kong's financial services sector. However, the Group will maintain its disciplined and conservative approach to lending, focusing on risk-adjusted returns and proactive credit risk management in light of continuing market uncertainties.

The Group's strategic focus on operational excellence, digital transformation, and prudent risk management positions us well to navigate the evolving market landscape. We will continue to leverage technology adoption, including our newly implemented system for wealth management operations, to enhance productivity and service delivery. Our expansion into the wholesales business of greater health products also provides additional revenue diversification opportunities in the growing personal care and wellness market.

As we move forward, the Group remains committed to creating sustainable value for shareholders through balanced growth strategies, operational efficiency improvements, and maintaining strong financial discipline while capitalising on emerging opportunities in our core business segments.

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

There was no purchase, sale or redemption of the Company's listed securities (including sale of treasury shares (within the meaning of the GEM Listing Rules), if any) by the Company or any of its subsidiaries throughout the Financial Year.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix C1 to the GEM Listing Rules as its own code of corporate governance. During the Financial Year, the Company has complied with all the code provisions set forth in the section headed "Part 1 – Mandatory disclosure requirements" and the applicable code provisions set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the CG Code, except for the following deviation from the CG Code which is explained below:

Pursuant to the code provision C.2.1 in the CG Code as set out in the Part 2 of Appendix C1 to the GEM Listing Rules, it is stated that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Mr. PUI Wai Lun has performed both of the roles as the co-chairman of the Board (the "Co-chairman") and the chief executive officer of the Company (the "Chief Executive Officer") which deviates from the code provision C.2.1 of the CG Code.

Currently, Mr. PUI Wai Lun and Dr. CHAN Man Fung are Co-chairmen and responsible for the management of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. In addition, Mr. PUI Wai Lun is the Chief Executive Officer, taking care of the day-to-day management of the Group's business and implementing the Group's policies, strategic plans and business goals formulated by the Board since 27 September 2024. Although Mr. PUI Wai Lun is both a Co-chairman and the Chief Executive Officer, the power of chairman has been shared by the other Co-chairmen, Dr. CHAN Man Fung, who would also exercise his power and authorities as a Co-chairman in managing the affairs of the Board and the Company. Besides, with three independent non-executive Directors out of a total of six Directors in the Board, there are sufficient independent voice within the Board to protect the interests of the Company and the Shareholders as a whole.

The Board considers that the balance of power and authority for the present arrangement has not been impaired and this structure enables the Company to make and implement decisions promptly and effectively. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the "Code of Conduct"). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct throughout the Financial Year.

The Company also has written guidelines regarding securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules for relevant employees of the Group and any individuals who may have access to inside information in relation to the securities of the Company.

SCOPE OF WORK OF PRISM HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income as at 31 March 2025, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Company's auditors, Prism Hong Kong Limited ("Prism") to the amounts set out in the Group's consolidated financial statements for the Financial Year. The work performed by Prism in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Prism on this announcement.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed this announcement the accounting principles and standards adopted by the Group, the consolidated financial statements of the Group for the year ended 31 March 2025, the risk management and internal control systems and financial reporting matters of the Group.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil).

EVENTS AFTER THE REPORTING PERIOD

There have been no material events undertaken by the Company or the Group occurring after the Reporting Period and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.thepbg.com.

The printed version of the Annual Report 2024/25 will be dispatched to the shareholders of the Company who have chosen to receive printed version and will be available for viewing on the website of the Stock Exchange at www.hkexnews.hk and of the Company at www.thepbg.com in due course in the manner as required by the GEM Listing Rules.

APPRECIATION

The Board would like to take this opportunity to extend our gratitude and sincere appreciation to the management team and all staff for their diligence and dedication throughout the Financial Year.

By order of the Board
P.B. Group Limited
CHAN Man Fung
Executive Director and Co-chairman

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Dr. CHAN Man Fung (Co-chairman), Mr. PUI Wai Lun (Co-chairman and Chief Executive Officer) and Ms. ZONG Yan; and (ii) three independent non-executive Directors, namely Mr. LAW Ping Keung, Mr. CHOW Chi Hang Tony and Dr. KWOK Hiu Fung.