



资源控股

RESOURCES HOLDINGS

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 00618



INTERIM REPORT

2023

中期報告

PKU RESOURCES

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

The background of the page is a large, circular, stylized illustration in shades of green. It depicts a sustainable cityscape with several wind turbines of varying sizes, modern buildings, and various types of trees. The scene is set against a backdrop of rolling hills and a sky with clouds and a small bird. The entire illustration is rendered in a flat, paper-cut style. The word "CONTENTS" is printed in a bold, dark green, sans-serif font, positioned in the lower-left quadrant of the page, partially overlapping the illustration.

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Corporate Information

BOARD OF DIRECTORS

Executive directors

Mr. Wong Kai Ho (*Chairman*)
Mr. Wang Guiwu
Mr. Huang Zhuguang
Mr. Guo Langhua (*retired on 28 August 2023*)
Mr. Hou Ruilin (*appointed on 28 August 2023*)

Independent non-executive directors

Mr. Chin Chi Ho, Stanley
Mr. Chung Wai Man
Mr. Hua Yichun

COMMITTEES

Audit Committee

Mr. Chin Chi Ho, Stanley (*Chairman*)
Mr. Hua Yichun
Mr. Chung Wai Man

Remuneration Committee

Mr. Chung Wai Man (*Chairman*)
Mr. Wong Kai Ho
Mr. Chin Chi Ho, Stanley

Nomination Committee

Mr. Wong Kai Ho (*Chairman*)
Mr. Hua Yichun
Mr. Chung Wai Man

COMPANY SECRETARY

Ms. Leung Mei King

AUTHORISED REPRESENTATIVES

Mr. Wong Kai Ho
Mr. Huang Zhuguang

AUDITORS

CCTH CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

SHARE REGISTRARS AND TRANSFER OFFICE

Principal registrar and transfer office

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

Hong Kong branch share registrar and transfer office

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LISTING INFORMATION

Main board of The Stock Exchange of Hong Kong Limited
Stock code: 00618
Board Lot: 2,000 shares

COMPANY WEBSITE

www.pkurh.com

Management Discussion and Analysis



MARKET REVIEW

Since the beginning of 2023, in the face of the complicated and challenging international macroeconomic environment and the arduous tasks of domestic reform, development and stabilization, all local governments and departments adhered to the principle of pursuing progress while ensuring stability and expedited the construction of a new development pattern, striving to promote high quality development with better coordination between domestic and overseas markets, pandemic prevention and control and socio-economic development as well as development and security. With a focus on ensuring stable growth, employment and commodity prices, market demands recovered gradually, production capacity and supply continued to increase, the overall employment rate and commodity prices remained stable and residents' income grew steadily, showing a positive rebound in the overall economy. For the first to third quarter of 2023, the gross domestic product increased by 5.2% year-on-year. By quarter, it registered a year-on-year growth of 4.5% in the first quarter, 6.3% in the second quarter and 4.9% in the third quarter. During the first to third quarter of 2023, added value of the secondary industries increased by 4.4% year-on-year and national fixed-asset investments (excluding rural households) increased by 3.1% year-on-year, while disposable income per capita effectively grew by 5.9% in China.

Medical and Pharmaceutical Retail

With the deepening of medical reform policies, policies such as “zero mark-up drug policy” and “volume-based procurement policy” were implemented gradually in public hospitals, while the trends of “separating dispensing from prescription” and “outflow of prescriptions” became more notable and continued to accelerate. All these factors will fuel further expansion of the scale of pharmaceutical retail industry. The main income source of medical institutions will shift from pharmaceutical sales to medical services in the future, and the main platform for promoting pharmaceutical sales will gradually shift from hospitals, outpatient clinics and other medical institutions to retail pharmacies, which have huge market potential for future development.

After the pandemic, people's lifestyle has changed gradually with enhanced public awareness of disease prevention and treatment. More and more residents take the initiative in disease prevention and invest in their health instead of receiving medical treatment passively. With the introduction of various consumption stimulus policies, there is a growing demand for health management, health care and disease prevention products and services. In the first quarter of 2023, the pharmaceutical retail industry was back on track rapidly and demonstrated a steady business growth in general.

Pursuant to the Circular on Making Further Progress on the Inclusion of Designated Retail Pharmacies in the Outpatient Clinics Coordinated Management Regime (《關於進一步做好定點零售藥店納入門診統籌管理的通知》) issued by the National Healthcare Security Administration on 15 February 2023, great importance was attached to the inclusion of designated retail pharmacies in the coordination of outpatient clinics. It emphasized that efforts will be devoted in supporting the launch of coordinated outpatient services in designated retail pharmacies, and clearly stated that it is necessary to optimize the payment policy for coordinated outpatient services in designated retail pharmacies. Subsequent local policies were introduced gradually since April 2023, which further enhanced the competitiveness of retail pharmacies.

Management Discussion and Analysis

E-commerce and Distribution

During the first half of 2023, China's economic growth remained stable, which provided a favorable environment for development of the information product market. With further digital transformation, enterprises' demand for information products increased continuously. The rise of artificial intelligence, the Internet of Things and other emerging technologies brought new driving force to the growth of the information product market. In the first half of 2023, the information products distribution business and digital e-commerce business in China experienced a rapid growth, mainly benefited from the improvement in the macroeconomic environment, accelerated digital transformation and the rise of emerging technologies. In the first three quarters of 2023, national online retail sales amounted to RMB10,819.8 billion, representing a year-on-year increase of 11.6%. Among which, online retail sales of physical commodities amounted to RMB9,043.5 billion, representing an increase of 8.9% and accounting for 26.4% of the total retail sales of social consumer goods. Among the online retail sales of physical commodities, the sales of food, clothing and consumer goods increased by 10.4%, 9.6% and 8.5% respectively.

Real Estate Business

China's real estate industry is still facing adjustment. Driven by various factors such as the concentrated release of pent-up demand and the effect of previous policies, the real estate market in key cities experienced a slight rebound during the first quarter, followed by a slowdown in growth momentum in the second quarter with intensified urban differentiation. During the first to third quarter of 2023, the sales area of commodity housing was 850 million square meters, representing a decrease of 7.5% year-on-year, while the sales of commodity housing amounted to RMB8.9 trillion, representing a decrease of 4.6% year-on-year. The investment in real estate industry recorded RMB8.7 trillion, representing a decrease of 9.1% year-on-year. The overall real estate industry showed a trend of stabilization with the year-on-year decrease in cumulative sales area and cumulative sales amount being narrowed. Despite indicators such as real estate development and investment and newly commenced construction have yet to stop falling, the completion data maintained positive growth under the policy of "guaranteed delivery of housing".

The government continued to implement relaxed policies in general and carried out city-specific policies to support the rigid housing demand and demand for upgraded homes. Various measures for "stabilizing the pillar", "promoting demand" and "risk prevention" were gradually implemented. At the meeting of the Political Bureau of the Central Committee held in July 2023, it is clearly stated that adjustments will be made in a timely manner in order to optimize real estate policies and relaxed policies will be further introduced in the second half of the year. As the structure of the real estate industry has been reshaping, real estate enterprises with a healthy balance sheet and strong operational capability will garner more market shares and development opportunities.

OPERATING REVIEW

Medical and Pharmaceutical Retail

The Group acquired 55.5556% equity interest in Wuhan Yekaitai Pharmaceutical Chain Co., Ltd.* (武漢葉開泰藥業連鎖有限公司) ("Yekaitai Pharmaceutical") in August 2023, and acquired the remaining 44.4444% equity shares in Yekaitai Pharmaceutical in November 2023. Yekaitai Pharmaceutical operates its retail pharmacies in the PRC under the domestically and internationally reputable brand of "Yekaitai (葉開泰)", continuing the tradition and ancient motto of "Dedication comes from the heart that no one else can see". The brand of Yekaitai has a history of nearly 400 years and is widely regarded as one of the four major pharmacy brands in the PRC, along with "Beijing Tong Ren Tang (北京同仁堂)", "Hangzhou Huqingyutang (杭州胡慶餘堂)" and "Guangzhou Chan Li Chai (廣州陳李濟)". Yekaitai was recognised by the Ministry of Domestic Trade (國內貿易部) (now the Ministry of Commerce (商務部)) of the PRC as a "China Time-honored Brand (中華老字號)" in 1994. Yekaitai Pharmaceutical was awarded the title of "Wuhan City Famous Trademark (武漢市著名商標)" by the Wuhan Municipal Government in 2014 and is influential and reputable in Wuhan City, the PRC.

* For identification purposes only

Management Discussion and Analysis

Yekaitai Pharmaceutical operates 56 chain stores and two Chinese medicine clinics in nine administrative regions in Wuhan, the PRC. It has also established an online pharmacy. Yekaitai Pharmaceutical provides traditional Chinese medicine diagnosis and treatment, traditional Chinese medicine health care, massage, acupuncture and other special medical services. Yekaitai Pharmaceutical utilises information technology to carry out such services as online remote prescription review, medication guidance, customized health management plans and medical big data query. Through developing online multi-channel marketing such as B2C and O2O, Yekaitai Pharmaceutical is reforming its retail pharmacies and endeavours to becoming an integrated platform for Chinese and Western medicine resources. Since the acquisition date and up to the end of the six months ended 30 September 2023 (the “Reporting Period”), the medical and pharmaceutical retail business of the Group recorded a turnover of approximately RMB14,025,000. The segment recorded a profit of RMB1,867,000.

The management is of the view that the retail pharmacy market in the PRC has great potential and room for development. The acquisitions enable the Group to expand its business into the pharmaceutical retail market so as to create new sources of income and diversify the Group’s revenue streams, thereby achieving the Group’s strategic objective of sustainable development.

E-commerce and Distribution

During the Reporting Period, the distribution business of the Group recorded a turnover of approximately RMB847,051,000, representing a decrease of 25.3% as compared to that of the six months ended 30 September 2022 (six months ended 30 September 2022: RMB1,133,622,000). The segment recorded a loss of RMB2,071,000 (six months ended 30 September 2022: a loss of RMB119,919,000).

Originally, the distribution business was mainly focused on the distribution of information products. During the Reporting Period, it has been affected mainly by various 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. Since May 2022, the Group has gradually transformed from a traditional IT distributor to an e-commerce platform and reduced the scale of its distribution business to concentrate the main resources on the development of its e-commerce business.

Real Estate Business

Property Development

During the Reporting Period, the turnover of the property development business for the Reporting Period decreased by 86.5% to approximately RMB363,171,000 (six months ended 30 September 2022: RMB2,681,994,000), which was due to the significant decline in the delivered area of the Group’s property development projects. The segment recorded a profit of approximately RMB253,733,000 (six months ended 30 September 2022: approximately RMB482,280,000). The profit for the Reporting Period was mainly attributable to the substantial gain recorded from the disposal of subsidiaries.

As at 30 September 2023, the Group had 12 property development projects across 8 cities in Mainland China. The total area of the properties held for sale, properties under development and area pending construction amounted to approximately 2,611,000 square meters. During the Reporting Period, the Group actively promoted resumption of work and production activities under the changes in the industry. During the Reporting Period, contracted sales of properties and contracted gross floor area (“GFA”) amounted to approximately RMB260 million and approximately 31,000 square meters, respectively, with an average selling price of approximately RMB8,304 per square meter.

Management Discussion and Analysis

Project List

As at 30 September 2023

Project Name	Project Location	Planning and Development	Planned GFA (sq.m)	Equity Share	Expected year of completion
Boya Binjiang	Foshan, Guangdong	Residential/Commercial	914,183	51%	2023
Yihe Emerald Mansion	Yuxi, Yunnan	Residential/Commercial	468,777	100%	2026
Wei Ming 1898	Kaifeng, Henan	Commercial/Residential	297,651	100%	2023
Boya	Chongqing	Residential/Commercial	493,462	70%	Completed
Jiangshan Mingmen	Chongqing	Residential/Commercial	679,223	100%	Completed
Yuelai	Chongqing	Residential/Commercial	394,572	70%	Completed
Zijing Mansion	Chongqing	Residential/Commercial	209,337	100%	2023
Boya City Plaza	Chengdu, Sichuan	Commercial/Office	144,008	51%	Completed
Wei Ming Mansion	Hangzhou, Zhejiang	Residential/Commercial	193,771	100%	Completed
580 Project	Chongqing	Residential/Commercial	613,530	100%	N/A
Lianhu Jincheng	Ezhou, Hubei	Residential/Commercial	394,175	90%	N/A
Shanshui Nianhua	Wuhan, Hubei	Residential/Commercial	276,468	70%	Completed

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 Period, the turnover of property investment and management business increased by 58.7% to approximately RMB48,717,000 (six months ended 30 September 2022: RMB30,694,000). The segment recorded a loss of approximately RMB400,000 (six months ended 30 September 2022: a profit of RMB5,433,000). The increase in segment turnover was mainly attributed to the increase in rented GFA during the Reporting Period.

Management Discussion and Analysis

FINANCIAL REVIEW

Overall Performance

The Group reported profit of approximately RMB166,054,000 for the Reporting Period (six months ended 30 September 2022: approximately RMB64,775,000). The Group's profit recorded for the Reporting Period was mainly attributable to the combined effects of the following factors:

- (a) a decrease in revenue of the Group by approximately 66.9% to approximately RMB1,272,964,000 during the Reporting Period (six months ended 30 September 2022: RMB3,846,310,000), which was due to the decrease in revenue from property development business by approximately RMB2,318,823,000 as a result of decrease in areas delivered, the decrease in revenue from e-commerce and distribution business by approximately RMB286,571,000, and the increase in revenue from the property investment and management business by approximately RMB18,023,000. The revenue from the new medical and pharmaceutical retail business for the current period amounted to RMB14,025,000. The gross profit of the Group decreased by 89.1% to approximately RMB54,002,000 (six months ended 30 September 2022: RMB497,294,000). The gross profit margin decreased from 12.9% for the six months ended 30 September 2022 to 4.2% for the Reporting Period due to the decrease in proportion of revenue generated from property development business with higher gross profit margin;
- (b) a decrease in the aggregate of selling and distribution expenses and administrative and other operating expenses by 18.6% to approximately RMB135,141,000 during the Reporting Period (six months ended 30 September 2022: RMB166,007,000), which was due to the strict cost control measures adopted by the Group;
- (c) an increase in other income and gains by 1,526.9% to approximately RMB1,673,487,000 during the Reporting Period (six months ended 30 September 2022: RMB102,863,000), which was due to the substantial gain on disposal recorded from the disposal of Hong Kong Tianhe Holdings Limited (香港天合控股有限公司) ("HK Tianhe") and its subsidiaries and Chongqing Yueyingya Enterprise Management Co., Ltd. (重慶悅盈雅企業管理有限公司) ("Chongqing Yueyingya") and its subsidiaries in May 2023;
- (d) a decrease in finance costs by 58.2% to approximately RMB57,893,000 (six months ended 30 September 2022: RMB138,428,000), which was due to the decrease in interest-bearing financial liabilities after the disposal of subsidiaries in May 2023, and the successful execution of settlement agreement with certain financial institutions; and
- (e) a decrease in corporate income tax and PRC land appreciation tax during the Reporting Period, which resulted in a drop in income tax expenses by 89.2% to approximately RMB16,192,000 (six months ended 30 September 2022: RMB150,188,000).

The profit attributable to the owners of the Company and profit attributable to non-controlling interests for the Reporting Period are approximately RMB155,781,000 (six months ended 30 September 2022: approximately RMB86,202,000) and RMB10,273,000 (six months ended 30 September 2022: loss of approximately RMB21,427,000) respectively.

Basic earnings per share attributable to owners of the Company for the Reporting Period were RMB1.71 cents (six months ended 30 September 2022: RMB1.34 cents).

Management Discussion and Analysis

Liquidity, financial resources and capital commitments

During the Reporting Period, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in the PRC. As at 30 September 2023, the Group had interest-bearing bank and other borrowings of approximately RMB1,254.273 million (31 March 2023: RMB1,919.6 million), of which approximately RMB10 million (31 March 2023: RMB639 million) were floating interest bearing and RMB1,244.273 million (31 March 2023: RMB1,280.6 million) were fixed interest bearing. The borrowings, which were subject to little seasonality, consisted of mainly bank loans, trust loans and loans from Peking Founder, and borrowings from other financial institutions. All of interest-bearing bank and other borrowings are denominated in RMB, with amount of approximately RMB640.869 million (31 March 2023: RMB1,325.9 million) were repayable within one year, approximately RMB293 million (31 March 2023: RMB293 million) were repayable within two years and approximately RMB320.404 million (31 March 2023: RMB300.7 million) were repayable within three years. The Group's banking facilities were secured by guarantee given by Peking Founder and Peking University Resources Group Co., Ltd. (北大資源集團有限公司) (each of them is a former controlling shareholder of the Company), and certain properties under development and properties held for sale of the Group, equity interests of certain subsidiaries of the Group, receivables of certain subsidiaries of the Group and assignment of return arising from the Group's certain properties under development and properties held for sale. The increase in other payables and accruals by 13% to approximately RMB2,834.1 million (31 March 2023: RMB2,507.8 million) was due to the delay of partial repayment of other payables.

As at 30 September 2023, the Group recorded total assets of approximately RMB11,951.6 million (31 March 2023: RMB12,648.6 million), total liabilities of approximately RMB8,780.9 million (31 March 2023: RMB10,113.1 million), non-controlling interests of approximately RMB1,445.3 million (31 March 2023: RMB1,074.1 million) and equity attributable to owners of the Company of approximately RMB1,725.4 million (31 March 2023: approximately RMB1,461.5 million). The Group's net asset value per share as at 30 September 2023 was RMB34.7 cents (31 March 2023: RMB27.8 cents). The increase in net asset value per share was attributable to the profit for the Reporting Period.

As at 30 September 2023, the Group had total cash and cash equivalents and restricted cash of approximately RMB679.8 million (31 March 2023: RMB725.9 million). As at 30 September 2023, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity, was 0.40 (31 March 2023: 0.76) while the Group's current ratio was 1.29 (31 March 2023: 1.18).

As at 30 September 2023, the capital commitments for contracted, but not provided for, properties under development were approximately RMB1,648.1 million (31 March 2023: RMB2,133.2 million).

Management Discussion and Analysis



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 30 September 2023, properties under development of approximately RMB848.2 million (31 March 2023: RMB848.2 million), properties held for sale of approximately RMB27.9 million (31 March 2023: RMB298 million), investment properties of approximately RMB295.8 million (31 March 2023: RMB295.8 million), accounts receivable of approximately RMB nil (31 March 2023: RMB32.1 million), bank deposits of approximately RMB13.9 million (31 March 2023: RMB29.8 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.

Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 30 September 2023, the Group had contingent liabilities as follows:

- (1) The Group had contingent liabilities relating to guarantees mainly in respect of mortgage facilities granted by certain banks to certain purchasers of the Group's properties amounting to approximately RMB922,886,000 (31 March 2023: RMB1,339.7 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 real estate ownership certificates which are generally issued within three months after the purchasers take possession of the relevant properties; and (ii) repayment of the mortgage loans by the purchasers of the properties, whichever is earlier.

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

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

Major litigations

As at 30 September 2023, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

- (1) In August 2021, Minmetals International Trust Co., Ltd (五礦國際信託有限公司) ("Minmetals International"), filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against a subsidiary of Hong Kong Huzi Limited ("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 has filed an application for enforcement with the Intermediate People's Court of Xining; Minmetals International, Dongguan Yihui, Yuxi Runya and Chongqing Yingfeng are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.

* For identification purposes only

Management Discussion and Analysis

- (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 being 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 has filed an application for enforcement with the Intermediate People's Court of Xining; Minmetals International, Wuhan Tianhe, Yuxi Runya and Resources Investment are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.
- (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, 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. In August 2023, the court organized and conducted a trial of the case, and adjourned it to November 2023 with the addition of North Suzhou Fengyutai Investment Company Limited* (北蘇州豐羽泰投資有限公司) and Yichang Fusheng Real Estate Development Company Limited* (宜昌富盛房地產開發有限公司) (each of which is a subsidiary of Peking University Resources Group Co., Ltd. (北大資源集團有限公司), a former controlling shareholder of the Company) as defendants. As at the date of this report, 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 report, 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.

* For identification purposes only

Management Discussion and Analysis

- (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, Western Trust has applied to the Intermediate People’s Court of Xi’an, Shaanxi Province for enforcement of the effective judgement; and Zhejiang Resources applied to the Supreme People’s Court for a retrial in September 2023 due to its disagreement with the second instance judgement and is pending the filing of the retrial.
- (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). In August 2023, the Higher People’s Court of Guizhou Province issued a civil judgement, which ruled that, among others: (i) Kaifeng Boming shall repay the plaintiff the outstanding principal of RMB509 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). Currently, the plaintiff has filed an application for enforcement with the Intermediate People’s Court of Guiyang; Kaifeng Boyuan, Chongqing Yingfeng and Kaifeng Boming are actively negotiating with the plaintiff for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcements of the Company dated 21 April 2023 and dated 21 August 2023.

* For identification purposes only

Management Discussion and Analysis



FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2023, the Group did not have any specific future plans for material investments or capital assets (31 March 2023: Nil). Nonetheless, the Group is always seeking new investment opportunities in the real estate business, e-commerce business and medical and pharmaceutical retail 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

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures for the Reporting Period except as follows:

- (1) On 11 May 2023, Hong Kong Resources Rui Cheng Property Holdings Limited (香港資源睿成地產控股有限公司) (as 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) (as purchaser A) entered into the sale and purchase agreement, pursuant to which vendor A has conditionally agreed to sell, and purchaser A has conditionally agreed to acquire the entire issued share capital of Hong Kong Tianhe for the consideration of HK\$1,000,000. Chongqing Heyumei Commercial Information Consultancy Co., Ltd (重慶合裕美商務信息諮詢有限公司) (as vendor B), an indirect wholly-owned subsidiary of the Company, and Wuhan Yiyuan Enterprise Management Co., Ltd. (武漢憶園企業管理有限公司) (as purchaser B) entered into the sale and purchase agreement, pursuant to which vendor B has conditionally agreed to sell, and purchaser B has conditionally agreed to acquire the entire issued share capital of Chongqing Yueyingya for the consideration of RMB1,000,000. The disposal was completed during the Reporting Period in accordance with the terms of the sale and purchase agreement. Upon completion, Hong Kong Tianhe and Chongqing Yueyingya had ceased to be the subsidiaries of the Company.

For further details of the disposals, please refer to the announcement of the Company dated 11 May 2023.

- (2) The acquisition of Yekaitai Pharmaceutical as described in "Events after the Reporting Period" below.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group has approximately 617 employees (31 March 2023: 454). The increase in the number of employees is mainly attributable to the acquisition of Yekaitai Pharmaceutical during the Reporting Period.

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.

On 29 May 2013, the Group adopted a share option scheme (the "2013 Share Option Scheme"), which is valid and effective for a period of 10 years from the date of adoption. The total number of shares of the Company (the "Shares") in respect of which options may be granted under the 2013 Share Option Scheme is not permitted to exceed 10% of the Shares in issue on the adoption date, i.e. 163,396,901 Shares. The Company has granted share options to certain eligible individuals to subscribe for up to a total of 147,051,211 Shares under the 2013 Share Option Scheme, and such share options granted had been exercised in full by the grantees before 31 March 2023. Details of the options granted under the 2013 Share Option Scheme are set out in the announcement of the Company dated 2 September 2022. As the 2013 Share Option Scheme has already expired on 28 May 2023, the share options for a total of 16,345,690 Shares available under the 2013 Share Option Scheme will not be granted.

Management Discussion and Analysis

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

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

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

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

- (1) Employee Participants: any directors (including executive directors, non-executive directors and independent non-executive directors), chief executive and employees (full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted award(s) under the 2023 Share Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);
- (2) Service Provider Participants: any person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including (a) suppliers of services to any member of the Group; and (b) advisers (professional or otherwise) or consultants to any area of business or business development of any member of the Group, but for the avoidance of doubt excludes (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity; and
- (3) Related Entity Participants: the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

According to the 2023 Share Scheme, all awards to be granted that involve the issuance of Shares of the Company shall not exceed 10% of the total number of Shares in issue as at the adoption date, being 912,966,911 Shares, representing approximately 8.82% of the issued Shares of the Company as at the date of this report.

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

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

Management Discussion and Analysis

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

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

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

The 2023 Share Scheme is a share incentive scheme established in accordance with Chapter 17 of the Listing Rules. As at the date of this report, no awards have been granted, vested, exercised, cancelled or lapsed under the 2023 Share Scheme.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there are no other significant events affecting the Group after the Reporting Period and up to the date of this report:

- (1) On 25 October 2023, the Company (as issuer) entered into four subscription agreements with four subscribers in respect of the subscriptions of an aggregate of 1,220,000,000 subscription shares at the subscription price of HK\$0.10 per Share. Each of the subscribers is an independent private investor. According to the terms and conditions of the subscription agreements, the completion of the subscriptions has taken place on 29 November 2023. The Company has issued and allotted an aggregate of 1,220,000,000 subscription shares to the subscribers. For further details of the related subscriptions, please refer to the announcements of the Company dated 25 October 2023 and 29 November 2023.
- (2) On 16 August 2023, an indirect wholly-owned subsidiary of the Company (as purchaser A) and Suzhou Aoze Pharmaceutical Investment Partnership (Limited Partnership) (蘇州遨澤醫藥投資合夥企業(有限合夥)) (as seller) entered into an equity transfer agreement to purchase 55.5556% equity interest in Yekaitai Pharmaceutical from the seller at the consideration of RMB45,000,000. On 1 November 2023, Beijing Deyuehe Project Management Co., Ltd. (北京德悅合項目管理有限公司) (as purchaser), an indirect wholly-owned subsidiary of the Company, and the seller entered into the equity transfer agreement to purchase 44.4444% equity interest in Yekaitai Pharmaceutical from the seller, for the consideration of RMB36,000,000. Upon completion, Yekaitai Pharmaceutical became an indirect wholly-owned subsidiary of the Company. For further details of the acquisition, please refer to the announcement of the Company dated 1 November 2023.

Management Discussion and Analysis

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

Despite the various lingering challenges faced by the Chinese real estate market, it is clear that the government's policies are poised to bolster the recovery of the overall market. The real estate industry is still a pillar industry of the national economy, and there remain huge structural rigid demand and potential demand for upgraded homes in the market. At the economic conference of the Political Bureau of the Central Committee held in July 2023, the government conveyed a positive message to the economy and the real estate market with particular emphasis being placed on adaptation to the new landscape arising from major changes in the supply-demand dynamics in the real estate market, as well as timely adjustment and enhancement of real estate policies. Various central ministries and commissions also issued a number of documents and policies to support the economy and the industry successively, including the extension of the "16 Financial Measures" announced last year to provide greater support for the financial policy that ensure the delivery of properties by real estate enterprises, the promulgation of the new "Guiding Opinions on Urban Village Renewal in Supercities and Megacities" (超大特大城市城中村改造的指導意見) to boost domestic demand and optimize structure of the real estate market, and the launch of the "31 Measures for Private Economy" to foster policy support for and boost the confidence of private enterprises. In light of the ongoing positive signals released by central and local governments, it is expected that more policies and measures will be implemented.

In response to the prevailing challenges in the industry, the Group will continue to place strong emphasis on financial security, innovate the organisational structure and enhance management efficiency. Maintaining liquidity for operations, mitigating existing debt issues and expanding incremental business as appropriate are the Group's business priorities. Under the new norms of the industry, the Group currently follows the main operating approach of revitalizing inventories and exploring surplus stocks in combination with the operation model that focuses on distressed assets and expansion of incremental light asset business, thereby actively creating new profit growth points while maintaining robust cash flows. In terms of business operation, the Group will strive to rebuild and enhance the brand value of Resources Holdings, initiate strategic cooperation with the relevant financial institutions, and actively focus its endeavors on the investment, management and operation of distressed assets from existing businesses in the post-property era, namely the three main development tracks of "asset-light operations, agent construction and consultancy business, and property management services". Meanwhile, leveraging the technological platform of Nibiru's metaverse, the Group will launch proprietary NFT digital collectibles of Resources Holdings, at the same time commencing virtual and physical real estate development and operation business and diversified O2O online and offline value-added lifestyle service business in an active attempt to shift to the new track of "real estate operation + technology", so as to ensure that the Group precisely overcome the challenges of the industry, stagger the cyclical effect of the sector and seize the opportunities for future development.

Management Discussion and Analysis

E-commerce and Distribution

According to the analysis of the current trends, China's digital e-commerce market is in a fast-growing stage. With the rapid development of informatisation construction, in-depth integration of informatisation and industrialization as well as the positive role of China's industrial policy guidance, the IT distribution industry in China has been presented with valuable development opportunities. However, the emergence of the internet, e-commerce platforms and livestream marketing has challenged the role of traditional IT distributors in the distribution process.

China's digital e-commerce market is expected to maintain its high-speed growth in 2023. The impact of the post-pandemic era has driven the rapid expansion of domestic consumer market. Furthermore, the government will continue to implement policies to boost domestic demand and stimulate new consumption patterns, marking a new phase of growth for China's digital e-commerce market.

The Company will play a key intermediary role between brand operators and e-commerce platforms by offering them a full chain of integrated online operation and sales services. It will offer IT solutions, digital content marketing and other critical support services to help brand operators better promote and sell their products in the digital era.

Pharmaceutical Retail Business

The present policies and market environment are both favorable for the development of pharmaceutical retail industry, and such industry possesses unique risk resistance capabilities amidst the dynamic external environment. Leading industry players leverage their economies of scale and brand advantages to fast-track store expansion and further enhance the advantage of regional layout. As a result, market competition will become more intense.

To this end, we will adhere to the development strategies of expanding scale of stores and building a differentiated and multi-channel sales network. We will expand the stores in Wuhan City and surrounding area by adopting the model of "new openings + mergers and acquisitions", in a bid to develop a mid-to-large scale local store network with adequate number of stores. Capitalizing on the Chinese medicine and pharmaceutical resources of "Yekaitai", we will set up Chinese medicine clinics in some of the physical stores to realize the integration of medicine and pharmaceutical. We will also devote vigorous efforts into developing the integrated model of "Chinese medicine diagnosis and treatment services + traditional Chinese medicine", and provide pharmaceutical and Chinese medicine services to customers, covering diagnosis, treatment, rehabilitation, physical therapy, medication consultation and other diversified and distinctive services. Building upon our existing online business, we will continue to increase investment and foster steady growth.

Besides, we shall continuously step up the trainings on pharmaceutical expertise for in-store staff so as to improve service quality and take part in the full medication process of patients. Shifting the focus from "pharmaceutical sales" to "patient services", we are gradually transforming from a single pharmaceutical sales channel to a comprehensive and multi-dimensional "patient-focused" channel.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2023.

INTERIM FINANCIAL INFORMATION

The board of directors (the “Board”) of Peking University Resources (Holdings) Company Limited (the “Company”) is pleased to present the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2023, together with the comparative figures for the six months ended 30 September 2022. This interim condensed consolidated financial information has not been audited, but has been reviewed by the audit committee of the Company.

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2023

	Notes	Six months ended 30 September	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	5	1,272,964	3,846,310
Cost of sales		(1,218,962)	(3,349,016)
Gross profit		54,002	497,294
Other income and gains	6	1,673,487	102,863
Impairment of inventories (recognised)/reversed, net		(910)	12,536
Impairment of properties for sale reversed, net		33,595	63,499
Selling and distribution expenses		(33,411)	(63,661)
Administrative and other operating expenses		(101,730)	(102,346)
Other expenses and losses, net		(1,384,894)	(156,794)
Finance costs	7	(57,893)	(138,428)
Profit before tax	8	182,246	214,963
Income tax expense	9	(16,192)	(150,188)
Profit for the period		166,054	64,775
Profit/(loss) for the period attributable to:			
Owners of the Company		155,781	86,202
Non-controlling interests		10,273	(21,427)
Profit for the period		166,054	64,775
		RMB cents (Unaudited)	RMB cents (Unaudited)
Earnings per share attributable to owners of the Company			
Basic	11	1.71	1.34

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
PROFIT FOR THE PERIOD	166,054	64,775
Other comprehensive income:		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	8,904	43,740
Item that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	99,238	246,178
Other comprehensive income for the period, net of tax	108,142	289,918
Total comprehensive income for the period	274,196	354,693
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	263,923	376,120
Non-controlling interests	10,273	(21,427)
Total comprehensive income for the period	274,196	354,693

Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Notes	30 September 2023 RMB'000 (Unaudited)	31 March 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	75,898	66,144
Investment properties		1,197,302	1,230,559
Right-of-use assets		15,010	2,773
Other intangible assets		43,646	–
Investments in associates		–	30,000
Financial assets at fair value through profit or loss		100,227	96,200
Goodwill		3,216	–
Prepayments, other receivables and other assets		163,793	169,492
Deferred tax assets		43,448	43,785
Total non-current assets		1,642,540	1,638,953
Current assets			
Properties for sale			
– under development		5,171,571	5,456,655
– completed		3,128,286	3,756,808
Inventories		79,556	91,581
Trade receivables	13	247,148	82,374
Prepayments, other receivables and other assets		1,002,748	896,308
Restricted cash		13,873	29,832
Cash and cash equivalents		665,904	696,114
Total current assets		10,309,086	11,009,672
Current liabilities			
Trade payables	14	1,259,213	2,013,608
Other payables and accruals		2,343,637	2,507,792
Provisions		1,583,284	584,273
Contract liabilities		929,845	1,171,845
Interest-bearing bank and other borrowings		640,869	1,325,904
Lease liabilities		7,983	1,729
Income tax payable		1,196,146	1,714,879
Total current liabilities		7,960,977	9,320,030
Net current assets		2,348,109	1,689,642
Total assets less current liabilities		3,990,649	3,328,595

Condensed Consolidated Statement of Financial Position

As at 30 September 2023

	Note	30 September 2023 RMB'000 (Unaudited)	31 March 2023 RMB'000 (Audited)
Non-current liabilities			
Interest-bearing bank and other borrowings		613,404	593,704
Lease liabilities		7,174	1,507
Deferred tax liabilities		199,362	197,827
Total non-current liabilities		819,940	793,038
Net assets			
Equity			
Share capital	15	787,555	787,555
Reserves		937,862	673,939
Equity attributable to owners of the Company		1,725,417	1,461,494
Non-controlling interests		1,445,292	1,074,063
Total equity		3,170,709	2,535,557

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Attributable to owners of the Company											
	Share capital	Share premium	Contributed surplus	Merger reserve	Non-controlling interests	Exchange fluctuation reserve	Other reserves	General reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note a)	(Note a)	(Note a)	(Note a)	(Note a)	(Note a)	(Note a)	(Note a)	(Note a)			
At 1 April 2023 (Audited)	787,555	11,754	1,297,299	(238,675)	(134,812)	(37,226)	557,240	620,035	(1,401,676)	1,461,494	1,074,063	2,535,557
Profit for the period	-	-	-	-	-	-	-	-	155,781	155,781	10,273	166,054
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	8,904	-	-	-	8,904	-	8,904
Exchange differences on translation of financial statements of the Company	-	-	-	-	-	99,238	-	-	-	99,238	-	99,238
Total comprehensive income for the period	-	-	-	-	-	108,142	-	-	155,781	263,923	10,273	274,196
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	283,025	283,025
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	77,931	77,931
At 30 September 2023 (Unaudited)	787,555	11,754	1,297,299	(238,675)	(134,812)	70,916	557,240	620,035	(1,245,895)	1,725,417	1,445,292	3,170,709

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Attributable to owners of the Company												Non-controlling interests	Total
	Share capital	Share premium account	Contributed surplus	Merger reserve	Share option reserve	Non-controlling interests reserve	Exchange fluctuation reserve	Other reserves	General reserve	Accumulated losses	Sub-total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2022 (Audited)	545,335	258	1,297,299	(238,675)	-	(134,812)	(183,155)	-	620,035	(2,368,366)	(462,081)	2,850,618	2,388,537	
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	86,202	86,202	(21,427)	64,775	
Other comprehensive income for the period:														
Exchange differences on translation of foreign operations	-	-	-	-	-	-	43,740	-	-	-	43,740	-	43,740	
Exchange differences on translation of financial statements of the Company	-	-	-	-	-	-	246,178	-	-	-	246,178	-	246,178	
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	289,918	-	-	86,202	376,120	(21,427)	354,693	
Proceeds from issue of shares	-	-	-	-	-	-	-	116,055	-	-	116,055	-	116,055	
Share options granted during the period	-	-	-	-	8,140	-	-	-	-	-	8,140	-	8,140	
Disposal of partial interest in subsidiaries	-	-	-	-	-	-	-	18,475	-	-	18,475	89,177	107,652	
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(21,390)	(21,390)	
At 30 September 2022 (Unaudited)	545,335	258	1,297,299	(238,675)	8,140	(134,812)	106,763	134,530	620,035	(2,282,164)	56,709	2,896,978	2,953,687	

Note:

- (a) The consolidated reserve surplus amounted to RMB937,862,000 (31 March 2023: RMB673,939,000) in the condensed consolidated statement of financial position.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Net cash generated from/(used in) operating activities	8,399	(136,641)
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,056)	(417)
Proceeds on disposal of partial interest in subsidiaries without loss of control	–	100,510
Cash outflow arising on disposal of subsidiaries	(27,158)	–
Payment for acquisition of subsidiaries	(45,700)	–
Net cash (used in)/generated from investing activities	(77,914)	100,093
Cash flows from financing activities		
Proceeds from issue of shares	–	116,055
Proceeds from new bank and other borrowings	64,700	174,194
Repayment of bank and other borrowings	(30,000)	(65,463)
Principal portion lease payments	(723)	(1,724)
Dividends paid to non-controlling shareholders	–	(21,390)
Net cash generated from financing activities	33,977	201,672
Net (decrease)/increase in cash and cash equivalents	(35,538)	165,124
Cash and cash equivalents at beginning of the period	696,114	641,949
Effect of foreign exchange rate changes, net	5,328	320
Cash and cash equivalents at end of the period	665,904	807,393
Analysis of balances of cash and cash equivalents		
Cash and bank balances	665,904	807,393

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023



1. CORPORATE INFORMATION

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

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

In the opinion of the directors, the Company has no parent company.

2. BASIS OF PREPARATION

These condensed consolidated financial information have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These condensed consolidated financial information have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and investment properties which have been measured at fair value. These condensed consolidated financial information are presented in Renminbi (“RMB”), and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated.

The Group’s condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2023. The accounting policies adopted in the preparation of these condensed consolidated financial information are followed in those applied in the preparation of the Group’s annual financial statements for the year ended 31 March 2023, except for the accounting policy changes that are expected to be reflected in the Group’s annual financial statements for the year ending 31 March 2024. Details of any changes in accounting policy changes and disclosures are set out in Note 3.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

3. AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these condensed consolidated financial information for the current accounting period:

HKFRS 17	Insurance contracts
Amendments to HKFRS 17	Insurance contracts
Amendments to HKAS 1	Disclosure of accounting policies
Amendments to HKAS 8	Definition of accounting estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 12	International tax reform – Pillar two model rules

The application of the above amendments to HKFRSs in the current period had no material impact on the Group’s financial positions and performance for the current period and prior years and/or on the disclosures set out in these condensed consolidated financial information.

4. SEGMENT INFORMATION

The executive Directors (the “Executive Directors”) are regarded as the chief operating decision-maker. The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources. Operating segments were determined based on these reports.

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) medical and pharmaceutical retail;
- (b) the e-commerce and distribution of products;
- (c) the property development segment; and
- (d) the property investment and management segment.

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 measured consistently with the Group’s profit/loss before tax except that interest income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude restricted cash, cash and cash equivalents, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude interest-bearing bank and other borrowings, income tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 September 2023

	Medical and pharmaceutical retail RMB'000 (Unaudited)	E-commerce and distribution RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Property investment and management RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue, other income and gains					
Segment revenue from external customers	14,025	847,051	363,171	48,717	1,272,964
Other income and gains	-	-	1,176,854	4,066	1,180,920
	14,025	847,051	1,540,025	52,783	2,453,884
Segment profit/(loss)	1,867	(2,071)	253,733	(400)	253,129
Interest income					2,106
Corporate and unallocated expenses					(15,096)
Finance costs					(57,893)
Profit before tax					182,246

For the six months ended 30 September 2022

	Medical and pharmaceutical retail RMB'000 (Unaudited)	E-commerce and distribution RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Property investment and management RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue, other income and gains					
Segment revenue from external customers	-	1,133,622	2,681,994	30,694	3,846,310
Other income and gains	-	-	99,071	1,328	100,399
	-	1,133,622	2,781,065	32,022	3,946,709
Segment (loss)/profit	-	(119,919)	482,280	5,433	367,794
Interest income					2,464
Corporate and unallocated expenses					(16,867)
Finance costs					(138,428)
Profit before tax					214,963

There were no inter-segment sales for both of the current period and the comparative prior period.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

The following table presents the assets and liabilities of the Group's operating segments as at 30 September 2023 and 31 March 2023, respectively.

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Segment assets					
As at 30 September 2023 (Unaudited)	147,293	1,168,876	10,484,705	3,844,718	15,645,592
Elimination of intersegment receivables					(4,517,416)
Corporate and other unallocated assets					823,450
Total assets (Unaudited)					11,951,626
As at 31 March 2023 (Audited)	–	1,698,856	9,759,191	4,952,407	16,410,454
Elimination of intersegment receivables					(4,531,560)
Corporate and other unallocated assets					769,731
Total assets (Audited)					12,648,625
Segment liabilities					
As at 30 September 2023 (Unaudited)	44,617	722,912	8,146,328	1,734,695	10,648,552
Elimination of intersegment payables					(4,517,416)
Corporate and other unallocated liabilities					2,649,781
Total liabilities (Unaudited)					8,780,917
As at 31 March 2023 (Audited)	–	1,282,898	8,854,337	675,079	10,812,314
Elimination of intersegment payables					(4,531,560)
Corporate and other unallocated liabilities					3,832,314
Total liabilities (Audited)					10,113,068

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

4. SEGMENT INFORMATION (CONTINUED)

Geographic information

(a) Revenue from external customers

	Medical and pharmaceutical retail RMB'000 (Unaudited)	E-commerce and distribution RMB'000 (Unaudited)	Property development RMB'000 (Unaudited)	Property investment and management RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
For the six months ended 30 September 2023					
Mainland China	10,236	337,180	363,171	48,717	759,304
Hong Kong and other regions	3,789	509,871	-	-	513,660
	14,025	847,051	363,171	48,717	1,272,964
For the six months ended 30 September 2022					
Mainland China	-	1,133,622	2,681,994	30,694	3,846,310
Hong Kong	-	-	-	-	-
	-	1,133,622	2,681,994	30,694	3,846,310

The above information is prepared based on the location of the customers.

(b) Non-current assets

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Mainland China	1,496,616	1,498,762
Hong Kong and other regions	2,249	206
	1,498,865	1,498,968

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

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

5. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Distribution of goods	847,051	1,133,622
Sales of properties	363,171	2,681,994
Medical and consultation services	3,789	–
Pharmaceutical retail income	10,236	–
	1,224,247	3,815,616
<i>Revenue from other sources</i>		
Gross rental income	48,717	30,694
	1,272,964	3,846,310
<i>Timing of revenue recognition</i>		
At point in time	1,220,458	3,815,616
Over time	3,789	–
	1,224,247	3,815,616

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

6. OTHER INCOME AND GAINS

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Other income		
Bank interest income	2,106	2,464
Management and consultancy service fee income	15,883	2,093
Others	7,388	4,099
	25,377	8,656
Gains		
Gains on disposal of subsidiaries*	1,644,107	–
Gains on debt restructuring**	–	94,207
Fair value change on financial assets	4,003	–
	1,648,110	94,207
	1,673,487	102,863

* During the six months ended 30 September 2023, the Company entered into the sale and purchase agreement with a third party for the disposal of the Group's 100% equity interest in Hong Kong Tianhe Holdings Limited and 100% equity interest in Chongqing Yueyingya Enterprise Management Co., Ltd., at a cash consideration of HK\$1,000,000 and RMB1,000,000 respectively.

** During the six months ended 30 September 2022, the Group and financial institutions entered into an enforcement settlement agreement, pursuant to which the Group was required to repay the loan and interest thereon by installments to the financial institutions. As a result, gains on debt restructuring amounted to RMB94,207,000 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 such enforcement settlement agreement.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

7. FINANCE COSTS

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest on bank and other borrowings	57,762	138,744
Interest expenses arising from revenue contracts	11,323	82,170
Interest expenses arising from lease contracts	131	282
Interest on discounted bills	–	85
Total interest expenses	69,216	221,281
Less: Interest capitalised	(11,323)	(82,853)
	57,893	138,428

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging the following:

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Cost of inventories sold	841,656	1,214,714
Cost of properties sold	377,306	2,134,302
Cost of sales	1,218,962	3,349,016
Depreciation of property, plant and equipment	1,538	1,573
Depreciation of right-of-use assets	598	1,585
Amortisation of other intangible assets	61	262
Provision for expected liability (note 1)*	999,011	–
Written off of property for sale – under development (note 2)*	336,594	–
Impairment of trade receivables	1,992	1,825
Loss on disposal of property, plant and equipment*	1	39
Foreign exchange losses, net*	3,011	10,736

* These items are included in "Other expenses and losses, net" in the condensed consolidated statement of profit or loss.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

8. PROFIT BEFORE TAX (CONTINUED)

Notes:

1. During the six months ended 30 September 2023, the provision for expected liabilities which related to guarantee liabilities and contractual arrangements enforced to be payable by the Group was estimated by the management amounted to RMB999,011,000 was recognised in the consolidated statements of profit or loss.
2. During the six months ended 30 September 2023, the Company was informed that Kaifeng Bureau of Natural Resources and Planning (“Kaifeng Bureau”) has issued two decisions on the resumption of state-owned construction land use right against Kaifeng Boyuan Real Estate Development Co., Ltd.* (“Kaifeng Boyuan”), an indirect subsidiary of the Company, to resume the stated-owned land use rights in respect of two land parcels of a total of 42,799.5 square meters held by Kaifeng Boyuan (the “Lands”) without compensation, as the Lands were deemed as idle lands by the Kaifeng Bureau and amount of RMB336,594,000 of written off of property for sale – under development was recognised in the consolidated statements of profit or loss.

9. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Provision for:		
– Hong Kong profits tax	–	–
– PRC corporate income tax	979	115,951
– PRC LAT	15,213	34,237
Income tax expense	16,192	150,188

Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both of the current period and the comparative prior period.

PRC corporate income tax

PRC corporate income tax has been provided at the rate of 25% for both of the current period and the comparative prior period on the taxable profits of the Group’s PRC subsidiaries.

PRC land appreciation tax (“LAT”)

According to the requirements of the Provisional Regulations of the PRC on 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 Mainland China 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.

No deferred tax charge was recognised for both of the current period and the comparative prior period as the amount involved is insignificant.

* For identification purposes only

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

10. DIVIDENDS

No dividends have been declared and paid by the Company during the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to owners of the Company of approximately RMB155,781,000 (six months ended 30 September 2022: approximately RMB86,202,000), and the weighted average number of 9,129,669,116 ordinary shares (six months ended 30 September 2022: 6,416,155,647 shares) in issue during the periods.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired items of property, plant and equipment at a total cost of RMB5,056,000 (six months ended 30 September 2022: RMB417,000), and disposed of items of property, plant and equipment with a total net carrying amount of RMB1,000 (six months ended 30 September 2022: RMB101,000).

13. TRADE RECEIVABLES

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Trade receivables	251,267	84,501
Impairment loss on trade receivables	(4,119)	(2,127)
	247,148	82,374

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. 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 and bills receivables balances. Trade and bills receivables are non-interest-bearing.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023



13. TRADE RECEIVABLES (CONTINUED)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and/or bills receipt date and net of loss allowance, is as follows:

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Within 6 months	209,321	70,547
7 to 12 months	27,762	11,827
13 to 24 months	10,065	–
	247,148	82,374

14. TRADE PAYABLES

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Trade payables	1,259,213	2,013,608

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

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Within 6 months	42,158	897,454
Over 6 months	1,217,055	1,116,154
	1,259,213	2,013,608

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

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

15. SHARE CAPITAL

	At 30 September 2023 HK\$'000 (Unaudited)		At 31 March 2023 HK\$'000 (Audited)	
Authorised: 15,000,000,000 (31 March 2023: 15,000,000,000) ordinary shares of HK\$0.10 each	1,500,000		1,500,000	
	At 30 September 2023 HK\$'000 RMB'000 (equivalent) (Unaudited)		At 31 March 2023 HK\$'000 RMB'000 (equivalent) (Audited)	
Issued and fully paid: 9,129,669,116 (31 March 2023: 9,129,669,116) ordinary shares of HK\$0.10 each	912,967	787,555	912,967	787,555

16. SHARE OPTION SCHEME

On 29 May 2013, the Company adopted a share option scheme (the "2013 Share Option Scheme"), which is valid and effective for a period of 10 years from the date of adoption. The 2013 Share Option Scheme has already expired on 28 May 2023. During the reporting period, no share option was granted under the 2013 Share Option Scheme. On 28 August 2023, the Group adopted a new share scheme (the "2023 Share Scheme"), which is valid and effective for a period of ten (10) years from the date of adoption. According to the 2023 Share Scheme, the Company may grant awards to the eligible participants during the scheme period, the nature and amount of which shall be determined by the Board during the scheme period, in the form of (a) an award which vests in the form of the right to receive such number of award shares at the issue price or the actual selling price of the award shares in cash, as the Board may in its absolute discretion determine in accordance with the terms of the scheme (the "Share Award(s)"), which is funded by the issuance of new shares and/or the purchase of existing shares by way of on-market transaction; or (b) an award which vests in the form of the right to subscribe for such number of award shares as the Board may determine during the exercise period at the exercise price in accordance with the terms of the scheme (the "Share Options"), which is funded by the issuance of new shares.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

16. SHARE OPTION SCHEME (CONTINUED)

According to the 2023 Share Scheme, all awards to be granted that involve the issuance of shares of the Company shall not exceed 10% of the total number of shares in issue as at the adoption date, being 912,966,911 shares. The maximum number of shares in respect of which awards may be granted to a single eligible participant in any 12-month period up to and including the date of such grant, shall not exceed 1% of the shares in issue. For awards which take the form of Share Awards, the issue price for the awards shall be such price determined by the Board and notified to the grantee in the letter containing the offer of the grant of the award, taking into consideration factors such as the prevailing closing price of the shares, the purpose of the scheme, the performance and profile of the relevant grantee(s). The Board may determine the issue price to be at nil consideration. For awards which take the form of Share Options, the exercise price for the exercise of such Share Options shall be such price determined by the Board in their absolute discretion and notified to the grantee in the letter containing the offer of the grant of the award but in any case the exercise price shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the relevant offer date in respect of such award, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding relevant offer date in respect of such award; or (iii) the nominal value of a share. The Board may grant awards in respect of which the exercise price is fixed at different prices for certain periods during the exercise period.

As at the date of this report, no awards have been granted by the Company in respect of the 2023 Share Scheme.

17. CONTINGENT LIABILITIES

Save as disclosed below, the Group had no contingent liabilities at the end of the reporting period:

- (a) The Group had outstanding litigations as detailed in the section headed "Major Litigations" in this report.
- (b) The Group has given guarantees in favour of certain banks in relation to mortgages granted by these banks to purchasers of the Group's properties amounting to approximately RMB922,886,000 (31 March 2023: RMB1,339,731,000). Pursuant to the terms of the guarantees, upon default in mortgage payments, if any, by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of the building ownership certificates which are generally available within one to two years after the purchasers take possession of the relevant properties. The Directors consider that, in the case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made for the guarantees in the unaudited interim condensed consolidated financial information for the current period (31 March 2023: Nil).

18. COMMITMENTS

The Group had the following commitments for the Group's development properties:

	At 30 September 2023 RMB'000 (Unaudited)	At 31 March 2023 RMB'000 (Audited)
Contracted for: Properties under development	1,648,063	2,133,196

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

19. RELATED PARTY TRANSACTIONS

Transaction and balances with related parties

In addition to the related party transactions and balances disclosed elsewhere in this condensed consolidated financial information, the Group had the following transactions and/or balances with related parties during the period/or at the end of the reporting period:

(a) Transactions with related parties

	Note	Six months ended 30 September	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Transactions with fellow subsidiaries			
Service fee expenses	(i)	–	227

Note:

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(b) Balances with related parties

	Notes	At	At
		30 September 2023 RMB'000 (Unaudited)	31 March 2023 RMB'000 (Audited)
Cash held by certain directors of subsidiaries for business purpose	(i)	8,063	4,739
Amount due from non-controlling shareholder of subsidiary included in other receivables	(ii)	196,337	196,337

Notes:

- (i) At 30 September 2023, included in the Group's other receivables is cash held by certain directors of subsidiaries for business purpose amounting to RMB8,063,000 (at 31 March 2023: RMB4,739,000).
- (ii) At 30 September 2023, included in the Group's other receivables is non-controlling shareholder of subsidiary amounting to RMB196,337,000 (at 31 March 2023: RMB196,337,000), which is unsecured, interest-free and repayable on demand.

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

19. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel of the Group

	Six months ended 30 September	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	3,327	2,926
Bonuses	2,240	–
Equity-settled share-based payment	–	4,522
Retirement benefits	121	90
Total compensation paid to key management personnel	5,688	7,538

20. LITIGATIONS

As at 30 September 2023, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

- (a) 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 Hong Kong Huzi Limited (“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 has filed an application for enforcement with the Intermediate People’s Court of Xining; Minmetals International, Dongguan Yihui, Yuxi Runya and Chongqing Yingfeng are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.

* For identification purposes only

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

20. LITIGATIONS (CONTINUED)

- (b) 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 being 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 has filed an application for enforcement with the Intermediate People's Court of Xining; Minmetals International, Wuhan Tianhe, Yuxi Runya and Resources Investment are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022.
- (c) 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, 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. In August 2023, the court organized and conducted a trial of the case, and adjourned it to November 2023 with the addition of North Suzhou Fengyutai Investment Company Limited* (北蘇州豐羽泰投資有限公司) and Yichang Fusheng Real Estate Development Company Limited* (宜昌富盛房地產開發有限公司) (each of which is a subsidiary of Peking University Resources Group Co., Ltd. (北大資源集團有限公司), a former controlling shareholder of the Company) as defendants. As at the date of this report, the case is still on-going. Details of the litigation are set out in the announcement of the Company dated 8 April 2022.
- (d) 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 report, 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.

* For identification purposes only

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

20. LITIGATIONS (CONTINUED)

- (e) Western Trust Co., Ltd* (西部信託有限公司) (“Western Trust”) filed a civil complaint in the Intermediate People’s Court of Xi’an, Shaanxi Province against Zhejiang Resources, in respect of the outstanding debts in relation to a loan provided to Zhejiang Resources with principal amount of approximately RMB300,000,000 at interest of approximately 10.4% per annum which is secured by a land parcel in Yuhang District, Hangzhou as collateral for a term of three years, together with interest and penalty of approximately RMB389,400,000. On 1 April 2022, the court issued a first instance judgement in favour of the plaintiff, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Subsequently, Zhejiang Resources and Western Trust both appealed to the Higher People’s Court of Shaanxi Province. In March 2023, the Higher People’s Court of Shaanxi Province issued a civil judgement, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Currently, Western Trust has applied to the Intermediate People’s Court of Xi’an, Shaanxi Province for enforcement of the effective judgement; and Zhejiang Resources applied to the Supreme People’s Court for a retrial in September 2023 due to its disagreement with the second instance judgement and is pending the filing of the retrial.
- (f) 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). In August 2023, the Higher People’s Court of Guizhou Province issued a civil judgement, which ruled that, among others: (i) Kaifeng Boming shall repay the plaintiff the outstanding principal of RMB509 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). Currently, the plaintiff has filed an application for enforcement with the Intermediate People’s Court of Guiyang, Guizhou Province; Kaifeng Boyuan, Chongqing Yingfeng and Kaifeng Boming are actively negotiating with the plaintiff for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcements of the Company dated 21 April 2023 and dated 21 August 2023.

* For identification purposes only

Notes to Condensed Consolidated Financial Information

For the six months ended 30 September 2023

21. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there are no other significant events affecting the Group after the Reporting Period and up to the date of this report:

- (a) On 25 October 2023, the Company (as issuer) entered into four subscription agreements with four subscribers in respect of the subscriptions of an aggregate of 1,220,000,000 subscription shares at the subscription price of HK\$0.10 per Share. Each of the subscribers is an independent private investor. The completion of the subscriptions has been taken place on 29 November 2023. The Company has issued and allotted an aggregate of 1,220,000,000 subscription shares to the subscribers. For further details of the related subscriptions, please refer to the announcements of the Company dated 25 October 2023 and 29 November 2023.
- (b) On 16 August 2023, the indirect wholly-owned subsidiary of the Company (as purchaser) and Suzhou Aoze Pharmaceutical Investment Partnership (Limited Partnership) (蘇州遨澤醫藥投資合夥企業(有限合夥)) (as seller) entered into an equity transfer agreement to purchase 55.5556% equity interest in Wuhan Yekaitai Pharmaceutical Chain Co., Ltd. (武漢葉開泰藥業連鎖有限公司) (“Yekaitai Pharmaceutical”) from the seller at the consideration of RMB45,000,000.

On 1 November 2023, Beijing Deyuehe Project Management Co., Ltd. (北京德悅合項目管理有限公司) (as purchaser), an indirect wholly-owned subsidiary of the Company, and the seller entered into the equity transfer agreement to purchase 44.4444% equity interest in Yekaitai Pharmaceutical from the seller, for the consideration of RMB36,000,000. Upon completion, Yekaitai Pharmaceutical became an indirect wholly-owned subsidiary of the Company. For further details of the acquisition, please refer to the announcement of the Company dated 1 November 2023.

22. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The condensed consolidated financial information was approved and authorised for issue by the board of directors on 30 November 2023.

Other Information

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

As at 30 September 2023, the interests and short positions of the directors and chief executives in the share capital, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions in ordinary shares of the Company (the "Shares")

Name of Director or chief executive	Notes	Number of Shares held, capacity and nature of interest		Total	Percentage of the Company's issued share capital
		Directly beneficially owned	Through controlled corporation		
Mr. Wong Kai Ho	1	26,416,155	2,418,000,000	2,444,416,155	26.77
Mr. Wang Guiwu	2	–	1,918,000,000	1,918,000,000	21.01
Mr. Huang Zhuguang	3	–	1,276,814,973	1,276,814,973	13.99
Mr. Hou Ruilin	4	–	1,161,231,129	1,161,231,129	12.72
Mr. Xia Ding	5	38,000,000	–	38,000,000	0.42
Mr. Jiang Xiaoping	6	34,000,000	–	34,000,000	0.37

Notes:

- (1) Apart from his personal interest in 26,416,155 Shares, Mr. Wong Kai Ho is deemed to be interested in (i) 1,918,000,000 Shares held by Ample Grace Investments Limited, a company owned as to 40% by Mr. Wong Kai Ho; and (ii) 500,000,000 Shares held by Eagle Wings Limited Partnership Fund, of which Mr. Wong Kai Ho is the general partner.
- (2) Mr. Wang Guiwu is interested in 1,918,000,000 Shares through his interest in Ample Grace Investments Limited.
- (3) Mr. Huang Zhuguang is interested in 1,276,814,973 Shares through his interest in Firstunion Animation Technology (HK) Co., Limited.
- (4) Mr. Hou Ruilin is interested in 1,161,231,129 Shares through his interest in Wealth Elite Group Investment Limited.
- (5) Mr. Xia Ding directly owns 38,000,000 Shares.
- (6) Mr. Jiang Xiaoping directly owns 34,000,000 Shares.

Short positions in the Shares

Name of Director	Note	Number of Shares held, capacity and nature of interest		Total	Percentage of the Company's issued share capital
		Directly beneficially owned	Through controlled corporation		
Mr. Wong Kai Ho	1	–	500,000,000	500,000,000	5.48

Note:

- (1) Mr. Wong Kai Ho is deemed to be interested in these Shares through Eagle Wings Limited Partnership Fund, of which Mr. Wong Kai Ho is the general partner.

Other Information

Save as disclosed above, as at 30 September 2023, none of the directors and chief executives had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2023, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Notes	Capacity and nature of interest	Long positions		Short positions	
			Number of Shares	Percentage of the Company's issued share capital	Number of Shares	Percentage of the Company's issued share capital
Ample Grace Investments Limited ("Ample Grace")	1	Directly beneficially owned	1,918,000,000	21.01	-	-
Mr. Wang Guiwu	1	Through a controlled corporation	1,918,000,000	21.01	-	-
Eagle Wings Limited Partnership Fund ("Eagle Wings")	2	Directly beneficially owned	500,000,000	5.48	500,000,000	5.48
Kind Tak LTD	2	Through a controlled corporation	500,000,000	5.48	500,000,000	5.48
Lynn Renee	2	Through a controlled corporation	500,000,000	5.48	500,000,000	5.48
Mr. Wong Kai Ho	3	Directly beneficially owned	26,416,155	0.29	-	-
	1	Through a controlled corporation	1,918,000,000	21.01	-	-
	2	Through a controlled corporation	500,000,000	5.48	500,000,000	5.48
Firstunion Animation Technology (HK) Co., Limited ("Firstunion")	4	Directly beneficially owned	1,276,814,973	13.99	-	-
廣東順聯動漫科技有限公司 (Guangdong First Union Animation Technology Co., Ltd.*) ("Guangdong Firstunion")	4	Through a controlled corporation	1,276,814,973	13.99	-	-
廣東貫成實業投資有限公司 (Guangdong Guancheng Industrial Investment Co., Ltd.*) ("Guangdong Guancheng")	4	Through a controlled corporation	1,276,814,973	13.99	-	-
Mr. Huang Zhuguang	4	Through a controlled corporation	1,276,814,973	13.99	-	-
Wealth Elite Group Investment Limited	5	Directly beneficially owned	1,161,231,129	12.72	-	-
Mr. Hou Ruilin	5	Through a controlled corporation	1,161,231,129	12.72	-	-

Notes:

- (1) Ample Grace is owned as to 60% by Mr. Wang Guiwu and 40% by Mr. Wong Kai Ho. Each of Mr. Wang Guiwu and Mr. Wong Kai Ho is deemed to be interested in 1,918,000,000 Shares under the SFO by virtue of their respective interest in Ample Grace.

* For identification purposes only

Other Information

- (2) Eagle Wings, Starry Nation Limited (“Starry Nation”), Kind Tak LTD, and Mr. Wong Kai Ho entered into a deed of option on 28 September 2023, pursuant to which Eagle Wings grants Starry Nation a call option to purchase from Eagle Wings, and Starry Nation grants Eagle Wings a put option to require Starry Nation to purchase from Eagle Wings, all of the 500,000,000 Shares held by Eagle Wings. As: (i) Mr. Wong Kai Ho is the general partner of Eagle Wings; (ii) Kind Tak LTD is the limited partner of Eagle Wings who contributed more than one third of the capital; (iii) Kind Tak LTD is controlled by Lynn Renee, each of Mr. Wong Kai Ho, Kind Tak LTD and Lynn Renee is deemed to be interested in 500,000,000 Shares under the SFO by virtue of their respective interest in Eagle Wings.
- (3) Apart from his personal interest in 26,416,155 Shares, Mr. Wong Kai Ho is deemed to be interested in (i) 1,918,000,000 Shares held by Ample Grace, a company owned as to 40% by Mr. Wong Kai Ho; and (ii) 500,000,000 Shares held by Eagle Wings, of which Mr. Wong Kai Ho is the general partner.
- (4) Firstunion is wholly-owned by Guangdong Firstunion, which in turn is wholly-owned by Guangdong Guancheng. Guangdong Guancheng is owned as to 90% by Mr. Huang Zhuguang. Firstunion is a controlled corporation (within the meaning of the SFO) of Mr. Huang Zhuguang. As such, under the SFO, Mr. Huang Zhuguang is deemed to be interested in the 1,276,814,973 Shares held by Firstunion.
- (5) Wealth Elite Group Investment Limited is owned as to 100% by Mr. Hou Ruilin. Mr. Hou Ruilin is deemed to be interested in 1,161,231,129 Shares under the SFO by virtue of his interest in Wealth Elite Group Investment Limited.

Save as disclosed above, as at 30 September 2023, no person, other than the directors and chief executives of the Company, whose interests are set out in the section “Directors’ and chief executives’ interests and short positions in Shares, underlying Shares and debentures” above, had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Saved as disclosed in the table below, there has been no purchase, redemption or sale of any of its listed securities in the twelve months immediately preceding the date of this report.

Date of the announcement	Fundraising activities	Net proceeds (proposed to be) raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this report
15 March 2023 and 23 March 2023	Issue and allotment of 1,161,231,129 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 15 September 2022	HK\$116,023,000	It was agreed between the Company and the subscriber that the total subscription price shall be satisfied by setting off against the equivalent amount of the debt owed by the Group to the subscriber on a dollar-for-dollar basis	The total subscription price was used to set off against the equivalent amount of the debt owed by the Group to the subscriber on a dollar-for-dollar basis as intended
9 March 2023, 17 March 2023 and 27 March 2023	Issue and allotment of 122,000,000 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 15 September 2022	HK\$12,100,000	(i) Repayment of the debts of the Group; and (ii) General working capital	Fully applied as intended

Other Information

Date of the announcement	Fundraising activities	Net proceeds (proposed to be) raised (approximately)	Intended use of proceeds	Actual use of proceeds up to the date of this report
25 October 2023 and 29 November 2023	Issue and allotment of 1,220,000,000 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 28 August 2023	HK\$121,500,000	General working capital	Unutilized

CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUER

The Company has adopted a model code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard as set out in the Model Code as set out in Appendix 10 of the Listing Rules. Having made specific enquiry by the Company, all directors have confirmed that they have complied with the Model Code regarding directors' securities transactions during the six months ended 30 September 2023.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the interim condensed consolidated financial statements and results of the Group for the six months ended 30 September 2023 with the Company's management.

BOARD OF DIRECTORS

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

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

Hong Kong
30 November 2023



资源控股

RESOURCES HOLDINGS