资源控股
RESOURCES HOLDINGS

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

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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board (the "Board") of directors (the "Directors") of Peking University Resources (Holdings) Company Limited (the "Company") is pleased to announce the audited consolidated results and financial position of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2024 together with the comparative figures for the year ended 31 March 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	**Year ended 31 March 2024** *RMB'000*	Year ended 31 March 2023 *RMB'000*
REVENUE	5	**1,440,982**	5,174,870
Cost of sales		**(1,310,193)**	(4,414,062)
Gross profit		**130,789**	760,808
Other gains and losses, net	5	**515,933**	1,992,732
Selling and distribution expenses		**(68,041)**	(104,617)
Administrative expenses		**(166,637)**	(209,728)
Impairment of inventories (recognised)/ reversed, net		**(1,674)**	15,249
Impairment of properties for sale (recognised)/reversed, net			
– under development		**(167,883)**	46,061
– completed		**(28,166)**	27,094
Fair value loss on financial assets at fair value through profit or loss		**(2,000)**	(17,618)
Other expenses		**(842,654)**	(646,963)
Finance costs	6	**(112,434)**	(266,479)
(LOSS)/PROFIT BEFORE TAX	7	**(742,767)**	1,596,539
Income tax expense	8	**(7,475)**	(577,684)
(LOSS)/PROFIT FOR THE YEAR		**(750,242)**	1,018,855
(Loss)/profit attributable to:			
Owners of the Company		**(785,629)**	966,690
Non-controlling interests		**35,387**	52,165
		(750,242)	1,018,855
		RMB cents	*RMB cents*
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		
Basic and diluted		**(8.24)**	13.71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Year ended 31 March 2024 *RMB'000*	Year ended 31 March 2023 *RMB'000*
(LOSS)/PROFIT FOR THE YEAR	**(750,242)**	1,018,855
OTHER COMPREHENSIVE INCOME		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of non-Mainland China entities' operations	**19,649**	9,679
	19,649	9,679
Item that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**74,679**	136,250
	74,679	136,250
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**94,328**	145,929
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(655,914)**	1,164,784
Total comprehensive (loss)/income attributable to:		
Owners of the Company	**(691,301)**	1,112,619
Non-controlling interests	**35,387**	52,165
	(655,914)	1,164,784

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	**31 March 2024** *RMB'000*	31 March 2023 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**53,718**	66,144
Investment properties		**1,387,261**	1,230,559
Right-of-use assets		**17,814**	2,773
Other intangible assets		**13,839**	–
Investment in an associate		**–**	30,000
Financial assets at fair value through profit or loss		**94,200**	96,200
Goodwill		**38,597**	–
Prepayments, other receivables and other assets		**170,454**	169,492
Deferred tax assets		**55,048**	43,785
Total non-current assets		**1,830,931**	1,638,953
CURRENT ASSETS			
Properties for sale			
– under development		**3,689,574**	5,456,655
– completed		**3,732,430**	3,756,808
Inventories		**89,555**	91,581
Trade and bills receivables	11	**224,598**	82,374
Prepayments, other receivables and other assets		**1,051,808**	896,308
Restricted cash		**13,856**	29,832
Cash and cash equivalents		**890,197**	696,114
Total current assets		**9,692,018**	11,009,672
CURRENT LIABILITIES			
Trade and bills payables	12	**1,285,623**	2,013,608
Other payables and accruals		**2,377,655**	2,087,780
Provisions		**1,328,338**	584,273
Contract liabilities		**896,949**	1,171,845
Interest-bearing bank and other borrowings		**636,377**	1,745,916
Lease liabilities		**9,761**	1,729
Income tax payable		**1,141,813**	1,714,879
Total current liabilities		**7,676,516**	9,320,030
NET CURRENT ASSETS		**2,015,502**	1,689,642
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,846,433**	3,328,595

	31 March 2024 *RMB'000*	31 March 2023 *RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**1,111,680**	593,704
Lease liabilities	**8,624**	1,507
Deferred tax liabilities	**218,387**	197,827
Total non-current liabilities	**1,338,691**	793,038
Net assets	**2,507,742**	2,535,557
EQUITY		
Share capital	**898,647**	787,555
Reserves	**135,857**	673,939
Equity attributable to owners of the Company	**1,034,504**	1,461,494
Non-controlling interests	**1,473,238**	1,074,063
Total equity	**2,507,742**	2,535,557

NOTES

For the year ended 31 March 2024

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

Going concern basis

As at 31 March 2024, the Group's current liabilities amounted to RMB7,676,516,000 in which, RMB437,047,000 of the interest-bearing bank and other borrowings was due and unpaid as at the report date, while its cash and cash equivalents amounted to RMB890,197,000.

In addition, considering the decreased demand in the property market of the PRC, the Group expected it will take longer time to generate cash from sale of its properties. Consequently, the Group intends to seek external financing to fulfill its liabilities and obligations.

In view of such circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months after the end of the reporting period. Certain measures and plans are being undertaken or will be undertaken by the Group to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(a) The directors of the Company revaluate the performance of the subsidiaries within the Group, dispose of non-performing asset in a timely manner, and optimize the overall resources allocation of the Group. Subsequent to the reporting period, the Company disposed the 90% equity interest in Ezhou Jinfeng Property Development Limited ("Ezhou"). The disposal was completed on 16 May 2024, upon the completion, Ezhou ceased to be subsidiary of the Group. As at 31 March 2024, Ezhou's current liabilities were approximately RMB672,280,000.

(b) The Group has secured a new financial facility from a third party in the amount of RMB35,000,000. This facility is available for withdrawal when the Group experiences financial needs. As at 31 March 2024, the Group had unutilised loan facilities of approximately RMB179,000,000.

(c) Subsequent to the reporting period, the Group has successfully negotiated with various lenders to extend the repayment terms of other payables of RMB321,443,000. The repayment period has been extended eighteen months beyond the reporting period.

(d) The Group continues to generate positive operating cash flows for the next eighteen months by implementing various strategies to improve the Group's income from medical and pharmaceutical retail and e-commerce and distribution of information products to generate additional operating cash inflows and putting extra efforts on the collection of outstanding trade receivables.

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

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

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

(ii) The implementation of cost control measures

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

By taking above business strategy plan, the Group is expected to alleviate its liabilities and generate positive cashflow to meet its financial obligation for next twelve months from the reporting period.

The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due at least within the next eighteen months after 31 March 2024. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the June 2020 and December 2021 Amendments to HKFRS 17)	*Insurance contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*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*

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

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

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

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

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRS Accounting Standards, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

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

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

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") – Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap. 57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19. Accordingly, the Group has assessed a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the year ended 31 December 2023, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition.

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

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	*Sale or contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 16	*Lease Liabilities in a Sale and Leaseback*[2]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[2]
Amendments to HKAS 1	*Non-current Liabilities with Covenants*[2]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[2]
Amendments to HKAS 21	*Lack of Exchangeability*[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

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

4. OPERATING SEGMENT INFORMATION

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

During the year ended 31 March 2024, the Group acquired a new business engaged in medical and pharmaceutical retail.

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

(a) the medical and pharmaceutical retail segment provide Chinese medical, pharmaceutical retail and consultation services;

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

(c) the property development segment sells properties; and

(d) the property investment and management segment lease properties and provide property management services.

The Executive Directors monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted (loss)/profit before tax. The adjusted (loss)/profit before tax is measured consistently with the Group's (loss)/profit before tax except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude restricted cash, cash and cash equivalents, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

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

For the year ended 31 March 2024

	Medical and pharmaceutical retail *RMB'000*	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Segment revenue, other gains and losses, net					
Revenue from external customers*	**87,812**	**621,395**	**558,202**	**173,573**	**1,440,982**
Other gains and losses, net	**395**	**377**	**223,010**	**285,810**	**509,592**
	88,207	**621,772**	**781,212**	**459,383**	**1,950,574**
Segment profit/(loss)	**3,798**	**30,785**	**(117,302)**	**(29,759)**	**(112,478)**
Bank interest income					**6,341**
Corporate and unallocated expenses					**(524,196)**
Finance costs					**(112,434)**
Loss before tax					**(742,767)**
Segment assets	**383,257**	**4,310,439**	**14,691,294**	**11,474,486**	**30,859,476**
Elimination of inter-segment receivables					**(22,451,581)**
Corporate and other unallocated assets					**3,115,054**
Total assets					**11,522,949**
Segment liabilities	**297,718**	**2,022,438**	**11,638,803**	**9,348,419**	**23,307,378**
Elimination of inter-segment payables					**(22,451,581)**
Corporate and other unallocated liabilities					**8,159,410**
Total liabilities					**9,015,207**

	Medical and pharmaceutical retail *RMB'000*	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Other segment information					
Impairment of trade receivables (recognised)/reversed, net	**(344)**	**1,130**	**18**	**(2,656)**	**(1,852)**
Impairment of financial assets included in prepayments, other receivables and other assets, net reversed/(recognised), net	**1,490**	**458**	**(31,645)**	**898**	**(28,799)**
Recognition of impairment of inventories, net	**–**	**1,674**	**–**	**–**	**1,674**
Impairment of properties for sale, net					
– under development	**–**	**–**	**167,883**	**–**	**167,883**
– completed	**–**	**–**	**28,166**	**–**	**28,166**
Loss on disposal of property, plant and equipment	**–**	**–**	**(27)**	**–**	**(27)**
Fair value gain on investment properties, net	**–**	**–**	**–**	**9,417**	**9,417**
Depreciation	**15,729**	**465**	**3,577**	**3,449**	**23,220**
Capital expenditure#	**1,606**	**94**	**726**	**9,400**	**11,826**
Fair value gain on transfer from properties for sale – completed to investment properties	**–**	**–**	**–**	**64,250**	**64,250**
Other expenses					
– Penalty on loan defaults	**–**	**–**	**35,360**	**–**	**35,360**
– Tax overdue charge	**–**	**–**	**61,018**	**–**	**61,018**
– Provision for expected guarantee liability	**–**	**–**	**290,574**	**–**	**290,574**
– Provision for litigation	**–**	**–**	**453,491**	**–**	**453,491**

* Revenue reported represents revenue generated from external customers. There were no inter-segment sales for the year.

\# Capital expenditure consists of additions to property, plant and equipment and investment properties.

For the year ended 31 March 2023

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

	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Other segment information				
Impairment of trade receivables reversed/ (recognised), net	22,816	(490)	(3)	22,323
Impairment of financial assets included in prepayments, other receivables and other assets (recognised)/reversed, net	(1,382)	380,910	2,427	381,955
Reversal of impairment of inventories, net	15,249	–	–	15,249
Impairment of properties for sale, net				
– under development	–	46,061	–	46,061
– completed	–	27,094	–	27,094
Gain/(loss) on disposal of property, plant and equipment	9	(8)	87	88
Fair value gain on investment properties, net	–	–	356,815	356,815
Depreciation and amortisation	1,219	5,519	234	6,972
Capital expenditure#	19	280	63,456	63,755
Fair value gain on transfer from properties for sale – completed to investment properties	–	–	99,597	99,597
Other expenses				
– Penalty on loan defaults	–	158,027	–	158,027
– Default penalty on late delivery of development properties sold	–	25,018	–	25,018
– Tax overdue charge	–	80,968	–	80,968
– Provision for expected guarantee liability	–	37,746	–	37,746
– Provision for litigation	–	330,965	–	330,965

* Revenue reported represents revenue generated from external customers. There were no inter-segment sales for the year.

\# Capital expenditure consists of additions to property, plant and equipment and investment properties.

Geographic information

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

	Medical and pharmaceutical retail *RMB'000*	E-commerce and distribution *RMB'000*	Property development *RMB'000*	Property investment and management *RMB'000*	Total *RMB'000*
Year ended 31 March 2024					
Mainland China	**78,674**	**621,395**	**558,202**	**173,573**	**1,431,844**
Singapore	**9,138**	**–**	**–**	**–**	**9,138**
	87,812	**621,395**	**558,202**	**173,573**	**1,440,982**
Year ended 31 March 2023					
Mainland China	–	1,907,221	3,219,727	47,922	5,174,870

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

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

	31 March 2024 ***RMB'000***	31 March 2023 *RMB'000*
Mainland China	**1,625,950**	1,498,762
Hong Kong	**1,338**	206
Singapore	**1,959**	–
	1,629,247	1,498,968

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

Information about major customers

There were no revenue from sales to an external customer which accounted for 10% or more of the Group's total revenue for the year ended 31 March 2024 (31 March 2023: Nil).

5. REVENUE, OTHER GAINS AND LOSSES, NET

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

	Year ended 31 March 2024 *RMB'000*	Year ended 31 March 2023 *RMB'000*
Revenue from contracts with customers		
Medical and consultation services	**9,353**	–
Pharmaceutical retail income	**78,459**	–
Sale of properties	**558,202**	3,219,727
Sale of appliances and information products	**621,395**	1,907,221
Property management services	**17,744**	10,609
	1,285,153	5,137,557
Revenue from other sources		
Gross rental income	**155,829**	37,313
	1,440,982	5,174,870
Timing of revenue recognition		
At point in time	**1,258,056**	5,126,948
Over time	**27,097**	10,609
	1,285,153	5,137,557

Information about the Group's performance obligations in relation to revenue from contracts with customers is summarised below:

Sale of properties

The performance obligation is satisfied when the construction of the relevant property has been completed and the property has been delivered to the customer pursuant to the sales agreements. Payment in advance from customers is normally required and the remaining balance is settled no later than the delivery date of the property or in some circumstances, settled within an agreed period upon the delivery of the property as determined on a case-by-case basis.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2024 and 31 March 2023 are as follows:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue		
Within one year	**624,737**	614,789
In the second year	**149,031**	494,958
	773,768	1,109,747

The amounts disclosed above do not include variable consideration which is constrained.

Sale of appliances and information products

The performance obligation is satisfied upon delivery of goods and payment is generally due in three to six months from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2024 and 31 March 2023 are as follows:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue within one year	**2,395**	836

An analysis of other gains and losses, net is as follows:

	Year ended 31 March 2024 *RMB'000*	Year ended 31 March 2023 *RMB'000*
Other income		
Management and consultancy service fee income	**6,528**	8,420
Other service income	**–**	1,242
Commission income	**–**	3,574
Bank interest income	**6,341**	5,464
Government grants *(note (i))*	**124**	33
Others	**23,749**	20,364
	36,742	39,097
Gains and losses		
Gain on disposal of subsidiaries	**1,202,668**	306,469
(Loss)/gain on disposal of property, plant and equipment	**(27)**	88
Gain on disposal of right-of-use assets	**–**	164
Gain on disposal of investment properties	**673**	–
(Recognition)/reversal of impairment loss on trade receivables, net	**(1,852)**	22,323
(Recognition)/reversal of impairment loss on financial assets included in prepayments, other receivables and other assets, net	**(28,799)**	381,955
Loss on irrecoverable receivables	**(430,742)**	–
Gain on deemed disposal of financial instruments *(note (ii))*	**–**	667,680
Fair value gain on transfers from properties for sale – completed to investment properties	**64,250**	99,597
Fair value gain on investment properties, net	**9,417**	356,815
Gain on debt restructuring *(note (iii))*	**–**	82,373
Gain on waive of other payables	**–**	36,166
Loss on resumption of land parcels *(note (iv))*	**(336,594)**	–
Others	**197**	5
	479,191	1,953,635
	515,933	1,992,732

Notes:

(i) Various government grants have been received for investments in certain regions in the PRC in which the Company's subsidiaries operate. There are no unfulfilled conditions or contingencies relating to these grants.

(ii) During the year ended 31 March 2023, the Group derecognised several amount due from former subsidiaries amounted to RMB1,300,320,000 and recognised a gain on deemed disposal of financial instrument of RMB667,680,000 to the consolidated statements of profit or loss.

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

(iv) Refer to the announcement of the Company on 25 September 2023, two land parcels owned by an indirect subsidiary of the Company were resumed by the Kaifeng Bureau of Natural Resources and Planning without compensation, therefore, loss on resumption of RMB336,594,000 was recognised in the profit or loss for the year ended 31 March 2024.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 March 2024 *RMB'000*	Year ended 31 March 2023 *RMB'000*
Interest on interest-bearing bank and other borrowings	**111,049**	272,297
Interest expense arising from revenue contracts	**–**	40,313
Interest on discounted bills	**–**	157
Interest expense arising from lease contracts	**2,463**	638
Total interest expense	**113,512**	313,405
Less: Interest capitalised	**(1,078)**	(46,926)
	112,434	266,479

7. (LOSS)/PROFIT BEFORE TAX

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

	Year ended 31 March 2024 *RMB'000*	Year ended 31 March 2023 *RMB'000*
Cost of inventories sold	**794,349**	1,876,937
Cost of properties sold	**515,844**	2,537,125
Cost of sales	**1,310,193**	4,414,062
Auditor's remuneration	**2,474**	2,493
Depreciation of property, plant and equipment	**5,330**	4,684
Less: Depreciation capitalised in properties under development	**–**	(9)
	5,330	4,675
Depreciation of right-of-use assets	**17,890**	1,895
Amortisation of other intangible assets	**–**	393
Other expenses *(note (i))*		
– Penalty on loan defaults	**35,360**	158,027
– Default penalty on late delivery of development properties sold	**–**	25,018
– Tax overdue charge	**61,018**	80,968
– Provision for expected guarantee liability	**290,574**	37,746
– Provision for litigation	**453,491**	330,965
– Others	**2,211**	14,239
	842,654	646,963
Lease payments not included in the measurement of lease liabilities	**2,608**	836
Employee benefit expenses (including the directors' remuneration) *(note (iii))*:		
Wages and salaries	**112,296**	138,955
Share-based payment	**5,466**	–
Pension scheme contributions *(note (ii))*	**16,884**	11,034
	134,646	149,989

Notes:

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

(ii) At 31 March 2024 and 2023, the Group had not forfeited contributions available to reduce its contributions to the pension schemes in future years.

(iii) The employee benefit expenses shown above did not include employees' wages and salaries and employees' pension scheme contributions that were included in properties for sale – under development amounted to approximately RMB1,348,000 (2023: RMB17,114,000) and RMB513,000 (2023: RMB1,165,000) respectively.

8. INCOME TAX EXPENSE

	Year ended 31 March 2024 *RMB'000*	Year ended 31 March 2023 *RMB'000*
Provision:		
– Hong Kong profits tax	**132**	–
– PRC corporate income tax	**(790)**	211,015
– PRC LAT	**3,567**	226,300
	2,909	437,315
Deferred tax charge	**4,566**	140,369
	7,475	577,684

Hong Kong profits tax

Under the two-tiered profits tax rates regime which was effective on 21 March 2018, the first Hong Kong dollar ("HK$") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the Group, since the group entities did not have tax assessable profit subject to Hong Kong Profits Tax for both years.

Singapore corporate income tax

Singapore corporate income tax is calculated at 17% on the taxable profits of the Group's Singapore subsidiaries for the year. No provision for taxation in Singapore has been made as no taxable profit subject to Singapore corporate income tax for both years.

PRC corporate income tax

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC subsidiaries for both reporting period.

PRC LAT

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (the "LAT") (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures, including borrowing costs and all property development expenditures.

9. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

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

	Year ended 31 March 2024	Year ended 31 March 2023
Earnings for the purpose of basic (loss)/earnings per share		
(Loss)/profit for the year attributable to owners of the Company *(RMB'000)*	**(785,629)**	966,690
Number of shares for the purpose of basic (loss)/ earnings per share		
Weighted average number of ordinary shares during the year *('000)*	**9,543,002**	7,049,110

The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the Share Subscription on 29 November 2023.

(b) Diluted (loss)/earnings per share

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

(i) (Loss)/earnings for the purpose of diluted (loss)/earnings per share

	Year ended 31 March 2024 ***RMB'000***	Year ended 31 March 2023 *RMB'000*
(Loss)/profit for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss/(earnings) per share	**(785,629)**	966,690

(ii) Weighted average number of ordinary shares

	Year ended 31 March 2024 ***'000***	Year ended 31 March 2023 *'000*
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**9,543,002**	7,049,110
Effect of dilution – share option *(note)*	**357,914**	2,261
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**9,900,916**	7,051,371

Note: The computation of diluted loss (2023: earning) per share does not assume conversion of the Company's outstanding share options since their assumed exercise would result in decrease in loss per share (2023: increase in earning per share).

10. DIVIDENDS

No dividends have been declared and paid by the Company during the year ended 31 March 2024 (For the year ended 31 March 2023: Nil).

11. TRADE AND BILLS RECEIVABLES

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Trade and bills receivables	**228,152**	84,501
Impairment loss on trade receivables	**(3,554)**	(2,127)
	224,598	82,374

As at 31 March 2024, certain trade receivables with aggregate carrying amount of RMBNil (31 March 2023: RMB32,104,000) were pledged to financial institutions to secured loan granted to the Group.

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade receivables are settled in accordance with the terms of the respective contracts. The credit period is generally three to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables, less loss allowance recognised, based on the invoice date and net of loss allowance, is as follows:

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Within 6 months	**116,266**	70,547
7 to 12 months	**40,631**	11,827
13 to 24 months	**67,651**	–
	224,548	82,374

12. TRADE AND BILLS PAYABLES

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Trade and bills payables	**1,285,623**	2,013,608

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

	31 March 2024	31 March 2023
	RMB'000	*RMB'000*
Within 6 months	**506,005**	897,454
Over 6 months	**779,618**	1,116,154
	1,285,623	2,013,608

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

The following is an extract of the independent auditor's report on the consolidated financial statements for the year ended 31 March 2024:

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements, which states that as at 31 March 2024, the current liabilities of the Group amounted to RMB7,676,516,000 in which RMB437,047,000 of the interest-bearing bank and other borrowings was due and unpaid as at the report date, while its cash and cash equivalents amounted to RMB890,197,000. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast doubt over the Group's ability to continue as a going concern. In light of all the measures and arrangements detailed in note 2 to the consolidated financial statements, the directors are of the opinion that the Group will be able to finance its future working capital and financial requirements. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During 2023, the global economy was hit by the combined effects of factors such as inflation, interest rate hikes and escalating geopolitical conflicts, which have brought additional uncertainties to the global supply chains and economy, while the recovery remained slow. With the continuous recovery of China's economy, residents' income maintained a steady growth, leading to a faster recovery in consumption expenditure. Gross domestic product calculated at constant prices reached RMB126 trillion, which grew by 5.2% over the previous year. Industrial value-added of China's enterprises above-scale grew by 4.6% over the previous year. Fixed asset investment grew by 3.0% over the previous year while the disposable income per capita grew by 6.1%. The total retail sales of social consumer goods amounted to RMB47.1 trillion, representing a growth of 7.2% over the previous year.

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 COVID-19 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.

The pharmaceutical retail industry policies in recent years have enhanced the competitiveness of retail pharmacies, and promoted the large-scale and centralized development of pharmaceutical retail enterprises. At present, some of the listed pharmaceutical retail companies have over 10,000 stores in operation. As the concentration level of the retail industry further increases, how to control the quality of pharmaceutical services in each store along the continuous expansion of business scale has become a common challenge for all pharmaceutical retail enterprises.

E-commerce and Distribution Business

In recent years, with the continuous growth of the society and the economy, the focus of China's e-commerce market has shifted from creating new businesses to attaching equal importance to both new and existing businesses, leading to the accelerated exploration of new development models. On the one hand, to cope with the consumers' demands for higher quality, customization and convenience, the e-commerce industry will usher in more innovation and transformation. For example, the popularization of smart intelligence, the Internet of Things, 5G and other technologies will create more business opportunities for the e-commerce industry. On the other hand, the e-commerce industry will be confronted with increasing challenges amid the intense competition and changes in the market. The traditional e-commerce platform, which operated on the shelf-based shopping model, is under the pressure from slower growth in such aspects as user base and GMV, while the social media content platform, which operated based on content-driven shopping demands, is in the stage of rapid development.

During 2023, China's e-commerce market achieved a faster growth due to factors such as the continuous recovery of China's economy, accelerated digital transformation and the rise of emerging technologies. In the year of 2023, national online retail sales amounted to RMB15.4 trillion, representing an increase of 11.0% over the previous year. Among which, national online sales of physical commodities amounted to RMB13.0 trillion, representing a year-on-year increase of 8.4% and accounting for 27.6% of the total retail sales of social consumer goods. In the first quarter of 2024, national online retail sales amounted to RMB3.3 trillion, representing an increase of 12.4% over the previous year. Among which, national online sales of physical commodities amounted to RMB2.8 trillion, representing a year-on-year increase of 11.6% and accounting for 23.3% of the total retail sales of social consumer goods.

Real Estate Business

During 2023, China's real estate market continued to fluctuate at the bottom, and timely adjustments and improvements have been made to real estate policies on an ongoing basis. Policies on both the supply and demand sides were eased noticeably nationwide. The supply side focused on providing support to secure the delivery of homes, prevent risks, and meet the reasonable financing needs of real estate enterprises, while the demand side successively promulgated policies such as "grant of mortgage based on the number of houses owned rather than previous mortgage loan records (認房不認貸)" for first-time homebuyers, lowering of down payment, reduction of interest rates of housing mortgage, and reduction of taxes and fees, accompanied by gradual relaxation of restrictions on purchases, loans and sales in core cities. The implementation of such policies has provoked an impulse effect to a certain extent, however, the downward trend of the industry has not yet been reversed. In 2023, the sales of commodity housing in China amounted to approximately RMB11.7 trillion, and the sales area of commodity housing amounted to approximately 1.12 billion square meters, representing a decrease of 6.5% and 8.5% respectively, as compared to that of 2022. New construction area of properties in China was 950 million square meters, representing a decrease of 20.4% year-on-year. The investment in real estate development in China amounted to approximately RMB11.1 trillion, representing a decrease of 9.6% over 2022.

In the first quarter of 2024, the sales area of commodity housing nationwide amounted to 230 million square meters with a sales volume of RMB2.1 trillion, representing a decrease of 19.4% and 27.6% respectively year-on-year. New construction area of properties in China was 170 million square meters, representing a decrease of 27.8% year-on-year. The investment in real estate development in China amounted to approximately RMB2.2 trillion, representing a decrease of 9.5% year-on-year. As of now, the real estate market is continuing its downturn and still bottoming out.

OPERATING REVIEW

Medical and Pharmaceutical Retail

The Group acquired 55.56% equity interest in Wuhan Yekaitai Pharmaceutical Chain Co., Ltd.* (武漢葉開泰藥業連鎖有限公司) ("Yekaitai Pharmaceutical") in August 2023, and acquired the remaining 44.44% 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.

Yekaitai Pharmaceutical operates 56 chain stores and five 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. During the period from the acquisition date up to 31 March 2024, the medical and pharmaceutical retail business of the Group recorded a turnover of approximately RMB87.8 million. The segment recorded a profit of RMB3.8 million.

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.

* *For identification purposes only*

E-commerce and Distribution

During the Reporting Year, the e-commerce and distribution business of the Group recorded a turnover of approximately RMB621.4 million, representing a decrease of 67.4% as compared to the Corresponding Period (year ended 31 March 2023: RMB1,907,200,000). The segment recorded a profit of RMB30.8 million (year ended 31 March 2023: loss of RMB55,400,000).

Originally, the distribution business was mainly focused on the distribution of information products. During the Reporting Year, 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. During the Reporting Year, the Group has gradually and successfully 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

The turnover of the property development business of the Group for the Reporting Year decreased by 82.7% to approximately RMB558.2 million (year ended 31 March 2023: RMB3,219,700,000). The segment recorded a loss of approximately RMB117.3 million (year ended 31 March 2023: profit approximately RMB1,851,900,000). The decrease in segment turnover was primarily attributable to the decrease in area delivered of property development projects. The decrease in segment profit was due to the decrease in gross profit of properties sold.

As at 31 March 2024, 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 2,686,000 square meters. During the Reporting Year, the Group actively promoted resumption of work and production activities under the ongoing pandemic and changes in the industry. During the Reporting Year, contracted sales of properties and contracted gross floor area ("GFA") amounted to approximately RMB441.7 million and approximately 57,000 square meters, respectively, with an average selling price of approximately RMB7,760 per square meter.

Project List

As at 31 March 2024

Project Name	**Project Location**	**Planning and Development**	**Planned GFA** *(sq.m)*	**Equity Share**	**Expected Year of Completion**
Yihe Emerald Mansion	Yuxi, Yunnan	Residential/ Commercial	456,507	100%	2026
Boya Binjiang	Foshan, Guangdong	Residential/ Commercial	909,598	51%	2024
Wei Ming 1898	Kaifeng, Henan	Residential/ Commercial	384,569	100%	2024
Zijing Mansion	Chongqing	Residential/ Commercial	209,632	100%	Completed
Boya	Chongqing	Residential/ Commercial	499,947	70%	Completed
Jiangshan Mingmen	Chongqing	Residential/ Commercial	706,601	100%	Completed
Yuelai	Chongqing	Residential/ Commercial	425,947	70%	Completed
Boya City Plaza	Chengdu, Sichuan	Commercial/Office	144,008	51%	Completed
Wei Ming Mansion	Hangzhou, Zhejiang	Residential/ Commercial	193,736	100%	Completed
Shanshui Nianhua	Wuhan, Hubei	Residential/ Commercial	278,437	70%	Completed
580 Project	Chongqing	Residential/ Commercial	613,530	100%	N/A
Lianhu Jincheng	Ezhou, Hubei	Residential/ Commercial	394,175	90%	N/A

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

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

Property Investment and Management

During the Reporting Year, the turnover of property investment and management business increased by 262.4% to approximately RMB173.6 million (year ended 31 March 2023: RMB47,900,000). The segment recorded a loss of approximately RMB29,800,000 (year ended 31 March 2023: profit RMB85.0 million). The increase in segment revenue was mainly attributed to the increase in rented GFA during the Reporting Year. The transition from profit to loss in segment performance was mainly due to the fair value gain on investment properties during the Reporting Year decreased to approximately RMB73.7 million (year ended 31 March 2023: RMB456.4 million).

FINANCIAL REVIEW

Overall Performance

During the Reporting Year, the Group's revenue decreased by 72.2% to approximately RMB1,441.0 million (year ended 31 March 2023: RMB5,174.9 million) are mainly attributable to the facts that the litigations initiated against the Group by a creditor and Peking Founder, the former controlling shareholder of the Company, resulting in a significant decrease of RMB1,285.8 million in sales of information products, and the decrease in area delivered of property development projects resulting in a decrease of RMB2,661.5 million in the revenue of property development business. The Group recorded a loss of approximately RMB750.2 million for the Reporting Year (year ended 31 March 2023: profit RMB1,018.9 million). The loss during the Reporting Year was mainly attributable to the combined effects of the following factors:

a. a decrease in gross profit by approximately RMB630.0 million to approximately RMB130.8 million (year ended 31 March 2023: RMB760.8 million), which was mainly due to the combined effects of decrease in gross profit of properties delivered and decrease in area delivered of property development projects;

b. a decrease in other gains and losses by approximately RMB1,476.8 million to approximately RMB515.9 million (year ended 31 March 2023: RMB1,992.7 million), which was attributable to the facts that in the Reporting Year the Group recorded gains of approximately RMB1,202.7 million from the disposal of Hong Kong Tianhe Holdings Limited (香港天合控股有限公司) ("HK Tianhe") and its subsidiaries as well as Chongqing Yueyingya Enterprise Management Co., Ltd. ("Chongqing Yueyingya") and its subsidiaries, but recorded loss of approximately RMB336.6 million from resumption of lands of the Group by government authorities without compensation and recorded loss of approximately RMB459.5 million for impairment of financial assets including other receivables and other assets. In the Corresponding Period, the Group only recorded gains of approximately RMB306.5 million from the disposal of Founder Data Corporation International Limited ("Founder Data") and gains of approximately RMB667.7 million for the gain of deemed disposal of financial instruments and gains of approximately RMB382.0 million for recognition of impairment loss on other receivables and other assets;

c. a decrease in total selling and distribution expenses and administrative expenses by approximately RMB79.6 million to approximately RMB234.7 million (year ended 31 March 2023: RMB314.3 million), which was attributable to the strict control of expenses implemented by the management;

d. a net provision of approximately RMB196.0 million for the impairment of properties for sale was made in the Reporting Year (year ended 31 March 2023: a reversal of approximately RMB73.2 million for the impairment of properties for sale), which increased by approximately RMB269.2 million compared to the impairment of properties for sale recognised in the Corresponding Period as a result of the sharp downturn in the property market in 2023, leading to a significant decrease in the net realizable value of certain properties;

e. an increase in other expenses, net by approximately RMB195.7 million to approximately RMB842.7 million (year ended 31 March 2023: RMB647.0 million), which was attributable to the provision for expected guarantee liabilities by the Group to subsidiaries of Hong Kong Huzi Limited which was subsequently disposed of by the Group on 25 March 2022 with the guarantees continuing in effect, as well as the related litigations;

f. a decrease in finance costs by approximately RMB154.1 million to approximately RMB112.4 million (year ended 31 March 2023: RMB266.5 million) attributable to a decrease in interest-bearing financial liabilities following the disposal of HK Tianhe by the Group in May 2023; and

g. a decrease in income tax expenses by approximately RMB570.2 million to approximately RMB7.5 million (year ended 31 March 2023: RMB577.7 million) as a result of an decrease in corporate income tax and land appreciation tax in the PRC during the Reporting Year.

The loss attributable to owners of the Company for the Reporting Year was approximately RMB785.6 million (year ended 31 March 2023: profit of RMB966.7 million) and the profit attributable to non-controlling interests of the Group was RMB35.4 million (year ended 31 March 2023: RMB52.2 million).

Basic and diluted loss per share attributable to owners of the Company for the Reporting Year was approximately RMB8.24 cents (year ended 31 March 2023: profit of RMB13.71 cents).

Adjustment in Accounting Treatment of Revenue Generated from E-commerce and Distribution Segment

Reference is made to the unaudited consolidated results of the Company for the six months ended 30 September 2023 (the "2023 Interim Period") published on 30 November 2023 (the "2023 Interim Results") and the interim report of the Company published on 21 December 2023 (the "2023 Interim Report").

During the Reporting Year, the Group began to engage in the trading of mineral concentrates (the "Trading Business"), which was included in the e-commerce and distribution segment. During the 2023 Interim Period, the Group sold mineral concentrates of RMB509,900,000 with cost of RMB509,600,000, which was respectively stated as revenue and cost of sales in the consolidated statement of profit or loss for the 2023 Interim Period, which in turn was disclosed in the 2023 Interim Results and 2023 Interim Report.

During the course of audit of the financial statements of the Group, the Group's management has further reviewed the nature of the trading of mineral concentrates and discussed with the Group's auditors, CCTH CPA Limited (the "Auditor"). Both the Group and the Auditor agreed that the net method shall be adopted to recognise income for relevant transactions based on the underlying flow of transactions and in accordance with the relevant Hong Kong Financial Reporting Standard.

Having considered the view of the Auditor, the Board, including the audit committee, resolved to adopt the net method to recognise income for the Trading Business transactions of the Group for the Reporting Year. As such, the income for transactions of the Group's Trading Business for the Reporting Year disclosed in this announcement is presented using the net method and recognised as other gains and losses, net in the profit or loss.

Regarding the 2023 Interim Period, adopting the net method to recognise revenue for transactions of the Group's Trading Business for the 2023 Interim Period, certain items in the consolidated statement of profit or loss for the 2023 Interim Period would be adjusted (the "Adjustment"): (i) revenue would decrease by approximately RMB509,900,000 to approximately RMB763,100,000 (before the Adjustment: approximately RMB1,273,000,000); (ii) cost of sales would decrease by approximately RMB509,600,000 to approximately RMB709,400,000 (before the Adjustment: approximately RMB1,219,000,000); (iii) gross profit would decrease by approximately RMB300,000 to approximately RMB53,700,000 (before the Adjustment: approximately RMB54,000,000); and (iv) other gains and losses, net would increase by approximately RMB300,000 to approximately RMB1,673,700,000 (before the Adjustment: approximately RMB1,673,400,000).

The following table sets out the impact of the Adjustment on the consolidated statement of profit or loss for the 2023 Interim Period:

Affected Items	**Amount before the Adjustment** *RMB'000* (Unaudited)	**Amount Adjusted** *RMB'000* (Unaudited)	**Amount after the Adjustment** *RMB'000* (Unaudited)
Revenue	1,272,964	(509,871)	763,093
Cost of sales	(1,218,962)	509,614	(709,348)
Gross profit	54,002	(257)	53,745
Other gains and losses, net	1,673,487	257	1,673,744
Profit before tax	182,246	–	182,246
Profit for the period	166,054	–	166,054

Save for the aforesaid, there was no other impact of the Adjustment on the consolidated financial statements of the Company for the 2023 Interim Period.

Liquidity, Financial Resources and Capital Commitments

During the Reporting Year, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in the PRC. As at 31 March 2024, the Group had interest-bearing bank and other borrowings of approximately RMB1,748.1 million (31 March 2023: RMB2,339.6 million), of which approximately RMB5.0 million (31 March 2023: RMBNil) bear interest at floating rates and RMB1,743.1 million (31 March 2023: RMB2,339.6 million) bear interest at fixed rates. The borrowings, which were subject to little seasonality, consisted mainly of bank loans, trust loans and loans from Peking Founder, and borrowings from financial institutions. All interest-bearing bank and other borrowings were denominated in RMB, of which approximately RMB636.4 million (31 March 2023: RMB1,745.9 million) were repayable within one year, approximately RMB781.7 million (31 March 2023: RMB293.0 million) were repayable within two years and approximately RMB330.0 million (31 March 2023: RMB300.7 million) were repayable within three years. The Group's banking facilities were secured by guarantees given by Peking Founder and Peking University Resources Group Co., Ltd. (北大資源集團有限公司) (each a former controlling shareholder of the Company), and certain properties held for sale of the Group, investment properties, equity interests of certain subsidiaries of the Group, and assignment of return arising from the Group's certain properties under development and properties held for sale. The increase in other payables and accruals by 13.9% to approximately RMB2,377.7 million (31 March 2023: RMB2,087.8 million) was due to the acquisition of new subsidiaries.

As at 31 March 2024, the Group recorded total assets of approximately RMB11,522.9 million (31 March 2023: RMB12,648.6 million), total liabilities of approximately RMB9,015.2 million (31 March 2023: RMB10,113.1 million), non-controlling interests of approximately RMB1,473.2 million (31 March 2023: RMB1,074.1 million) and equity attributable to owners of the Company of approximately RMB1,034.5 million (31 March 2023: approximately RMB1,461.5 million). The conversion from profit to loss was due to the loss for the Reporting Year. The Group's net asset value per share as at 31 March 2024 was RMB24.2 cents (31 March 2023: RMB27.8 cents). The decrease in net asset value per share was attributable to the loss for the Reporting Year.

As at 31 March 2024, the Group had total cash and cash equivalents and restricted cash of approximately RMB904.1 million (31 March 2023: RMB725.9 million). As at 31 March 2024, the Group's gearing ratio, calculated as a percentage of total borrowings over total equity, was 0.70 (31 March 2023: 0.92) while the Group's current ratio was 1.26 (31 March 2023: 1.18).

As at 31 March 2024, the capital commitments for contracted, but not provided for, properties under development were approximately RMB1,655.9 million (31 March 2023: RMB2,133.2 million).

Treasury Policies

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

Market Risk

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

Interest Rate Risk

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

Foreign Exchange Risk

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

Credit Risk

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

Liquidity Risk

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

Charges on Assets

As at 31 March 2024, properties under development of approximately RMBNil (31 March 2023: RMB848.2 million), properties held for sale of approximately RMB1,342.0 million (31 March 2023: RMB298 million), investment properties of approximately RMB295.8 million (31 March 2023: RMB295.8 million), accounts receivable of approximately RMBNil (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.

Contingent Liabilities

As at 31 March 2024, 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 RMB915.3 million (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 31 March 2024, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

(1) In August 2021, Minmetals International Trust Co., Ltd (五礦國際信託有限公司) ("Minmetals International"), filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against a subsidiary of HK Huzi, Dongguan Yihui Property Co., Limited* (東莞億輝地產有限公司) ("Dongguan Yihui"), and the Company's subsidiaries, Yuxi Runya Property Company Limited* (玉溪潤雅置業有限公司) ("Yuxi Runya") and Chongqing Yingfeng Property Co., Ltd.* (重慶盈豐地產有限公司) ("Chongqing Yingfeng"), in respect of the outstanding debts with principal amount of approximately RMB1,458,500,000. 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 RMB1,458,500,000 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.

* *For identification purposes only*

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.

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

(3) 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 31 January 2024, the Zhejiang Hangzhou Intermediate People's Court issued a civil judgment, which ruled that, among others, Zhejiang Resources shall pay approximately RMB50.1 million to the plaintiff. As at the latest practicable date, Zhejiang Resources appealed to the Higher People's Court of Zhejiang Province.

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(4) Western Trust Co., Ltd* (西部信託有限公司) ("Western Trust") filed a civil complaint in the Intermediate People's Court of Xi'an, Shaanxi Province against Zhejiang Resources, in respect of the outstanding debts in relation to a loan provided to Zhejiang Resources with principal amount of approximately RMB300,000,000 at interest of approximately 10.4% per annum which is secured by a land parcel in Yuhang District, Hangzhou as collateral for a term of three years, together with interest and penalty of approximately RMB389,400,000. On 1 April 2022, the court issued a first instance judgement in favour of the plaintiff, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Subsequently, Zhejiang Resources and Western Trust both appealed to the Higher People's Court of Shaanxi Province. In March 2023, the Higher People's Court of Shaanxi Province issued a civil judgement, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Currently, Western Trust has applied to the Intermediate People's Court of Xi'an, Shaanxi Province for enforcement of the effective judgement; and Zhejiang Resources is actively negotiating with Western Trust for the settlement of the repayment plan under this litigation.

(5) 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

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Boyuan to be jointly liable for the amount payable by Kaifeng Boming mentioned in (i). Kaifeng Boming is a wholly-owned subsidiary of HK Huzi. In August 2023, the Higher People's Court of Guizhou Province issued a civil judgement, which ruled to uphold the foregoing judgment. 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.

(6) 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* (北京金融法院) against Hong Kong Tianhe Holdings Limited (香港天合控股有限公司) ("HK Tianhe"), Tianhe Property Development Co., Limited* (天合地產發展有限公司) ("Tianhe Property") and Ezhou Jinfeng Property Development Co., Limited* (鄂州金豐房地產開發有限公司) ("Ezhou Jinfeng"), an indirect subsidiary of the Company, 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 Suzhou Fengyutai Investment Company Limited* (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. The Group has sold the entire interest in HK Tianhe and Tianhe Property on 19 May 2023 (the "Disposal"). For details of the Disposal, please refer to the announcements of the Company dated 11 May 2023 and 2 June 2023. Upon completion of the Disposal, HK Tianhe and Tianhe Property ceased to be part of the Group and therefore, the obligation and liabilities of HK Tianhe and Tianhe Property under the litigation have been excluded from the consolidated financial statements of the Group. On 28 December 2023, the Court has issued a civil judgment in respect of the litigation and ruled that, among others, (i) HK Tianhe shall repay CITIC Trust the outstanding principal together with interest (calculated up to 6 April 2020) amounting to approximately RMB735.8 million, as well as overdue interest and damages for breach of contract; (ii) HK Tianhe shall pay CITIC Trust attorney fee of RMB150,000; (iii) Tianhe Property shall be jointly liable for the amount payable by HK Tianhe mentioned in (i) and (ii); and (iv) CITIC Trust shall have the 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, Suzhou Fengyutai and Yichang Fusheng. Details of the litigation are set out in the announcements of the Company dated 8 April 2022, 4 January 2024 and 9 January 2024.

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2024, 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 and e-commerce business, in order to broaden the revenue stream and profitability of the Group and enhance long-term shareholders' value.

* *For identification purposes only*

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

(1) On 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 HK 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. (武漢憶圓企業管理有限公司) (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 Year in accordance with the terms of the sale and purchase agreement. Upon completion, HK 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) On 16 August 2023, Magic Key (Wuhan) Holding Co., Ltd.* (魔法鑰匙(武漢)控股有限公司) (as purchaser), an indirectly wholly-owned subsidiary of the Company, 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, acquired additional 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.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group has approximately 744 employees (31 March 2023: 454). The increase in the number of employees is mainly attributable to the acquisition of Yekaitai Pharmaceutical during the Reporting Year.

* *For identification purposes only*

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

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

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.

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 announcement.

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

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

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

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

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

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

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

					Number of share options					
Name or category of participant	**Date of grant**	**Vesting period**	**Exercise period**	**Exercise price**	**Outstanding as at 1 April 2023**	**Granted during the year**	**Exercised during the year**	**Cancelled/ lapsed during the Reporting Year**	**Outstanding as at 31 March 2024**	**Closing price (weighted average) of the Shares immediately before the dates on which the options were exercised**
Directors and chief executive										
– Wong Kai Ho	29 December 2023	From the date of grant until the commencement of the exercise period	From vesting date *(Note (1))* until 31 December 2027 (both days inclusive)	HK$0.101 per Share *(Note (2))*	–	10,300,000	–	–	10,300,000	–
– Xia Ding					–	23,000,000	–	–	23,000,000	–
– Jiang Xiaoping					–	22,000,000	–	–	22,000,000	–
Other employees					–	544,700,000	–	–	544,700,000	–
					–	600,000,000	–	–	600,000,000	–

Notes:

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

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

Immediately following the grant of Share Options as described above, the number of Shares available for future grants under the 2023 Share Scheme is 312,966,911.

As a result of the Capital Reorganisation, immediately upon the Capital Reorganisation becoming effective on 8 May 2024 and pursuant to (i) the relevant terms and conditions of the 2023 Share Scheme; (ii) Rule 17.03(13) of the Listing Rules; and (iii) the Supplementary Guidance on Adjustments to the Exercise Price and Number of Share Options under the Listing Rule Requirements dated 5 September 2005 (the "Supplementary Guidance"), the exercise price of the outstanding share options granted under the 2023 Share Scheme is adjusted to HK$0.404 per Share and the number of New Shares to be issued upon the exercise of the Share Options is adjusted to 150,000,000, and the total number of New Shares available for future grants will be adjusted to 78,241,727 pursuant to the terms of the 2023 Share Scheme. Please refer to the circular and the notice of special general meeting of the Company both dated 28 March 2024, and the announcement of the Company dated 7 May 2024.

EVENTS AFTER THE REPORTING PERIOD

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

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

(2) On 9 February 2024, the Company (as issuer) entered into subscription agreements with two subscribers in respect of the subscriptions of an aggregate of 600,000,000 subscription shares at the subscription price of HK$0.10 per Share. On 28 March 2024, after taking into account the effect of the Capital Reorganisation, the Company entered into share subscription supplementary agreements with the two investors mentioned above to issue a total of 150,000,000 new shares to the two investors under the general mandate at a subscription price of HK$0.228 per Share. Each of the subscribers is an independent private investor. According to the terms and conditions of the subscription agreements and its supplemental agreements, the completion of the subscriptions has taken place on 10 May 2024. The Company has issued and allotted an aggregate of 150,000,000 subscription shares to the subscribers. For further details of the related subscriptions, please refer to the announcements of the Company dated 9 February 2024, 2 April 2024 and 10 May 2024.

(3) On 16 May 2024, the Group entered into an agreement with an independent third party to dispose of 90% equity interest in a subsidiary, Ezhou Jinfeng, for an aggregate cash consideration of RMB9,000,000. The disposal was completed on 16 May 2024. Upon completion of the disposal, Ezhou Jinfeng ceased to be subsidiary of the Company.

(4) Extension of other payables

On 3 June 2024, the Group has successfully extended the repayment terms of other payables of RMB321,443,000 to eighteen months beyond the reporting period.

BUSINESS DEVELOPMENT PROSPECTS

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

Pharmaceutical Retail Business

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.

With years of business experience, Yekaitai has a leading position in the industry in terms of its Chinese medicine and pharmaceutical resources. Having a sound customer base and resources, it has garnered considerable reputation and influence in the local area. Capitalizing on the Chinese medicine and pharmaceutical resources of Yekaitai, the Company has developed its featured operations by upgrading some of its pharmacies to the model of "pharmacy + Chinese medicine + peripheral Chinese pharmaceuticals" such as Chinese herbal tea, Chinese medicinal cuisine since August 2023. Currently, 5 stores have realized featured operations of pharmacy + Chinese medicine, physical therapy and acupuncture. In the future, the Company will further expand the scale of Chinese medicine stores, which are expected to increase to 20 stores by the end of the year. According to the result of the preliminary operation, the pharmacies provided their existing customer resources with Chinese medicine and related services, which have also driven the sales of the original pharmaceuticals at the same time and thus induced two-way market flows. Satisfying customer demands for the integration of pharmaceuticals and medicine, the model of "pharmacy + Chinese medicine" has been upgraded from a merely pharmaceutical sales store to a multi-dimensional healthcare complex which covers medical services, health advice, healthcare and other services.

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.

E-commerce Business

China's e-commerce market is expected to maintain its high-speed growth. 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 the 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. Further developing the existing business and actively strengthening our close cooperation and relationship with suppliers and partners, we are committed to collaborating with our partners to develop innovative products and services so as to meet the ever-changing needs of the market. Meanwhile, we will continue to optimize our existing product lines and expand into new product areas in a bid to provide more comprehensive and diversified solutions, thereby further consolidating our competitive advantages in the market.

In response to the challenges of the market, we will continue to develop and innovate with higher quality standards, broader vision and deeper cooperation, as well as constantly enhance our strengths to embrace the development opportunities in the future. In addition to the expansion of our product lines and scope of services, we will also strengthen our customer care and services to further enhance customer experience and satisfaction. By establishing closer customer relationships and gaining a deeper understanding of customer needs, we will be able to better customize our solutions and provide more professional and efficient services to our customers.

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 meeting of the Political Bureau of the CPC Central Committee held in December 2023, the central government continued the general principle of "pursuing progress while ensuring stability" in formulating the economic work plan for 2024, while proposing the idea of "promoting stability through progress, and establishing the new before abolishing the old". It placed emphasis on strengthening counter-cyclical and cross-cyclical adjustments and continuing to support the general economy and real estate sector, including the introduction of mechanisms for meeting the reasonable financing needs of real estate enterprises under various forms of ownership, the speeding up of construction of the "three major projects", the launch of the "whitelist" approach for supporting project financing of real estate enterprises, and the measures such as easing home purchase restrictions to various degrees in different cities. Since the meeting of the Political Bureau of the CPC Central Committee, a number of policy and measures to promote real estate development have been promptly introduced in various regions.

At the National Video Conference to Reinforce Work for Guaranteeing Home Delivery held in May 2024, it was pointed out that local governments should, where appropriate, acquire some of the commodity housing at a reasonable price for use as affordable housing. On the same day, the central bank also proposed at a regular policy briefing that it would offer a RMB300 billion refinancing facility for affordable housing to support local state-owned enterprises in acquiring completed but unsold commodity housing. Subsequently, the central bank and the National Financial Regulatory Administration launched a number of major favorable policies, including the lowering of the minimum down payment ratios to not less than 15% for first-home purchases and not less than 25% for second-home purchases; the abolition of the floor level of interest rates for housing mortgage policies across the country and delegation of the right of regulation to local governments; and the downward adjustment of the interest rates of the individual housing provident fund loans by 0.25 percentage points.

Looking forward, the new round of easing purchase and sale restriction policies, as well as the latest adjustments to interest rates for housing mortgages and down payment standards by the central bank, will help enhance the willingness of residents to buy homes, further stimulate the demand for home purchases, and promote the rebound in the sales of new home. Meanwhile, it is also conducive to easing the funding pressure on real estate enterprises and hence eliminating the risks. To eliminate the industry risks that have accumulated over the years requires a process only through which new stimulus policies and measures can be effective.

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 professional consultancy business". In addition, the Group will strengthen synergies with its other businesses to form a closed-loop business model of "investment, construction and management, operation and exit", which ensures that the Group precisely overcome the challenges of the industry, stagger the cyclical effect of the sector and seize the opportunities for future development.

Asset Management Business

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

In December 2023, Asset Management Company was appointed as the investment manager of the Hong Kong Gateway Special Opportunities Return Limited Partnership Fund (the "Hong Kong Gateway Fund"). The Group will leverage its extensive experience in the real estate industry and build on its expertise in planning, design, construction and management to provide management services for its affiliated real estate development projects.

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

DIVIDEND

No interim dividend was paid during the Reporting Year (six-month period ended 30 September 2022: Nil) and the Board did not recommend the payment of any final dividend for the Reporting Year (year ended 31 March 2023: Nil).

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial statements and results of the Group for the year ended 31 March 2024.

COMPLIANCE WITH THE CG CODE

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code as set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the model code regarding the Directors' securities transactions during the Reporting Year.

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

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

Date of the announcement or circular	**Fundraising activities**	**Net proceeds raised** *(approximately)*	**Intended use of proceeds**	**Actual use of proceeds up to the date of this announcement**
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

Date of the announcement or circular	Fundraising activities	Net proceeds raised *(approximately)*	Intended use of proceeds	Actual use of proceeds up to the date of this announcement
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
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	Fully utilised as intended
9 February 2024, 2 April 2024 and 10 May 2024	Issue and allotment of 150,000,000 Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 28 August 2023	HK$34,000,000	General working capital	Unutilized

SCOPE OF WORK OF CCTH CPA LIMITED ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2024. The work performed by CCTH CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCTH CPA Limited on this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the year ended 31 March 2024 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.pkurh.com) in due course.

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

Hong Kong, 28 June 2024

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