华音国际
HUAYIN INTERNATIONAL

HUA YIN INTERNATIONAL HOLDINGS LIMITED
華音國際控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 989)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

The board (the "Board") of directors (each a "Director") of Hua Yin International Holdings Limited (the "Company") announces the consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2025 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 March 2025

	Notes	**2025** *RMB'000*	2024 *RMB'000*
Revenue	*4*	**186,341**	116,072
Cost of sales and services		**(177,563)**	(106,196)
Gross profit		**8,778**	9,876
Other income and gains	*4*	**419**	8,940
Selling and distribution expenses		**(5,508)**	(6,024)
Administrative expenses		**(36,950)**	(38,459)
Finance costs	*5*	**(51,440)**	(23,121)
Other expenses		**(692,146)**	(86,885)
Change in fair value of investment properties	*10*	**(170,912)**	(64,200)
Change in fair value of derivative financial instruments	*18*	**(282)**	(27,840)
(LOSS) BEFORE TAX	*6*	**(948,041)**	(227,713)
Income tax	*7*	**95,135**	34,383
(LOSS) FOR THE YEAR		**(852,906)**	(193,330)
Attributable to:			
Owners of the parent		**(852,906)**	(193,330)
		2025	2024 (Restated)
(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT	*9*		
Basic		**(236.8) cents**	(53.7) cents
Diluted		**(236.8) cents**	(53.7) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025	2024
	RMB'000	*RMB'000*
(LOSS) FOR THE YEAR	**(852,906)**	(193,330)
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) that are/may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**731**	(13,437)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(852,175)**	(13,437)
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR	**(852,175)**	(206,767)
Attributable to:		
Owners of the parent	**(852,175)**	(206,767)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	**2025** *RMB'000*	2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**687**	408
Investment properties	*10*	**315,288**	486,200
Right-of-use assets		**7,144**	10,041
Lease receivables		**4,107**	6,965
Deferred tax assets		**10,737**	13,287
Total non-current assets		**337,963**	516,901
CURRENT ASSETS			
Properties under development and completed properties held for sale	*11*	**335,304**	1,606,803
Trade and other receivables	*12*	**55,861**	76,321
Lease receivables		**105**	105
Prepaid income tax		**10,247**	8,814
Derivative financial instruments	*18*	**288**	570
Pledged and restricted deposits	*13*	**3,324**	5,366
Cash and cash equivalents	*13*	**5,103**	53,635
		410,232	1,751,614
Assets associated with disposed group classified as held for sale	*19*	**504,169**	–
Total current assets		**914,401**	1,751,614
CURRENT LIABILITIES			
Trade and other payables	*14*	**435,912**	490,797
Contract liabilities	*15*	**66,645**	166,452
Lease liabilities		**6,950**	12,160
Loans from a substantial/controlling shareholder	*16(a)*	**449,363**	344,849
Loans from related parties	*16(b)*	**50,060**	63,651
Bank and other borrowings	*17*	**243,090**	420,640
Liability component of the Convertible Bonds	*18*	**48,517**	95,726
Income tax payable		**52,219**	49,323
		1,352,756	1,643,598
Liabilities associated with disposal group classified as held for sale	*19*	**504,169**	–
Total current liabilities		**1,856,925**	1,643,598
NET CURRENT (LIABILITIES) ASSETS		**(942,524)**	108,016
TOTAL ASSETS LESS CURRENT LIABILITIES		**(604,561)**	624,917

	Notes	**2025**	2024
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Liability component of the Convertible Bonds	*18*	**–**	45,950
Lease liabilities		**18,614**	21,198
Bank and other borrowings	*17*	**–**	230,990
Deferred tax liabilities		**126**	97,905
Total non-current liabilities		**18,740**	396,043
NET (LIABILITIES) ASSETS		**(623,301)**	228,874
EQUITY			
Share capital	*20*	**3,115**	311,453
Equity component of the Convertible Bonds	*18*	**38,029**	98,305
Reserves		**(664,445)**	(180,884)
TOTAL (DEFICIT) EQUITY		**(623,301)**	228,874

NOTES

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year ended 31 March 2025, the Company was principally engaged in investment holding and the Group was principally engaged in property development and management, including planning, designing, budgeting, licensing, contract tendering and contract administration and property investment in the People's Republic of China ("PRC").

2. BASIS OF PREPARATION

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

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which include all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value. These consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

The Group incurred a net loss of RMB852.9 million for the year ended 31 March 2025 and as of that date, the Group had net current liabilities and net liabilities of RMB942.5 million and RMB623.3 million respectively. Also, the Group's current portion of bank and other borrowings amounted to RMB243.1 million, while its unrestricted cash and cash equivalent amounted to RMB5.1 million. The Group may take longer time than expected to realise cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the aforesaid conditions, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due within the next twelve months, after taking into consideration of the measures and arrangements made by the Group as detailed below:

(i) the Group is expected to generate adequate cash flows to maintain its operations;

(ii) the Group has obtained continuous financial support from the Group's controlling shareholder, and the controlling shareholder has confirmed that it will not demand the Group for repayment of the loans from controlling shareholder within the next twelve months should the Group not be in the financial position to make such repayment; and

(iii) the Group is actively reviewing its debt structure and looking for funding opportunities. It is actively negotiating with financial institutions to extend or renew existing borrowings and to secure new sources of financing at reasonable costs.

The Directors have prepared a cash flow forecast covering a period up to 30 June 2026 on the basis that the negotiation with financial institutions for the renewals of the Group's borrowings and credit facilities would be successful and would obtain continuous financial support from the Group's controlling shareholder. The Directors are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 31 March 2025.

Accordingly, the Directors of the Company are of the view that it is appropriate to prepare these consolidated financial statements on a going concern basis.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year as detailed below.

Changes in accounting policies

The Group has applied, for the first time, the following revised HKFRS Accounting Standards that are relevant to the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's executive directors for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Operating segments	**Nature of business activities**	**Place of operation**
Property development and management	Property development and provision of management service to property projects	The PRC
Property investment	Property holding for long term investment and leasing purposes	The PRC

The Group's management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/ loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, finance costs, fair value gains/losses from the Group's derivative financial instruments, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, prepaid income tax, derivative financial instruments, assets associated with disposal group classified as held for sale and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities, income tax payable, liability component of the Convertible Bonds, liabilities associated with disposal group classified as held for sale and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 March 2025

	Property development and management *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue			
Sales to external customers	**173,105**	**13,236**	**186,341**
Segment results	**(660,853)**	**(163,501)**	**(824,354)**
Bank interest income			**13**
Finance costs			**(51,440)**
Change in fair value of derivative financial instruments			**(282)**
Impairment on assets associated with disposal group classified as held for sale			**(47,082)**
Unallocated head office expenses			**(24,896)**
Loss before tax			**(948,041)**
Income tax			**95,135**
Loss for the year			**(852,906)**
Segment assets:			
Reportable segment assets	**349,731**	**318,600**	**668,331**
Deferred tax assets			**10,737**
Prepaid income tax			**10,247**
Derivative financial instruments			**288**
Assets associated with disposal group classified as held for sale			**504,169**
Unallocated assets			**58,592**
Total assets			**1,252,364**
Segment liabilities			
Reportable segment liabilities	**984,729**	**32,984**	**1,017,713**
Deferred tax liabilities			**126**
Income tax payable			**52,219**
Liability component of the Convertible Bonds			**48,517**
Liabilities associated with disposal group classified as held for sale			**504,169**
Unallocated liabilities			**252,921**
Total liabilities			**1,875,665**
Other segment information			
Capital expenditure*	**–**	**553**	**553**
Change in fair value of investment properties	**–**	**170,912**	**170,912**
Depreciation**	**3,515**	**161**	**3,676**
(Reversal of) impairment on trade receivables	**(234)**	**–**	**(234)**
Write-down of properties under development to net realisable value	**643,285**	**–**	**643,285**

Year ended 31 March 2024

	Property development and management *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue			
Sales to external customers	102,833	13,239	116,072
Segment results	(89,970)	(61,682)	(151,652)
Bank interest income			37
Finance costs			(23,121)
Change in fair value of derivative financial instruments			(27,840)
Unallocated head office expenses			(25,137)
Loss before tax			(227,713)
Income tax			34,383
Loss for the year			(193,330)
Segment assets:			
Reportable segment assets	1,646,956	486,433	2,133,389
Deferred tax assets			13,287
Prepaid income tax			8,814
Derivative financial instruments			570
Unallocated assets			112,455
Total assets			2,268,515
Segment liabilities			
Reportable segment liabilities	1,553,759	42,578	1,596,337
Deferred tax liabilities			97,905
Income tax payable			49,323
Liability component of the Convertible Bonds			141,676
Unallocated liabilities			154,400
Total liabilities			2,039,641
Other segment information			
Capital expenditure*	37	20	57
Change in fair value of investment properties	–	64,200	64,200
Depreciation**	648	191	839
Reversal of impairment on trade and other receivables	–	(383)	(383)
Write-down of properties under development to net realisable value	84,300	–	84,300

* During the year, the head office incurred capital expenditure of RMB20,000 (2024: nil) which represents additions to non-current assets.

** Included in unallocated head office expenses is depreciation of RMB2,935,000 (2024: RMB2,293,000).

Geographical information

(a) *Revenue from external customers*

	2025	2024
	RMB'000	*RMB'000*
The PRC	**186,341**	116,072

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

(b) *Non-current assets*

	2025	2024
	RMB'000	*RMB'000*
The PRC	**321,014**	496,001
Hong Kong	**2,105**	648
	323,119	496,649

The non-current asset information above is based on the locations of the assets and excludes the Group's deferred tax assets and lease receivables.

Information about major customers

There was no sale to a single customer which accounted for over 10% or more of the Group's revenue for the years ended 31 March 2025 and 2024.

4. REVENUE, OTHER INCOME AND GAINS

Revenue mainly represents income from the sale of properties, rental income, property management service income and project management service income.

An analysis of revenue, other income and gains is presented below:

Revenue

	Year ended 31 March 2025		
	Property development and management *RMB'000*	**Property investment** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers within HKFRS 15:			
Sale of properties	**130,720**	**–**	**130,720**
Property management service income	**28,520**	**–**	**28,520**
Project management service income	**13,865**	**–**	**13,865**
	173,105	**–**	**173,105**
Revenue from other sources:			
Rental income	**–**	**13,236**	**13,236**
	173,105	**13,236**	**186,341**
Representing geographical markets of:			
The PRC	**173,105**	**13,236**	**186,341**
	173,105	**13,236**	**186,341**
Timing of revenue recognition			
– At a point in time	**130,720**	**–**	**130,720**
– Over time	**42,385**	**13,236**	**55,621**
	173,105	**13,236**	**186,341**

	Year ended 31 March 2024		
	Property development and management	Property investment	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within HKFRS 15:			
Sale of properties	69,936	–	69,936
Property management service income	32,897	–	32,897
	102,833	–	102,833
Revenue from other sources:			
Rental income	–	13,239	13,239
	102,833	13,239	116,072
Representing geographical markets of:			
The PRC	102,833	13,239	116,072
	102,833	13,239	116,072
Timing of revenue recognition			
– At a point in time	69,936	–	69,936
– Over time	32,897	13,239	46,136
	102,833	13,239	116,072

Other income and gains

	Note	**2025** **RMB'000**	2024 *RMB'000*
Exchange gain		**–**	4,256
Gain on recognition of lease receivables		**–**	2,308
Gain on modification of Convertible Bonds	*18*	**–**	1,763
Reversal of impairment on trade receivables		**234**	383
Bank interest income		**13**	37
Finance income on lease receivables		**11**	31
Sundry income		**161**	162
Total other income and gains		**419**	8,940

5. FINANCE COSTS

	2025	2024
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**54,528**	61,772
Interest on Convertible Bonds	**7,523**	8,658
Interest on lease liabilities	**1,983**	2,956
Interest on loans from a substantial/controlling shareholder	**517**	956
	64,551	74,342
Less: Interest capitalised into properties under development*	**(13,111)**	(51,221)
Total finance costs	**51,440**	23,121

* The borrowing costs have been capitalised at a rate of 7.5%-10% per annum (2024: 6%-10% per annum).

6. (LOSS) BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Cost of properties sold	**156,854**	76,523
Cost of services	**18,964**	25,025
Cost of rental	**1,745**	4,648
Depreciation		
– property, plant and equipment	**284**	223
– right-of-use assets	**6,327**	2,909
Staff costs (including directors' emoluments):		
Salaries, wages and other benefits	**19,186**	21,912
Contribution to defined contribution retirement plans	**3,771**	4,114
Total staff costs	**22,957**	26,026
Less: Amount capitalised into properties under development	**(791)**	(1,130)
	22,166	24,896

	2025	2024
	RMB'000	*RMB'000*
Auditor's remuneration:		
Audit services	**802**	1,011
Other services	**718**	487
Operating lease charges in respect of office premises and other leased assets under short term leases	**29**	1,983
Direct operating expenses arising from investment properties that generated rental income	**80**	84
Direct operating expenses arising from investment properties that did not generate rental income	**57**	40
(Reversal of) impairment on trade receivables	**(234)****	(383)**
Increase in the write-down of properties under development to net realisable value	**643,285***	84,300*
Impairment loss on assets associated with disposal group classified as held for sale	**47,082***	–

* These items are included in other expenses in the consolidated statement of profit or loss.

** These items are included in other income and gains in the consolidated statement of profit or loss.

7. INCOME TAX

PRC Corporate Income Tax ("CIT") has been provided at the applicable income tax rate on the assessable profits in accordance with the relevant tax laws applicable to the entities in the PRC. The statutory CIT tax rate in the PRC is 25% (2024: 25%).

No Hong Kong profits tax has been provided for the years ended 31 March 2025 and 2024 as the Group incurred a loss for taxation purpose.

The Group's subsidiaries are not subject to any income tax in Bermuda, BVI and Samoa pursuant to the respective rules and regulations.

Land Appreciation Tax ("LAT") in the PRC is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. Prior to the actual cash settlement of the LAT liabilities, the LAT liabilities are subject to the final review/approval by the tax authorities.

	2025	2024
	RMB'000	*RMB'000*
Current tax:		
PRC CIT	**94**	7
PRC LAT	**–**	2,366
	94	2,373
Deferred tax – origination and reversal of temporary differences	**(95,229)**	(36,756)
Total (credit) charge	**(95,135)**	(34,383)

8. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

9. (LOSS) PER SHARE

The calculations of basic and diluted (loss) per share are based on:

	2025	2024
	RMB'000	*RMB'000*
(Loss)		
(Loss) attributable to owners of the parent used in the basic (loss) per share calculation	**(852,906)**	(193,330)
Effect of interest on the liability component of the Convertible Bonds	**–**	–
Effect of fair value loss on the derivative component of the Convertible Bonds	**–**	–
Adjusted (loss) attributable to owners of the parent used in the diluted (loss) per calculation	**(852,906)**	(193,330)

	Number of shares	
	2025	2024
	'000	*'000*
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss) per share calculation	**360,182**	360,182
Effect of dilution – weighted average number of ordinary shares:		
Convertible Bonds	**–**	–
Share options	**–**	–
Weighted average number of ordinary shares (diluted)	**360,182**	360,182

The weighted average number of ordinary shares as at 31 March 2025 and 2024 for the purposes of calculating basic and diluted loss per share have been retrospectively adjusted for the effects of share consolidation effective on 17 January 2025, which is set out in note 20(i) to the announcement.

The calculation of the diluted loss per share is based on the loss attributable to owners of the parent of RMB852,906,000 for the year ended 31 March 2025 (2024: RMB193,330,000) considering there are no adjusting effects on the interest on the liability component of the Convertible Bonds and fair value change on the derivative component of the Convertible Bonds; and divided by the weighted average number of ordinary shares of 360,182,000 (31 March 2024 (restated): 360,182,000 shares) for year ended 31 March 2025 considering there are no dilutive effect on the Convertible Bonds and the exercise price of the outstanding share options is out of money compared to the average stock prices of the Company for the year ended 31 March 2025 and 2024.

10. INVESTMENT PROPERTIES

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**486,200**	550,400
Net loss on fair value adjustment	**(170,912)**	(64,200)
At the end of the reporting period	**315,288**	486,200

At 31 March 2025 and 2024, the Group's investment properties included certain units of a shopping mall in Baishan City, Jilin Province. These investment properties were stated at fair value and were valued by Colliers Appraisal and Advisory Services Company Limited, independent professional qualified valuers.

11. PROPERTIES UNDER DEVELOPMENT AND COMPLETED PROPERTIES HELD FOR SALE

	2025	2024
	RMB'000	*RMB'000*
Properties under development	**246,128**	2,059,053
Completed properties held for sale	**136,780**	121,053
	382,908	2,180,106
Write-down of properties under development and completed properties held for sale to net realisable value	**(47,604)**	(573,303)
	335,304	1,606,803

The Group's properties under development and completed properties held for sale situated in the PRC are stated at lower of cost and net realisable value and held on leases between 40 and 70 years.

At 31 March 2025, certain of the Group's completed properties held for sale of RMB8,833,000 (2024: RMB8,833,000) were pledged to banks to secure certain of the bank loans granted to the Group.

The movement of the write-down of properties under development and completed properties held for sale to net realisable value during the year is as follows:

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**573,303**	489,003
Increase in the write-down, net	**643,285**	84,300
Reclassified to disposal group classified as held for sale	**(1,168,984)**	–
At the end of the reporting period	**47,604**	573,303

As at 31 March 2024, the cost and accumulated write-down to net realisable value of property project in Fusong County, Jilin Province ("Fusong Property Project") was RMB1,697.1 million and 531.1 million respectively. Such net realisable value was estimated based on a valuation carried out by an independent valuer ("Valuer").

The valuation of the project has been made, (i) using discounted cashflow method and based on the capitalisation of net income on the project plan by making reference to comparable market transactions taking into account of the construction costs to be expended for the land parcels under development; and (ii) using bare land basis and based on direct comparison approach by making reference to comparable land transactions available in the market for the land parcels for future development.

In July 2024, the Board approved the re-commencement of the divestment plan and carried out certain action plans to look for potential buyer for the divestment of the Fusong Property Project within a short period of time. Accordingly, the valuation approach of the land parcels under development of the Fusong Property Project estimated by the Valuer had been changed to replacement cost approach while no change of the valuation approach for the land parcels for future development as at 30 September 2024. In addition, a discounting factor of 45% has been applied by the management to reflect an intended short term sale in estimating the net realisable value as advised by the Valuer. Therefore, an additional write-down to net realisable value by approximately RMB637.9 million was made during the six months ended 30 September 2024. On 30 September 2024, the properties under development under Fusong Property Project had been reclassified as "Assets associated with disposal group classified as held for sale" in accordance with HKFRS 5 "Noncurrent Assets Held for Sale and Discontinued Operations". Further details of the disposal group classified as held for sale have been set out in note 19 to the announcement.

12. TRADE AND OTHER RECEIVABLES

	Notes	**2025** *RMB'000*	2024 *RMB'000*
Trade receivables, gross		**19,697**	21,260
Less: provision for impairment		**(13,920)**	(14,154)
Trade receivables, net	*(a)*	**5,777**	7,106
Other receivables:			
Deposits for land development expenditure	*(b)*	**9,467**	31,562
Deposits for construction and pre-sale of projects	*(c)*	**1,562**	6,741
Prepaid business tax and other taxes		**15,557**	28,212
Other receivables, prepayments and deposit		**47,585**	73,634
Less: provision for impairment	*(d)*	**(24,087)**	(70,934)
		50,084	69,215
Total trade and other receivables		**55,861**	76,321

(a) In respect of property sales, no credit terms are granted to purchasers. For property investment and property management, the respective rental income and property management income are settled in accordance with the terms stipulated in the agreements, most of which are settled in advance. In particular, sufficient rental deposits are received to minimise credit risk. The carrying amounts of the receivables approximate to their fair values. Trade receivables are non-interest-bearing.

At 31 March 2025 and 2024, trade receivables are primarily related to revenue recognised from the provision of property management service and leasing of properties.

The ageing analysis of the trade receivables (net of allowance for doubtful debts) by the invoice date as at the end of the reporting period is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 30 days	**4,050**	1,415
31 days–180 days	**129**	4,034
Over 180 days	**1,598**	1,657
	5,777	7,106

The ageing analysis of trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2025	2024
	RMB'000	*RMB'000*
Neither past due nor impaired	**–**	–
Less than 30 days past due	**4,050**	1,415
Over 30 days and less than 180 days past due	**129**	4,034
Over 180 days past due	**1,598**	1,657
	5,777	7,106
	5,777	7,106

Movements in provision for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**14,154**	14,537
(Credited) to profit or loss during the year	**(234)**	(383)
At the end of the reporting period	**13,920**	14,154

(b) The balances represented monies advanced to the local government for land development works at land sites. The Group will be reimbursed for the amount advanced to the local government in carrying out the land development irrespective of whether or not the Group will obtain the land use rights of the land in the future.

(c) The balances mainly represented various deposits paid to local government authorities directly attributable to the construction of property projects which would be refundable upon completion of the development projects. Impairment loss had been provided on the entire balance in prior years.

(d) Movement in provision for impairment of other receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**70,934**	70,934
Reclassified to disposal group classified as held for sale	**(46,847)**	–
At the end of the reporting period	**24,087**	70,934

13. CASH AND CASH EQUIVALENTS AND PLEDGED AND RESTRICTED DEPOSITS

		2025	2024
	Notes	***RMB'000***	*RMB'000*
Cash and bank balances		**8,427**	59,001
Less: Restricted bank deposits under pre-sale of properties	*(a)*	**(3,324)**	(5,366)
Cash and cash equivalents as stated in consolidated statement of financial position		**5,103**	53,635

(a) In accordance with relevant policies issued by the PRC local State-owned Land and Resource Bureau applicable to all property developers, the Group is required to place certain of the proceeds received from the pre-sale of properties as guarantee deposits for the construction of the properties. The restriction will be released when the construction is completed. The restricted cash earns interest at floating daily bank deposit rates.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB8,240,000 (2024: RMB8,860,000). RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

14. TRADE AND OTHER PAYABLES

	Notes	**2025** **RMB'000**	2024 *RMB'000*
Trade payables	*(a)*	**33,676**	49,192
Accrued construction costs		**276,435**	301,670
Interest payable		**31,501**	30,085
Other creditors and accruals		**43,785**	53,732
Other deposits received		**50,515**	56,118
		435,912	490,797

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

	2025 **RMB'000**	2024 *RMB'000*
Within 30 days	**2,224**	917
31 days – 180 days	**2,478**	12,521
Over 180 days	**28,974**	35,754
	33,676	49,192

15. CONTRACT LIABILITIES

	2025 **RMB'000**	2024 *RMB'000*
Deposits from sale of properties	**53,438**	150,697
Receipt in advance from management services	**13,207**	15,755
	66,645	166,452

16. LOANS FROM A SUBSTANTIAL/CONTROLLING SHAREHOLDER AND RELATED PARTIES

(a) Loans from a substantial/controlling shareholder

Loans from a substantial/controlling shareholder are unsecured, including:

	2025	2024
	RMB'000	*RMB'000*
Interest-free*	**449,363**	329,414
Interest-bearing**	**–**	15,435
	449,363	344,849

* repayable on demand

** interest rate at 5% per annum and repayable within one year

(b) Loans from related parties

The balances are unsecured, interest-free and repayable within one year or on demand.

During the year, the Group entered into an set-off agreement with a related party to partially offset loans owing to a related party against the project management service income receivables due from the same related party of RMB13,865,000.

17. BANK AND OTHER BORROWINGS

		2025	2024
	Notes	***RMB'000***	*RMB'000*
Current			
Bank loans – secured	*(i)*	**240,980**	80,000
Bank loans – unsecured	*(iii)*	**2,110**	2,340
Entrusted loans	*(ii)*	**–**	338,300
		243,090	420,640
Non-current			
Bank loans – secured	*(i)*	**–**	230,990
		243,090	651,630

	2025	2024
	RMB'000	*RMB'000*
Analysed into:		
Bank loans and entrusted loans repayable:		
Within one year or on demand	**243,090**	420,640
In the third to fifth years, inclusive	**–**	230,990
	243,090	651,630

Notes:

(i) As at 31 March 2025, the bank loan of RMB8.0 million that bears interests at a fixed rate of 6% per annum, is secured by the pledges of the completed properties held for sale with carrying amount of RMB8.8 million as at 31 March 2025 and 100% equity interests of a subsidiary of the Group, and is unguaranteed; The bank loan of RMB2.0 million that bears interests at a fixed rate of 6% per annum, is secured by a second charge of completed properties held for sale with carrying amount of RMB8.8 million as at 31 March 2025, and is unguaranteed; The bank loan of RMB231.0 million that bears interests at a fixed rate of 6% to 7.3% per annum, is secured by investment properties with fair value of RMB217.0 million as at 31 March 2025, and is guaranteed by personal and corporate guarantees of certain connected parties of the Group.

As at 31 March 2024, the bank loan of RMB8.0 million that bore interests at a fixed rate of 5% per annum, was secured by the pledges of the completed properties held for sale with carrying amount of RMB8.8 million as at 31 March 2024 and 100% equity interests of a subsidiary of the Group. The bank loan of RMB2.0 million that bore interests at a fixed rate of 5% per annum and was secured by a second charge of completed properties held for sale with carrying amount of RMB8.8 million as at 31 March 2024. The bank loan of RMB231.0 million that bore interests at a fixed rate of 6% to 7.3% per annum, was secured by investment properties with fair value of RMB352.3 million as at 31 March 2024, and was guaranteed by personal and corporate guarantees of certain connected parties of the Group. The bank loan of RMB70.0 million that bore interests at a fixed rate of 7.5% per annum, was secured by the 70% equity interests in a connected party and was guaranteed by personal and corporate guarantees of certain connected parties of the Group. This bank loan was reclassified as liabilities associated with disposal group held for sale (Note 19) on 30 September 2024.

(ii) As at 31 March 2024, the entrusted loan of RMB20.0 million that bore interests at a fixed interest rate of 8% per annum was secured by properties under development held by the Group with carrying amount of RMB329.8 million as at 31 March 2024, and was guaranteed by corporate guarantees of certain connected parties of the Group. The entrusted loan of RMB318.3 million that bore interests at a fixed rate of 10% per annum, was secured by a second charge of properties under development with carrying amount of RMB1,166 million as at 31 March 2024, and was guaranteed by corporate guarantees of certain connected parties of the Group. Both entrusted loans were reclassified to liabilities associated with disposal group held for sale (Note 19) on 30 September 2024.

(iii) As at 31 March 2025, the bank loan of RMB2.1 million (31 March 2024: RMB2.3 million) that bears interests at a floating rate of loan prime rate plus 0.28% per annum is unsecured and unguaranteed.

18. DERIVATIVE FINANCIAL INSTRUMENTS AND CONVERTIBLE BONDS

2021 CBs

On 14 December 2021, the Company completed the issue of an aggregate principal amount of HK$103,076,730 (equivalent to approximately RMB84,283,059 on the issue date) convertible bonds (the "2021 CBs") to Ka Yik Investments Limited ("Ka Yik"), the controlling shareholder, which are due on 13 June 2023 (the "Initial Maturity Date") and may, subject to the controlling shareholder's written consent that shall not be unreasonably withheld, be extended for another eighteen months by notice issued by the Company at any time during the three months prior to the maturity date by serving at least thirty days prior written notice to Ka Yik in the event that the Company's directors are of the reasonable opinion that the redemption of the 2021 CBs on the maturity date will result in the Group not having sufficient working capital for the operation for the next twelve months. The 2021 CBs are convertible into the Company's ordinary shares of HK$0.05 each at an initial conversion price of HK$0.39 per share subject to adjustments. The interest rate is 2% per annum payable semi-annually in arrears each year before the maturity date.

On 9 June 2023, the Company received a written confirmation from the bondholder for its consent that the Initial Maturity Date shall be extended for another eighteen months to the third anniversary of the date of issue of the bonds (i.e. 14 December 2024) with all other terms and conditions remained unchanged. Gain on the modification of the liability components of the 2021 CBs in accordance with HKFRS 9 of RMB1,763,000 was recognised at other income in the consolidated statement of profit or loss during the year ended 31 March 2024.

The conversion rights are exercisable at any time from the date of issue of the 2021 CBs up to the maturity date, provided that any conversion does not result in the public float of the Company's shares being less than 25% (or any given percentage as required by the Listing Rules).

The 2021 CBs are not transferable without the prior written consent of the Company.

The Company may at any time before the maturity date redeem the 2021 CBs (in whole or in part) at 100% of its principal amount.

The Company has not early redeemed any portion of the 2021 CBs during the year.

On 13 December 2024, the 2021 CBs in the principal of HK$103,076,730 (equivalent to approximately RMB94,057,000) together with the accrued interest of HK$6,184,604 were settled by the provision of a loan from a substantial shareholder of HK$109,261,334 (equivalent to approximately RMB99,700,000).

2023 CBs

On 23 June 2023, the Company completed the placement of convertible bonds with an aggregate principal amount of HK$60,000,000 (equivalent to approximately RMB55,734,000) to not less than six placees (the "2023 CBs"). The maturity date of the 2023 CBs is 22 June 2026. The 2023 CBs are convertible into the Company's ordinary shares of HK$0.05 each at an initial conversion price of HK$0.445 per share subject to adjustments. The interest rate is 6% per annum payable quarterly in arrears before the maturity date. Upon the capital reorganisation becoming effective on 17 January 2025, the conversion price has been adjusted to HK$8.9 per share.

The conversion rights are exercisable at any time from the date of issue of the 2023 CBs up to the maturity date, provided that any conversion does not result in the public float of the Company's shares being less than 25% (or any given percentage as required by the Listing Rules).

The 2023 CBs are not transferable without the prior written consent of the Company.

The Company may at any time before the maturity date redeem the 2023 CBs (in whole or in part) at 100% of its principal amount. The Company has not early redeemed any portion of the 2023 CBs during the year.

The 2021 CBs and the 2023 CBs are together referred to as the Convertible Bonds ("CBs").

Accounting treatment

The Company's early redemption right attaching to the respective CBs are considered not closely related to the liability component of the respective CBs; and therefore, these embedded features have been accounted for separately and classified as derivative financial instruments according to HKFRS 9 Financial Instruments.

On the basis that the conversion options of the CBs will be settled by the exchange of a fixed amount for a fixed number of equity instruments, the respective CBs are accounted for as compound instruments according to HKAS 32 Financial Instruments: Presentation. The deemed proceeds, after the fair value of the early redemption right features are bifurcated, have been split into between a liability component and an equity component. The residual amount, representing the value of the equity component, is credited to "Equity component of the CBs" in the Group's equity attributable to the Company's shareholders.

After initial recognition, the Company's early redemption right features classified as derivative financial instruments are remeasured to their fair value at each period end using the binomial pricing model. The liability component of the respective CBs are subsequently carried at amortised cost.

At the date of conversion, the carrying values of the liability component of the respective CBs and of the early redemption right features are transferred to equity.

Up to the date of maturity of the CBs, if the bond holder had not exercised the conversion option of the CBs. The equity component of the CBs are fully transferred to retained earnings. The early redemption right features classified as derivative financial instruments would be derecognised on the same date.

Early redemption right features of the CBs

The movements in the Company's early redemption right features classified as derivative financial instruments measured at fair value are as follows:

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**570**	2,310
Additions upon issue	**–**	25,801
Fair value change	**(282)**	(27,840)
Exchange realignment	**–**	299
At the end of the reporting period	**288**	570

Liability component of the CBs

The movements of the liability component of the Convertible Bonds in the consolidated statement of financial position are as follows:

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**141,676**	90,052
Additions upon issue	**–**	43,506
Accrued effective interest	**7,523**	8,658
Gain on modification of CBs	**–**	(1,763)
Transfer to interest payable	**(3,748)**	(4,443)
Settlement through the loans from a substantial shareholder at maturity date	**(99,700)**	–
Exchange realignment	**2,766**	5,666
At the end of the reporting period	**48,517**	141,676

The imputed finance cost on the liability component of the CBs is calculated using the effective interest method by applying effective interest rates per annum. The effective interest rates of the CBs is 4.61%-16.23% (2024: 4.61%-16.23%).

Equity component of the CBs

The movements of the equity component of the CBs in the consolidated statement of financial position are as follows:

	2025	2024
	RMB'000	*RMB'000*
At the beginning of the reporting period	**98,305**	60,276
Additions upon issue	**–**	38,029
Transfer to retained profits at maturity date	**(60,276)**	–
At the end of the reporting period	**38,029**	98,305

As at 31 March 2025, the aggregate principal amount of the CBs was approximately HK$60,000,000 (equivalent to RMB55,734,000) (2024: HK$163,076,730 (equivalent to RMB151,400,436)). Should the conversion rights attaching to the CBs be exercised in full, additional 6,741,573 ordinary shares (which is circulated based on the adjusted conversion price of HK$8.9 per share upon the capital reorganisation becoming effective on 17 January 2025) would have been allotted and issued, which represent approximately 1.9% of the issued share capital of the Company at 31 March 2025.

19. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In July 2024, the board of directors approved the re-commencement of the divestment plan on the Fusong Property Project.

In October 2024, the Group entered into a conditional equity transfer agreement with an independent third party for the disposal of the entire equity interest in Jilin Province Ground Tourism Development Company Limited* and its three subsidiaries (the "Disposal Group") at a consideration of RMB1.0. On 28 March 2025 and 30 June 2025, the Group entered into extension letters to extend the long stop date to 30 June 2025 and 31 October 2025. Details of the disposal are set out in the Company's announcement dated 25 October 2024 and the Company's circular dated 29 November 2024.

The major classes of assets and liabilities of the Disposal Group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell at the end of the reporting period are as follows:

		Carrying amount as classified as held for sale	Impairment loss	Carrying amount after allocation of impairment loss
		RMB'000	*RMB'000*	*RMB'000*
Assets				
Property, plant and equipment		10	–	10
Properties under development		541,210	(47,082)	494,128
Other receivables		10,028	–	10,028
Cash and cash equivalents		3	–	3
Assets associated with disposal group classified as held for sale		551,251	(47,082)	504,169
Liabilities				
Trade and other payables		95,869	–	95,869
Bank and other borrowings	*(b)*	408,300	–	408,300
Liabilities associated with disposal group classified as held for sale		504,169	–	504,169
Net assets attributable to the disposal group held for sale		47,082	(47,082)	–

a) No gain or loss was recognised at initial recognition and impairment loss of RMB47,082,000 was recognised at subsequent measurement of disposal group classified as held for sale in consolidated statement of comprehensive income for the year.

(b) Bank and other borrowings

	Notes	31 March 2025
		RMB'000
Current		
Bank loan – secured	*(i)*	70,000
Entrusted loans – secured	*(ii)*	338,300
		408,300
Analysed into:		
Bank loan and entrusted loans repayable:		
Within one year or on demand		408,300

(i) At 31 March 2025, the bank loan of RMB70 million that bears interests at a fixed rate of 7.5% per annum, is secured by a charge of properties under development with carrying amount of RMB494.1 million as at 31 March 2025; the 70% equity interests in a connected party and is guaranteed by personal and corporate guarantees of certain connected parties of the Group.

(ii) At 31 March 2025, the entrusted loan of RMB20 million that bears interests at a fixed interest rate of 8% per annum, is secured by properties under development of the Disposal Group with carrying amount of RMB140 million as at 31 March 2025, and is guaranteed by personal and corporate guarantees of certain connected parties of the Group. The entrusted loan of RMB318.3 million that bears interests at a fixed rate of 10% per annum, was secured by a second charge of properties under development of the Disposal Group with carrying amount of RMB494.1 million as at 31 March 2025, and is guaranteed by personal and corporate guarantees of certain connected parties of the Group.

(iii) The bank loan and entrusted loans are in default and overdue at the end of the reporting period. Upon the completion of the Fusong Disposal, the Purchase would take up the indebtedness of the Fusong Group, including these bank loan and entrusted loan. Details are set out in the Company's circular dated 28 November 2024.

20. SHARE CAPITAL

	Par value per share	**Number of ordinary shares**	**Nominal value**	
	HK$	*'000*	*HK$'000*	*RMB'000*
Authorised:				
At 1 April 2023, 31 March 2024 and 1 April 2024	0.05	15,600,000	780,000	684,000
Share consolidation *(note i)*	N/A	(14,820,000)	–	–
Share sub-division *(note ii)*	N/A	77,220,000	–	–
At 31 March 2025	**0.01**	**78,000,000**	**780,000**	**684,000**
Issued:				
At 1 April 2023, 31 March 2024 and 1 April 2024	0.05	7,203,639	360,182	311,453
Share consolidation *(note i)*	N/A	(6,843,457)	–	–
Capital reduction *(note ii)*	N/A	–	(356,580)	(308,338)
At 31 March 2025	**0.01**	**360,182**	**3,602**	**3,115**

(i) Pursuant to the special resolutions passed at the Company's special general meeting held on 15 January 2025, a share consolidation on the basis that every twenty issued and unissued ordinary shares of par value of HK$0.05 each be consolidated into one consolidated share of HK$1.00 each (the "Share Consolidation") with effective from 17 January 2025. Further details are set out in the Company's circular dated 29 November 2024 and the announcement dated 15 January 2025.

(ii) Pursuant to the special resolutions passed at the Company's special general meeting held on 15 January 2025, the capital reduction and share sub-division were implemented immediately after the Share Consolidation with effective from 17 January 2025 and the details are disclosed below:

    (a) the par value of each of the issued consolidated shares be reduced from HK$1.00 to HK$0.01 by cancelling the paid up share capital to the extent of HK$0.99 on each of the issued consolidated shares by way of a reduction of capital, so as to form issued new shares with par value of HK$0.01 each (the "Capital Reduction"). The credit amounted to approximately HK$356,580,000 (equivalent to RMB308,338,000) arising from the Capital Reduction was transferred to the contribution surplus account of the Company; and

    (b) each authorised but unissued consolidated share will be sub-divided into one hundred new shares of a par value of HK$0.01 each (the Share Sub-division").

    Further details are set out in the Company's circular dated 29 November 2024 and the announcement dated 15 January 2025

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 March 2025, the Group's overall revenue was approximately RMB186.3 million (year ended 31 March 2024: approximately RMB116.1 million), representing increase of 60.5%. The Group recorded a gross profit of approximately RMB8.8 million (year ended 31 March 2024: approximately RMB9.9 million). Net loss for the year was approximately RMB852.9 million (year ended 31 March 2024: net loss for the year of approximately RMB193.3 million).

During the first half of the financial year, the Group has strived to reduce the level of debts at both onshore and offshore level. In April 2024, the Group entered into a loan capitalisation agreement (the "Loan Capitalisation Agreement") with Ground Investment Holding Group (Hong Kong) Co., Limited. However, to the best information and knowledge of the Company, it is believed that there is minimal chance for the requisite approvals to be obtained on or before 31 December 2024 (being the long stop date for the completion of the Loan Capitalisation Agreement). Accordingly, the Loan Capitalisation Agreement has been terminated pursuant to a deed of termination on 4 October 2024. Please refer to the announcements of the Company dated 14 May 2024, 4 October 2024 and the circular of the Company dated 29 June 2024 for further details.

In October 2024, the Group as vendor entered into an equity transfer agreement (the "Equity Transfer Agreement") with an independent third party as purchaser to conditionally dispose of its entire equity interests in Jilin Province Ground Tourism Development Company Limited for a nominal consideration of RMB1. Jilin Province Ground Tourism Development Company Limited has a cultural tourism property project in Fusong County, Baishan City, Jilin Province (the "Fusong Property Project"). The Fusong Property Project has its first phase with GFA of 88,034.91 sq.m suspended for construction and the remaining land parcels with GFA of 588,462.56 sq.m are held for future development. As the current financing market remains tight, the Group's financial position and cash flows are not in a position to meet the expected future cash flow commitment on the project. At the same time the project company has outstanding bank and other loans of approximately RMB408 million, all of which have become due. The Board considered it is appropriate to divest the Fusong Property Project in order to (among others) alleviate the Group's debt and financing costs burden. On 28 March 2025 and 30 June 2025, the Group entered into extension letters to extend the long stop date to 30 June 2025 and 31 October 2025. Further details of the Equity Transfer Agreement are set out in the Company's announcement dated 25 October 2024 and circular of the Company dated 29 November 2024.

In November 2024, the Company proposed to carry out a capital reorganisation involving, among others, (i) every twenty issued shares of par value of HK$0.05 each be consolidated into one consolidated share of par value of HK$1.00 each; (ii) the par value of each issued consolidated share be reduced from HK$1.00 to HK$0.01 by cancellation of the paid-up capital of the Company to the extent of HK$0.99 on each issued consolidated share; (iii) each authorised but unissued consolidated share be sub-divided into one hundred new shares of HK$0.01 each; (iv) each authorised but unissued existing convertible preference share be sub-divided into five new convertible preference shares of HK$0.01 each; (v) the credits arising from the capital reduction and share premium reduction be credited to the contributed surplus account and (vi) the board lot size for trading on the Stock Exchange be changed from 5,000 existing Shares to 10,000 consolidated Shares. Details of the proposed capital reorganisation are set out in the Company's announcements dated 11 November 2024 and 6 December 2024 and circular of the Company dated 29 November 2024. The capital reorganisation became effective on 17 January 2025.

Company Outlook

As we look ahead, our company is well-positioned to navigate the evolving economic landscape while capitalizing on emerging opportunities. We will continue our property development business in a prudent manner, alongside our strategic diversifications into the ginseng and mineral water and fast moving consumer goods businesses, which will enhance our portfolio and drive sustainable growth by tapping into the rising global demand for health and wellness products.

The ginseng business presents a particularly promising opportunity, given the increasing consumer interest in natural health supplements. With the PRC government's support for ginseng cultivation and export, we are well-equipped to leverage these advantages. Our focus will be on sustainable farming practices and quality assurance to create a premium product line that meets global standards. By investing in marketing and distribution channels, we aim to establish a strong brand presence and capture a significant share of the growing health and wellness market.

While the mineral water segment is also expanding, we will streamline our approach to ensure that resources are effectively allocated. We aim to build brand loyalty among health-conscious consumers, but our primary focus will remain on maximizing the potential of our ginseng offerings.

Our management team will closely monitor the financial position of the Company, ensuring that appropriate actions are taken as needed to maintain stability and support growth. By investing in talent development and remaining responsive to market trends, we are confident in our ability to adapt and thrive, ultimately delivering value to our shareholders in the coming fiscal year.

Property Development

During the year ended 31 March 2025, the Group has completed and delivered one residential project, namely Guangze China House – Phase IIA. The Phase IIB of the project is currently under construction and its progress is on schedule.

In addition, the Group has another residential project in Jiutai District of Changchun City, namely Guangze Jiuxi Red House – Phase II which is expected to complete construction in second half of 2025. The pre-sale of this phase is ongoing during the year but remain sluggish given the slow down of the macro-economy and the decrease in market demand in Jilin Province.

Accordingly, the Group's management will continue to be prudent in replenishing land reserve for the Group; and will consider the Group's financial position and cash flows for new property project.

Properties completed, delivered and sale of properties recognised during the year ended 31 March 2025

The Group recorded an increase in sale of properties by approximately RMB60.8 million or 87.0% from the sales of approximately RMB69.9 million for the year ended 31 March 2024 to the sales of approximately RMB130.7 million for the year ended 31 March 2025.

For the year ended 31 March 2025, the sales of properties (excluding car park units) mainly related to the newly completed project of Guangze China House – Phase IIA. Together with the sales of the remaining residential and commercial units of the property projects that were completed in the previous years, the total sales of properties (excluding car park units) amounted to an aggregate of approximately RMB117.3 million and an aggregate GFA of 26,792 sq.m..

For the year ended 31 March 2024, the sale of properties (excluding car park units) related to the remaining units of the completed property projects in prior years, mainly from residential units and commercial units of Guangze Jiuxi Red House – Phase I, Guangze China House – Phase IA and Guangze Red House – Phase II and III amounted to an aggregate of approximately RMB52.8 million with an aggregate GFA of 9,921 sq.m..

For car park units, the Group recognised sale of car park units of approximately RMB13.4 million from the sale of 79 car park units for the year ended 31 March 2025 as compared to approximately RMB14.4 million from 96 car park units for the year ended 31 March 2024.

Projects under development

As at 31 March 2025, the Group has two residential projects under development, namely Guangze Jiuxi Red House – Phase II in Jiutai District, Changchun City and Guangze China House – Phase IIB in Baishan City.

Property Investment

As at 31 March 2025, the Group's self-owned investment properties and leased investment properties are the retailing shopping units at Guangze International Shopping Centre with respective lettable floor area of 35,160 sq.m. and 15,972 sq.m. (At 31 March 2024: 35,160 sq.m. and 15,972 sq.m.). During the year ended 31 March 2025, the investment properties had an average occupancy rate of 73% (year ended 31 March 2024: 73%).

Despite the Group's effort in changing the tenant mix and the various promotion activities to attract traffic flow to the shopping centre and to fend off competition from the other two shopping malls in Baishan City, the Group's management has reviewed the operating and financial performance of Guangze International Shopping Centre for the past years which has been loss making; and its valuation decreasing. As a result, the Group's management is exploring the possible exit strategies in order to minimize further losses to the Group.

FINANCIAL REVIEW

Key changes to profit or loss

Revenue

	Year ended 31 March 2025		Year ended 31 March 2024	
	RMB'000	***%***	*RMB'000*	*%*
Sale of properties	**130,720**	**70.2**	69,936	60.3
Rental income	**13,236**	**7.1**	13,239	11.4
Property management service income	**28,520**	**15.3**	32,897	28.3
Project management service income	**13,865**	**7.4**	–	–
	186,341	**100.0**	116,072	100.0

The Group's revenue increased from RMB116.1 million for the year ended 31 March 2024 to RMB186.3 million for the year ended 31 March 2025 or an increase by 60.5%, mainly due to the increase in sale of properties by 86.9% or RMB60.8 million as compared to the corresponding year. The increase in sale of properties during the year ended 31 March 2025 was attributable to the fact that Guangze China House – Phase IIA was completed and delivered during the year whereas there was no newly completed property project delivered last year.

Rental income for the year ended 31 March 2025 and 2024 remained stable as the average occupancy rate during the year ended 31 March 2025 and 2024 remained stable in respect of the shopping mall units in Baishan City, the PRC.

Property management service income for the year ended 31 March 2025 decreased by RMB4.4 million mainly attributable to the fact that the Group ceased to provide management services to the properties at Guangze Red House – Phase I, II, III in Yanji City since July 2024.

Gross profit and gross margin

	Year ended 31 March 2025		Year ended 31 March 2024	
	Gross profit/ (loss)	**Gross margin**	Gross profit/ (loss)	Gross margin
	RMB'000	***%***	*RMB'000*	*%*
Property development	**(26,134)**	**(20.0)**	(6,566)	(9.4)
Property leasing	**11,491**	**86.8**	8,590	64.9
Property management service	**9,556**	**33.5**	7,852	23.9
Project management service	**13,865**	**100.0**	–	N/A
Total	**8,778**	**4.7**	9,876	8.5

For the year ended 31 March 2025, the Group had a gross profit of approximately RMB8.8 million (year ended 31 March 2024: approximately RMB9.9 million) and a gross margin of approximately 4.7% (year ended 31 March 2024: 8.5%). The decrease in overall gross profit and gross margin for the year was primarily attributable to lower gross profit margin in respect of the Group's property project of Guangze China House – Phases IIA which was resulted from a significant release of capitalised interest from a prolonged construction period of the project into the cost of sales during the year.

Other income and gains

The Group's other income decreased from RMB8.9 million for the year ended 31 March 2024 to RMB0.4 million for the year ended 31 March 2025 which was mainly attributable to (i) an exchange gain of RMB4.3 million; (ii) gain on modification of Convertible Bonds and (iii) gain on recognition of lease receivables of RMB1.8 million and RMB2.3 million were recognised during the year ended 31 March 2024 respectively. There were no such items in current year.

Selling and distribution costs

The decrease in selling and distribution costs by approximately RMB0.5 million from approximately RMB6.0 million for the year ended 31 March 2024 to approximately RMB5.5 million for the year ended 31 March 2025 was primarily attributable to the decrease in promotion and advertising expenses incurred as no promotion activities held in respect of Guangze Jiuxi Red House in Jiutai District during the year.

Administrative expenses

The decrease in administrative expenses by approximately RMB1.5 million from approximately RMB38.5 million for the year ended 31 March 2024 to approximately RMB37.0 million for the year ended 31 March 2025 was primarily attributable to the decrease in office expenditure by continued cost control implemented on the Group.

Other expenses

The Group's other expenses increased by approximately RMB605.2 million from approximately RMB86.9 million for the year ended 31 March 2024 to approximately RMB692.1 million for the year ended 31 March 2025, mainly attributable to the write-down of properties under development and impairment loss on assets associated with disposal group classified as held for sale in respect of the Fusong Property Project of approximately RMB637.9 million (2024: RMB84.3 million) and RMB47.1 million (2024: Nil) respectively.

Finance costs

The finance costs for the year ended 31 March 2025 increased by RMB28.3 million from approximately RMB23.1 million for the year ended 31 March 2024 to approximately RMB51.4 million for the year ended 31 March 2025, which was mainly attributable to less interest capitalised into properties under development during the year as the interest does not qualify for capitalisation under the Group's accounting policy.

Change in fair value of investment properties

For the year ended 31 March 2025, the Group's investment properties stated at fair value had a further decrease in the fair value of RMB170.9 million mainly attributable to the continual deterioration of the market rent for shopping mall units in Baishan City (year ended 31 March 2024: RMB64.2 million).

Change in fair value of derivative financial instruments

The derivative financial instruments of the 2021 CBs and the 2023 CBs are re-measured to their fair value at the end of each reporting period. A loss of fair value of approximately RMB282,000 was recorded for the year ended 31 March 2025 (2024: RMB27.8 million) as a result of the deterioration of its time value.

Income tax

	Year ended 31 March	
	2025	2024
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax	**94**	7
PRC Land Appreciation Tax	**–**	2,366
	94	2,373
Deferred tax		
Origination and reversal of temporary differences	**(95,229)**	(36,756)
Total (credit)	**(95,135)**	(34,383)

Current tax

The Group's current income tax represents Land Appreciation Tax (LAT) and Corporate Income Tax (CIT). For the year ended 31 March 2025, the Group recognised current CIT provision relating to the project company on Guangze Jiuxi Red House. No LAT provision was made for the year ended 31 March 2025 because the Group did not meet for LAT levy requirement set forth in the relevant PRC tax laws and regulations.

Deferred tax

During the year, the Group recorded a deferred tax credit of approximately RMB95.2 million (2024: RMB36.8 million) which was primarily attributable to the (i) reversal of taxable temporary difference of RMB73.1 million (2024: RMB21.1 million) resulting from the write-down of the Fusong Property Project made and (ii) a reversal of taxable temporary difference of approximately RMB24.6 (2024: RMB12.6 million) resulting from the decrease in fair value of the Group's investment properties for the year.

Key changes to financial position

Investment properties

As at 31 March 2025, the Group's investment properties are primarily certain shopping mall units in Baishan City, Jilin Province, namely Guangze International Shopping Centre, which include self-owned portion and leased portion. These investment properties were stated at fair value and were valued by Colliers Appraisal and Advisory Service Company Limited (independent professional qualified valuers) at RMB315.2 million (as at 31 March 2024: RMB486.2 million). The decrease in the balance of investment properties was mainly attributable to the decrease in fair value of the self-owned and leased portion of the shopping mall in Baishan City, Jilin Province as a result of the decrease in market rent.

Properties under development and completed properties held for sale

As at 31 March 2025, the Group's properties under development included mainly Guangze China House – Phase IIB and Guangze Jiuxi Red House – Phase II; and the completed properties held for sale were mainly unsold units of Guangze China House – Phase IIA, Guangze Jiuxi Red House – Phase I and the remaining residential and commercial units and car parking spaces at projects completed in prior years.

The decrease in the Group's properties under development and completed properties held for sale to approximately RMB335.3 million as at 31 March 2025 (as at 31 March 2024: approximately RMB1,606.8 million) was primarily attributable to (i) the reclassification of the carrying amounts of properties under development of the Fusong Property Project of RMB541.2 million after further write-down of RMB637.9 million was made during the six months ended 30 September 2024 to assets associated with disposal group classified as held for sale; (ii) the completion and delivery of property units on Guangze China House – Phase IIA; and partially offset by the increase in construction costs relating to Guangze Jiuxi Red House – Phase II.

According to the Group's accounting policy, the carrying values of the Fusong Property Project was stated at the lower of cost and net realisable value as at the end of reporting period. In July 2024, after the Group's management review of the status of the Fusong Property Project, the Board decided to re-commence the divestment plan. Accordingly, the valuation methodology of the Fusong Property Project for the period has been adjusted whereby the land parcels for future development continued to be valued on an market comparison approach; and the land parcels under development instead has been valued on a replacement cost approach. As at 30 September 2024, the Group's net realisable value of the Fusong Property Project has been estimated not only with reference to the valuation carried out by the independent valuer based on the adjusted methodology and has also taken into account of an application of a discount factor of 45% with a view of an intended short term sale, leading to a further write-down of RMB637.9 million for the six months ended 30 September 2024. On 30 September 2024, the carrying value of the Fusong Property Project of approximately RMB541.2 million (including cost of RMB1,710.2 million and accumulated write-down of approximately RMB1,169.0 million) was transferred to assets associated with disposal group classified as held for sale.

Trade and other receivables

		As at 31 March	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Trade receivables, gross	*(i)*	**19,697**	21,260
Less: Provision for impairment		**(13,920)**	(14,154)
Total receivables, net		**5,777**	7,106
Other receivables			
– Deposits for land development expenditure	*(ii)*	**9,467**	31,562
– Deposits for construction and pre-sale of property projects	*(iii)*	**1,562**	6,741
– Prepaid business tax and other taxes		**15,557**	28,212
– Other receivables, prepayments and deposits		**47,585**	73,634
Less: Provision for impairment		**(24,087)**	(70,934)
		50,084	69,215
		55,861	76,321

(i) Trade receivables were mainly related to rental receivable from tenants and property management fee receivables from property unit owners. At 31 March 2025, the trade receivable gross balance remained stable as compared to that at 31 March 2024, which was primarily attributable to the managed units under the property management service business. No significant change on the expected credit loss on trade receivables for the year ended 31 March 2025.

(ii) Land development expenditure made by certain subsidiaries of the Group represented monies advanced to the local government for land development works at various land sites. The Group will be reimbursed for the amount advanced to the local government in carrying out the land development respective of whether or not the Group will obtain the land use rights of the land in the future. The decrease in the deposits for land development expenditure was mainly attributable to the transfer of those related to the Fusong Property Project to assets associated with disposal group classified as held for sales.

(iii) The balances represented various deposits paid directly attributable to construction and pre-sale of property projects which would be refundable upon completion of the property projects.

Trade and other payables

		As at 31 March	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Trade payables	*(i)*	**33,676**	49,192
Accrued construction costs	*(i)*	**276,435**	301,670
Interest payable		**31,501**	30,085
Other creditors and accruals		**43,785**	53,732
Other deposits received		**50,515**	56,118
		435,912	490,797

(i) The changes in trade payables and accrued construction costs from RMB49.2 million and RMB301.7 million as at 31 March 2024 to RMB33.7 million and RMB276.4 million as at 31 March 2025 respectively were mainly attributable to the gradual settlement of construction cost payable balances arising from the completed properties projects.

Contract liabilities

		As at 31 March	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
Deposits from sale of properties	*(i)*	**53,438**	150,697
Receipt in advance from management services	*(ii)*	**13,207**	15,755
		66,645	166,452

(i) Deposits from sales of properties represent contractual payments received from customers in connection with the Group's pre-sale of properties. The deposit will be transferred to profit or loss upon the Group's revenue recognition criteria are met. The decrease in balance was mainly attributable to transfer of the pre-sale of Guangze China House – Phase IIA upon revenue recognition during the year.

(ii) Receipt in advance from management services represent the property fee received in advance for property management. The receipts will be transferred to profit or loss upon the Group's revenue recognition criteria are met.

Liquidity and financial resources

Cash position

As at 31 March 2025, the carrying amount of cash and bank deposits of the Group was approximately RMB5.1 million (as at 31 March 2024: approximately RMB53.6 million), representing a decrease of approximately 90.5% as compared with that as at 31 March 2024 which was mainly attributable to the repayment of borrowings, settlement of construction costs, interests, operating expenditure partially offset by the cash receipt from pre-sale.

Debt and gearing

Bank and other borrowings

The Group's bank and other borrowings as at 31 March 2025 decreased by RMB408.5 million to RMB243.0 million which were payable as follows:

	As at 31 March	
	2025	2024
	RMB'000	*RMB'000*
Current	**243,090**	420,640
Non-current	**–**	230,990
	243,090	651,630
Analysed into:		
Bank loans and entrusted loan payable:		
Within one year or on demand	**243,090**	420,640
In the third to fifth year, inclusive	**–**	230,990
	243,090	651,630

Bank and other borrowings decreased from RMB651.6 million as at 31 March 2024 to RMB243.0 million as at 31 March 2025 was primarily attributable to the reclassification of certain bank and entrusted loans of RMB408.3 million to liabilities associated with disposal group classified as held for sales.

Loans from a substantial/the controlling shareholder

As at 31 March 2025, the balance is unsecured, interest-free, and repayable on demand. The increase in the balance was mainly attributable to the transfer of the 2021 CBs to loan from a substantial shareholder upon its maturity and the continuous financial support provided.

The Group entered into a loan capitalisation agreement with Ground Investment Holding Group (Hong Kong) Co., Limited on 25 April 2024, of which a loan amount of RMB230 million will be capitalised by the issuance of 5,060,000,000 ordinary shares (before share consolidation) at a price of HK$0.05 upon completion. Details are set out in the Company's announcements dated 14 May 2024 and 16 May 2024 and the circular dated 29 June 2024. This loan capitalisation agreement was terminated on 4 October 2024, details of which are set out in the Company's announcement dated 4 October 2024.

Loans from related parties

Loans from related parties are unsecured, interest-free and repayable within one year or on demand for the primary purpose of financing the Group's daily operation.

Convertible Bonds

The Group's Convertible Bonds ("CBs") as at 31 March 2025 is solely related to 2023 CBs (as at 31 March 2024: the 2021 CBs and the 2023 CBs).

The derivative financial instruments are related to the early redemption rights held by the Company and classified as an asset to the Group which is re-measured at fair value at the end of each reporting date. The liability component represents the debt portion and is classified as a liability to the Group which is carried at amortised cost. The equity component represents the conversion rights attached to the convertible bonds and is classified as equity to the Group which is not re-measured subsequently.

The decrease in the liability component of the Convertible Bonds was mainly attributable to the transfer of the 2021 CBs to loan from substantial shareholder upon its maturity on 13 December 2024.

The Group's gearing ratio as at 31 March 2025 was as follows:

	As at 31 March	
	2025	2024
	RMB'000	*RMB'000*
Loans from a substantial/controlling shareholder	**449,363**	344,849
Loans from related parties	**50,060**	63,651
Bank and other borrowings	**243,090**	651,630
Trade and other payables	**435,912**	490,797
Less: Cash and cash equivalents	**(5,103)**	(53,635)
Pledged and restricted deposits	**(3,324)**	(5,366)
Net debt	**1,169,998**	1,491,926
Liability component of Convertible Bonds	**48,517**	141,676
(Deficit) equity	**(623,301)**	228,874
Adjusted Capital	**(574,784)**	370,550
Capital and net debt	**595,214**	1,862,476
Gearing ratio	**197%**	80%

The gearing ratio of the Group as at 31 March 2025 increased as compared with that as at 31 March 2024 was mainly attributable to the decrease in the Group's equity as a result of the increase in accumulated losses.

Cash flows for the Group's operating activities

For the year ended 31 March 2025, the Group recorded net operating cash outflow of RMB40.6 million (year ended 31 March 2024: outflow of RMB81.9 million). The outflow was mainly attributable to the gradual settlement of construction cost payable balances arising from the completed properties projects.

COMMITMENTS FOR DEVELOPMENT EXPENDITURE

As at 31 March 2025, the Group had contracted but not provided for commitments in respect of properties under development of RMB64.5 million (as at 31 March 2024: RMB93.3 million). The development expenditure was to be funded by the Group's internal resources and/or project loans.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that may cause the Group's financial conditions or results materially different from the expected or historical results are described below.

Risks pertaining to the property development and management business

The Group's property projects are located in Jilin Province, the PRC and the related assets accounted for 99% of the Group's total assets as at 31 March 2025 (as at 31 March 2024: 94%). The Group is therefore subject to the risks associated with the PRC property market both nationally and regionally. The Group's property development and management business in the PRC may also be exposed to the risks of policy change, interest rate change, demand-supply imbalance and the overall economic conditions, which may pose an adverse impact on the Group's business, financial conditions or results of operations. Given the current condition and uncertainties in the PRC property market, the Group is monitoring closely on the associated risks and focused on the property market in the northeastern region of the PRC in the short-term where the Group has vast local experience and knowledge.

Risks pertaining to the property investment business

The rental rates and the occupancy rates depend on various factors, including but not limited to, prevailing supply and demand conditions, economic conditions as well as the quality of the properties. There is no assurance that the Group will be able to look for new tenants within a short period of time or procure new leases or renew existing leases at the prevailing market rates. The Group has other exit options to realise the property as and when considered necessary.

Financial risks

As a matter of policy, the Group continues to manage the market risks directly relating to its operations and financing activities and does not undertake any speculative derivative trading activities. All treasury risk management activities are carried out in accordance with the Group's policies and guidelines, which are reviewed as and when needed.

Currency risk

As at 31 March 2025, the Group was exposed to currency risk on financial assets and liabilities that were denominated in Hong Kong Dollars (HK$ and United States Dollars (US$)). At 31 March 2025, approximately 2.9% and 0% of the Group's total cash and bank balance (including pledged bank deposit) were denominated in HK$ and US$ respectively (as at 31 March 2024: 10.7% and 74.2%) and 100% of the Group's total borrowings were denominated in RMB (as at 31 March 2024: 100% denominated in RMB). The Group currently does not have a foreign currency hedging policy in respect of foreign current assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises. The Group will continue to monitor the change in the trend of interest rates and the potential causes that trigger large fluctuation in the exchange rates of RMB against HK$ and US$, and will consider hedging significant foreign currency exposure if necessary so as to mitigate the foreign currency exposure arising from the Group's business operation and to minimise the Group's financial risks.

Interest rate risk

As at 31 March 2025, the Group's total bank and other borrowings and interest-bearing loan from a substantial shareholder bore interest at fixed rates ranging from 6% to 10% per annum. Therefore, the Group is not exposed to significant interest rate risk.

Credit risk

As at 31 March 2025, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure to discharge an obligation by the counterparties arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to pledged bank deposits, bank balances and cash and trade and other receivables. Substantially all of the Group's pledged bank deposits and bank balances and cash were deposited in creditworthy global banks and stated-controlled financial institutions in the PRC, which management considers they are without significant credit risks. At the end of the reporting period, the Group has minimal concentration of credit risk as the trade receivables from the largest single customer represented less than 5% (as at 31 March 2024: 5%) of the total trade receivables.

In order to minimise this credit risk relating to trade and other receivables, the management has established credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

In addition, the Group is working closely with various existing and potential financial institutions in order to manage the tenor, interest rate, security pledge and other loan terms.

SIGNIFICANT INVESTMENTS HELD

Other than disclosed elsewhere, the Group did not have any other significant investments held as at 31 March 2025.

CONTINGENT LIABILITIES

The Group has arranged bank financing for certain purchasers of property units developed by subsidiaries of the Group that provided guarantees to secure obligation of such purchasers for repayments. As at 31 March 2025, guarantees amounting to RMB158,154,000 were given to banks with respect to mortgage loans procured by purchasers of property units (as at 31 March 2024: RMB213,050,000). Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate to the purchasers and (ii) the satisfaction of mortgage loans by the purchasers of properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. During the year, the Group did not incur any material losses in respect of any of these guarantees. The Directors consider that the likelihood of default in payments by the purchasers is minimal and therefore the financial guarantee measured at fair value initially is immaterial. Also, in case of default in payments, the net realisable value of the related property units would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

CHARGE ON ASSETS

As at 31 March 2025, the Group had the following assets pledged against bank and other loans (including those associated with disposal group classified as held for sale) granted:

	As at 31 March	
	2025	2024
	RMB'000	*RMB'000*
Investment properties	**216,980**	352,300
Properties under development	**–**	1,166,000
Completed properties held for sale	**8,833**	8,833
Assets associated with disposal group classified as held for sale	**494,128**	–

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group had 178 (as at 31 March 2024: 226) full-time employees. Total staff costs (including directors' emoluments) incurred for the year ended 31 March 2025 amounted to approximately RMB23.0 million (year ended 31 March 2024: RMB26.0 million); the decrease was mainly attributable to the decrease in staff number. The Group's remuneration policy is in line with prevailing market practice and performance of individual staff. In addition to salaries, the Group also offers other benefits to its staff, including share options, discretionary bonus, training allowance and provident fund.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries for the year ended 31 March 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year ended 31 March 2025, the Company endeavors to comply with the Code on Corporate Governance Practices (the "CG Code") as set out in Part 2 of the Appendix C1 of the Listing Rules. The Company considers that it has complied with the CG Code during the financial year.

Subsequent to the year end, the Company has the following deviations from the CG Code as follows:

Following the resignation of Ms. Cui Xintong ("Ms. Cui") from the position of the executive Director and Chairperson of the Board, the Chairperson and member of nomination committee of the Company and member of remuneration committee of the Company on 30 May 2025, the Company will have a single-gender board, which does not meet the diversity requirement under Rule 13.92 of the Listing Rules.

Following resignation of Mr. Wang Xueguang ("Mr. Wang XG") from as an independent non-executive Director, a member of the nomination committee, the audit committee of the Company and the remuneration committee on 30 May 2025, there were only two independent non-executive Directors, namely Mr. Tsang Hung Kei and Mr. Wang Xiaochu. Accordingly, the number of independent non-executive Directors fell below the minimum number of three as required under Rule 3.10(1) of the Listing Rules, the number of independent non-executive directors representing at least one-third of the Board under Rule 3.10A of the Listing Rules and the number of members of the audit committee of the Company fell below the number prescribed under Rules 3.21 of the Listing Rules. As a result, the Company was not in compliance with the requirements under Rule 3.10(1), 3.10A and Rule 3.21 of the Listing Rules during that period.

The Board is in the process of identifying a suitable candidate to fill the vacancy of the independent non-executive Director and of the member of the audit committee and will use its best endeavours to ensure that a suitable candidate is appointed as soon as practicable and, in any event, within three-months pursuant to Rules 3.11 and 3.23 of the Listing Rules.

Details of the above deviations are set out in the Company's announcement dated 30 May 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the year ended 31 March 2025, all Directors have complied with the required standard set out in the Model Code.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed the Group's audited consolidated financial statements and annual results for the year ended 31 March 2025. The Audit Committee is of the view that the consolidated financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

SCOPE OF WORKS OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Company's auditors, Forvis Mazars CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Company's auditors in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Company's auditors on the preliminary results announcement.

EXTRACT FROM DRAFT INDEPENDENT AUDITOR'S REPORT ON THE DRAFT CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Material Uncertainty Relating to Going Concern

We draw attention to the "Going concern basis" section in note 2.1 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared, which states that the Group incurred a net loss of RMB852.9 million for the year ended 31 March 2025 and as of that date, the Group had net current liabilities and net liabilities of RMB942.5 million and RMB623.3 million respectively. Also, the Group's current portion of bank and other borrowings amounted to RMB243.1 million, while its unrestricted cash and cash equivalent amounted to RMB5.1 million. The Group may take longer time than expected to realise cash from the sales of its properties and/or have cash from external financing to meet its loan repayment obligations. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors, having considered the measures to be taken by the Group as disclosed in note 2.1 to the consolidated financial statements, are of the opinion that the Group would be able to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

By order of the Board
Hua Yin International Holdings Limited
Xu Yingchuan
Acting Chairperson and Executive Director

Hong Kong, 30 June 2025

As at the date of this announcement, the executive Directors are Mr. Xu Yingchuan (Acting Chairperson), Mr. Li Junjie, and Mr. Cong Peifeng; the non-executive Directors are Mr. Cui Mindong and Mr. Chiu Sin Nang, Kenny; and the independent non-executive Directors are Mr. Tsang Hung Kei and Mr. Wang Xiaochu.