资源控股
RESOURCES HOLDINGS

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

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

2025/26 ANNUAL REPORT

CONTENTS

2	Company Profile
3	Corporate Information
4–5	Chairman's Statement
6–24	Management Discussion and Analysis
25–37	Corporate Governance Report
38–126	Environmental, Social and Governance Report
127–131	Biographical Details of Directors and Senior Management
132–141	Report of the Directors

142–148	Independent Auditor's Report
149	Consolidated Statement of Profit or Loss
150	Consolidated Statement of Comprehensive Income
151–152	Consolidated Statement of Financial Position
153–154	Consolidated Statement of Changes in Equity
155–156	Consolidated Statement of Cash Flows
157	Notes to Consolidated Financial Statements
278	Particulars of Investment Properties
279	Five-Year Financial Summary
280	Financial Highlights

COMPANY PROFILE

BUSINESS AREAS

Peking University Resources (Holdings) Company Limited ("PKU Resources" or the "Company", together with its subsidiaries, collectively the "Group") was formerly known as EC-Founder (Holdings) Company Limited. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (Stock Code: 618.HK). The Group is principally engaged in medical and pharmaceutical retail, e-commerce and distribution, property development as well as property investment and management in Mainland China (the "PRC"), Singapore and Hong Kong.

The Group operates its retail pharmacies in the PRC under the domestically and internationally reputable brand of "Yekaitai (葉開泰)". As at 31 March 2026, the Group operated a total of 38 retail pharmacies, 15 TCM clinics, 1 beauty clinic, 1 dermatology clinic and an online pharmacy.

The Group's e-commerce and distribution business mainly involves selling consumer electronics, health food products and other products through e-commerce platforms, such as Douyin (抖音) and Jingdong (京東), as well as other distributors.

The Group's property investment business mainly involves leasing its unsold properties completed from prior years. At the same time, the Group, through its subsidiary holding a Type 9 (asset management) licence granted by the Securities and Futures Commission of Hong Kong, is engaged in special opportunities asset management business.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr Wong Kai Ho *(Chairman)*
Mr Huang Zhuguang
Mr Hou Ruilin
Mr Xia Ding

Independent non-executive Directors

Mr Chin Chi Ho, Stanley
Ms Xu Nan
Prof Cheung Ka Yue

COMMITTEES

Audit Committee

Mr Chin Chi Ho, Stanley *(Chairman)*
Ms Xu Nan
Prof Cheung Ka Yue

Remuneration Committee

Prof Cheung Ka Yue *(Chairman)*
Mr Wong Kai Ho
Mr Chin Chi Ho, Stanley

Nomination Committee

Mr Wong Kai Ho *(Chairman)*
Ms Xu Nan
Prof Cheung Ka Yue

COMPANY SECRETARY

Ms Leung Mei King (resigned on 30 January 2026)
Ms Zhang Jiabo (appointed on 30 January 2026)

AUTHORISED REPRESENTATIVES

Mr Wong Kai Ho
Mr Huang Zhuguang

AUDITOR

CCTH CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

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

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

SHARE REGISTRARS AND TRANSFER OFFICE

Principal registrar

Ocorian Services (Bermuda) Limited
Victoria Place
5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Hong Kong branch share registrar and transfer office

TRICOR INVESTOR SERVICES LIMITED
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

LISTING INFORMATION

Main Board of The Stock Exchange of Hong Kong Limited
Stock Code: 00618
Board Lot: 8,000 shares

COMPANY WEBSITE

www.pkurh.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

Looking back at 2025, the global economy remained in a period of subdued recovery, while international trade frictions, geopolitical conflicts, persistent inflationary pressures and the prolonged high interest environment, further intensified uncertainties in the global economic landscape. In the face of complex and severe external challenges, China's economy demonstrated remarkable resilience. Macroeconomic policies continued to stabilise growth and promote economic transformation, accelerating the transition from traditional to new growth drivers and providing stable policy support and a favourable market environment for enterprises to optimise their structures and pursue high-quality development.

During the Reporting Year, the Group completed a key strategic realignment. In August 2025, the Group established a partnership with two independent third parties and injected certain property development projects into the partnership. Through this restructuring, the related default loans and provisions for guarantees were deconsolidated from the consolidated financial statements of the Group, effectively eliminating historical risks and substantially strengthening the Group's financial position. The Group achieved total revenue of approximately RMB1.55 billion, representing a year-on-year decrease of 4.1%. Benefiting from the disposal of risk assets and the optimisation of its business structure, the Group successfully turned a loss into a profit and recorded a profit of approximately RMB1.65 billion, with its overall financial position significantly improved. Following this transaction, the Group no longer holds any property development projects under development, enabling it to focus its resources on developing its core businesses with stronger earnings potential, including healthcare and pharmaceutical retail, as well as e-commerce and distribution.

As the Group's core growth engine, the e-commerce and distribution business generated revenue of RMB940 million during the Reporting Year, representing a year-on-year increase of 31.5%, while segment operating profit rose significantly to RMB30 million, demonstrating strong growth momentum. Currently, the Group has established an integrated omnichannel marketing system covering major e-commerce platforms as well as content-driven channels such as Douyin and Xiaohongshu, and has developed mature full-funnel operational capabilities, and provides one-stop e-commerce distribution and digital operation services to a number of well-known brands, including Huawei, Joyoung and Jinlingyu, with its industry service capabilities and market recognition continuing to improve.

Leveraging the strong brand heritage of the century-old brand "Ye Kai Tai", the Group's medical and pharmaceutical retail business has continued to develop a differentiated business model integrating "physical pharmacies + specialized traditional Chinese medicine consultations", promoting the deep integration of pharmaceutical retail, traditional Chinese medicine consultations and healthcare services. During the Reporting Year, the Group added a Ye Kai Tai traditional Chinese medicine clinic and retail pharmacy complex in Wuhan, enhancing its regional offline presence. Meanwhile, the Group continued to optimise its store structure by closing and consolidating underperforming stores, while focusing on improving the efficiency and revenue generation of high-performing stores, resulting in a steady improvement in overall operational quality. Affected by intensifying industry competition and goodwill impairment losses recognised in previous periods, the medical and pharmaceutical retail segment recorded revenue of RMB160 million during the Reporting Year, representing a year-on-year decrease of 18.7%, with a segment operating loss of RMB50 million. To alleviate the temporary operational pressure, the Group accelerated its digital transformation by establishing an integrated online "Ye Kai Tai Health" service platform and actively developing digital businesses such as O2O instant pharmaceutical delivery and online pharmaceutical retail. By leveraging online traffic to empower offline physical outlets, the Group promoted the integration of online and offline operations and aimed to restore the segment's profitability.

With respect to the real estate business, the Group remained committed to its strategic contraction and the optimisation of its existing portfolio. During the Reporting Year, the property development business generated turnover of approximately RMB380 million, representing a year-on-year decrease of 37.7%, while the property investment and management business generated turnover of approximately RMB80 million, representing a year-on-year decrease of 25.0%. The Group currently has no property development projects under construction and has fully transitioned to the operation of its existing asset portfolio. Going forward, the Group will continue to advance the leasing and disposal of completed property assets in an orderly manner, revitalise its existing assets and generate operating cash inflows to provide financial support for the development of its core businesses. At the same time, leveraging its subsidiary holding a Type 9 (Asset Management) licence issued by the Securities and Futures Commission of Hong Kong, the Group will prudently develop its special opportunity assets investment business, cultivate diversified sources of revenue and enhance the Group's earnings mix.

Looking ahead, the Group will seize the strategic opportunities arising from the national "15th Five-Year Plan" in relation to the digital economy and the healthcare industry, uphold the philosophy of "prudent operations and innovative development", and continue to deepen the upgrading of its business structure. The e-commerce and distribution segment will continue to refine its omnichannel system, deepen digitalisation and advance supply chain upgrades, actively explore new cross-border e-commerce business models, and cultivate long-term growth engines. The medical and pharmaceutical retail segment will accelerate the integration of the "pharmacies + traditional Chinese medicine consultations + digital health" model, strengthen its brand influence and service capabilities, and achieve steady recovery and growth. The property investment and management segment will leverage the professional advantages of its licensed institutions, prudently conduct special asset investments, and build a diversified and resilient income structure.

On behalf of the Board of Directors, I would like to express my sincere gratitude to all employees for their hard work throughout the year, and extend my heartfelt appreciation to our shareholders and business partners for their longstanding trust and support. The Group will continue to capitalise on industry policy opportunities, focus on the steady operation of its core businesses, continuously enhance its overall core competitiveness and create long-term stable returns for all shareholders.

Wong Kai Ho
Chairman
30 June 2026

Management Discussion and Analysis

MARKET REVIEW

Looking back at 2025, the global economy continued its arduous recovery amid a complex environment. The high-interest-rate environment persisted, and although trade tariff disputes eased somewhat, geopolitical conflicts continued in multiple regions. The outbreak of war in the Middle East in 2026 led to rising oil prices and rekindled inflationary concerns, further amplifying uncertainties in the global economy. Notwithstanding the complex and challenging external environment, China's economy demonstrated robust resilience. The government implemented precise and targeted measures, adopted more proactive macro policies to accelerate the transition from old to new growth drivers. During the year, GDP amounted to RMB134.6 trillion at constant rate, representing a year-on-year increase of 5.0%; disposable income per capita increased by 5.0%; and total retail sales of consumer goods amounted to RMB50.1 trillion, representing a year-on-year increase of 3.7%.

Medical and Pharmaceutical Retail

The year 2025 marked a pivotal year of intensified regulatory oversight and deep structural transformation for the pharmaceutical retail industry. Healthcare insurance and drug regulatory policies were tightened across the board, compliance costs rose significantly, and the industry underwent accelerated consolidation amid a wave of store closures, resulting in continuously rising market concentration. Pharmacies are transitioning from drug retail outlets towards health services. Since the total number of retail pharmacies nationwide reached its historical peak in the third quarter of 2024, the aggregate store count has recorded negative growth for several consecutive quarters, and the industry has formally entered a new phase of "orderly consolidation".

A series of significant policy measures were introduced and implemented, guiding the transformation and upgrading of the retail pharmacy industry. In March 2025, the National Healthcare Security Administration and three other government departments jointly issued the Notice on Strengthening the Collection and Application of Drug Traceability Codes in the Fields of Medical Security and Work-related Injury Insurance (《關於加強藥品追溯碼在醫療保障和工傷保險領域採集應用的通知》), which stipulated the mandatory implementation of the "no code, no payment" requirement for drug traceability codes. With effect from 1 July 2025, designated retail pharmacies under the medical insurance scheme are required to scan traceability codes at the point of sale; failure to scan will result in the suspension of medical insurance settlement, and all uncoded drugs are required to be cleared before the end of 2025. In April 2025, the Ministry of Commerce, the National Health Commission, the National Medical Products Administration and other departments jointly issued the Special Action Plan for Promoting Health Consumption (《促進健康消費專項行動方案》), which for the first time systematically mapped out a development pathway for the health consumption sector. The plan positioned retail pharmacies as "core venues for health promotion", and guided retail pharmacies to expand their functions in health promotion and nutritional healthcare; instructed local authorities to incorporate eligible medical service items into local medical insurance payment coverage through established procedures; supported innovation in "Internet Plus" healthcare service models; and, by leveraging the national unified medical insurance information platform, deepened the application of electronic medical prescriptions and promoted the smooth circulation of electronic prescriptions across designated medical institutions, thereby meeting demand for convenient pharmaceutical services. The plan also called for harnessing the professional advantages of licensed pharmacists at retail pharmacies to conduct health knowledge consultation and publicity activities on rational drug use and chronic disease management, and to promote the concept of health consumption. In January 2026, the Ministry of Commerce, the National Health Commission and other departments jointly issued the Opinions on Promoting High-Quality Development of the Drug Retail Industry (《關於促進藥品零售行業高質量發展的意見》), setting out five aspects comprising eighteen specific measures. The document explicitly called for promoting the transformation of pharmacies from traditional "drug retail terminals" to "community health stations", encouraged retail pharmacies to conduct mergers and acquisitions in accordance with the law, and promoted integrated wholesale and retail development. The issuance of this national-level policy for high-quality development of the industry serves to guide the pharmaceutical retail sector towards more specialised, intensive, digital and standardised development, thereby providing policy guidance for the transformation and upgrading of the industry. In January 2026, the amended Regulations for the Implementation of the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法實施條例》) were promulgated, which further improved the regulatory framework governing the online sale of pharmaceutical products, reinforced the responsibilities of third-party platform operators engaged in online drug transactions, and clearly defined the categories of drugs prohibited from being sold online, whilst encouraging the realisation of prescription outflow through information technology means.

Amidst this industry backdrop, pharmaceutical e-commerce (O2O/B2C) has maintained rapid growth and has become an indispensable core channel in the industry's development; consumer demand is also extending from simply purchasing medicine to diversified services such as medication guidance, disease education and health management. The omnichannel layout of "online + offline integration and pharmacy + medical service linkage" has become the mainstream direction for the development of the pharmaceutical retail industry. Despite facing multiple challenges such as declining customer traffic and shrinking profits, the pharmaceutical retail industry currently presents significant development opportunities, including accelerated prescription outflow, deepening digital transformation and vast potential for expansion in lower-tier markets. In the future, China's pharmaceutical retail industry will continue to advance towards deep integration of all channels, upgraded professional services, diversified business expansion and enhanced market concentration.

E-commerce and Distribution Business

Since 2025, under the overall guidance and policy promotion of national authorities such as the Ministry of Commerce, China's e-commerce industry has maintained a healthy development trend. The industry has not only become a core driving force for consumer market growth, but also plays a crucial supporting role in cultivating new productive forces and promoting the deep integration of digital economy and real economy.

According to official data released by the National Bureau of Statistics, during 2025, the total retail sales of consumer goods nationwide amounted to RMB50.1 trillion, representing a year-on-year increase of 3.7%; among which, online retail sales exceeded RMB16.0 trillion, representing a year-on-year increase of 8.6%; online retail sales of physical goods amounted to RMB13.1 trillion, representing a year-on-year increase of 5.2%, and accounted for 26.1% of total retail sales of consumer goods. In the first quarter of 2026, total nationwide online retail sales of goods and services amounted to RMB5.0 trillion, representing a year-on-year increase of 8.0%, of which online retail sales of goods amounted to RMB3.2 trillion, representing a year-on-year increase of 7.5%. In terms of specific segments, for the consumption of quality goods, categories such as quality home appliances and customised services showed significant growth momentum; for the consumption of online services, sub-sectors such as online healthcare and paid knowledge services saw growth rates exceeding the overall level of the e-commerce industry. Meanwhile, the deep application of artificial intelligence technology in scenarios such as precise suggestion algorithms and intelligent customer service systems, as well as the practical implementation of big data technology in areas such as dynamic optimisation of supply chain inventory and demand forecasting, have laid a solid foundation for the continued growth of the e-commerce industry from multiple dimensions, including improved operational efficiency, optimised user experience and strengthened cost control.

In the rapid development of the e-commerce industry, the supporting legal system has been improving and iterating simultaneously, providing institutional guarantees for the standardised development of the industry. The State Administration for Market Regulation has continued to promote the implementation of the E-commerce Law of the People's Republic of China (《中華人民共和國電子商務法》) and the Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), ensuring that regulatory work is based on law and regulations.

Meanwhile, it has formally promulgated the Implementation Regulations of the Consumer Rights Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法實施條例》), elevating core regulatory requirements such as "public disclosure of the authentic information of live streamers" and "compliance review of livestream content" from the Measures for the Administration of Online Livestream Marketing (《網絡直播營銷管理辦法》), the previous normative document, to legal responsibilities. In response to prominent issues within the industry, such as data security risks, false advertising in livestreams and infringement of consumer rights, regulatory authorities have further strengthened supervision in areas such as data security, livestream e-commerce and platform responsibility, and have orderly promoted the formulation and revision of industry standards in various segments, clarifying the compliance boundaries and bottom-line requirements for industry operations.

In terms of specific regulatory measures, the Interim Measures for Law Enforcement Cooperation in Online Transactions (《網絡交易執法協查暫行辦法》) officially came into effect in January 2025. By clarifying the scope of application, operating procedures and data standards for law enforcement cooperation, it further opened up collaborative channels between national and local market supervision departments, and between regulatory departments and platform enterprises, significantly improving the efficiency and accuracy of cross-region and cross-platform law enforcement inspections, and improving the collaborative governance model of "government supervision + platform self-governance". In April 2025, the Interim Measures for the Management of Compliance Data Reporting in Online Transactions (《網絡交易合規數據報送管理暫行辦法》) were issued and implemented, clarifying the scope and time limits for transaction records, complaint handling data and merchant qualification information that platform enterprises were required to report. This promoted the transformation of the regulatory model from the traditional "post-event accountability" to a penetrating supervision of "pre-event warning, in-event control and post-event traceability", effectively improving the overall effectiveness and risk prevention and control capabilities of online transaction supervision. In December 2025, the State Administration for Market Regulation, in conjunction with the Cyberspace Administration of China, promulgated the Measures for the Supervision and Administration of Rules of Online Trading Platforms (《網絡交易平台規則監督管理辦法》), which required clearly defined responsibilities for platform enterprises, further enhanced the transparency of platform rule-making, imposed constraints on platform rights and strengthened the operational autonomy of merchants. The measures set out detailed requirements for the formulation and amendment of platform rules, including the establishment of a public notice period, the solicitation of public comments, the setting of transition periods, and consultation mechanisms for material matters, thereby safeguarding the rights of participation and access to information of relevant stakeholders, including merchants and consumers operating within the platforms.

Currently, while continuously deepening routine law enforcement inspections, regulatory authorities have established a diversified consumer dispute resolution mechanism combining "platform-led mediation + administrative complaint handling" to effectively safeguard the legitimate rights and interests of consumers and compliant businesses. Major e-commerce platforms are also proactively fulfilling their responsibilities, updating and improving their platform operation rules, and issuing detailed documents such as lists of penalties for violations and guidelines for compliant business operations to guide merchants on their platforms to standardise their business practices. Ultimately, this will form a collaborative governance structure of "regulatory guidance, platform implementation and industry association self-regulation", thus jointly promoting the e-commerce industry towards higher efficiency, better order, and more sustainable high-quality development.

Real Estate Business

Whilst China's real estate market remained stable overall, it continued to face multiple pressures, in particular the persistent difficulties encountered by private property developers in securing financing and achieving sales. Since 2025, the government has continued to introduce a series of supportive policies, including the incorporation of market stabilisation measures into the policy framework for stimulating consumption, the removal of purchase restrictions, reductions in the minimum down payment ratios and mortgage lending rates, increases in housing provident fund loan limits, the expansion of financing whitelists for property developers, and reductions in reserve requirement ratios and benchmark interest rates by the People's Bank of China. The coordinated implementation of this comprehensive package of real estate policies by multiple government departments demonstrates the government's sustained and resolute commitment to supporting the broader economy and the real estate sector. Nonetheless, market confidence remains insufficient, and it is anticipated that the overall real estate sector will continue to await recovery, with the outlook remaining challenging. The restoration of China's real estate industry is expected to be a gradual and protracted process.

At the data level, the sales of newly-built commodity housing in China during 2025 amounted to approximately RMB8.4 trillion, and the sales area of commodity housing amounted to approximately 0.88 billion square meters, representing a decrease of 12.6% and 8.7% respectively, as compared to that of 2024. New construction area of properties in China was 590 million square meters, representing a decrease of 20.0% year-on-year. The investment in real estate development in China amounted to approximately RMB8.3 trillion, representing a decrease of 17.2% as compared to that of 2024. In the first quarter of 2026, the sales volume of newly-built commodity housing nationwide amounted to RMB1.7 trillion with a sales area of 200 million square meters, representing a decrease of 16.7% and 10.4% respectively year-on-year. New construction area of properties in China was 100 million square meters, representing a decrease of 20.3% year-on-year. The investment in real estate development in China amounted to approximately RMB1.8 trillion, representing a decrease of 11.2% year-on-year. Currently, the real estate market is continuing its downturn and bottoming cycle and there is a need for further accumulation in the recovery momentum of the industry.

OPERATING REVIEW

Medical and Pharmaceutical Retail

The Group operates its retail pharmacies in the PRC under the domestically and internationally reputable brand of "Ye Kai Tai (葉開泰)". Ye Kai Tai continues to deepen its "pharmacy + traditional Chinese medicine" store operation model, focusing on strengthening the deep integration of drug retail and medical services. The Group has added one Ye Kai Tai traditional Chinese medicine (TCM) clinic and retail pharmacy complex in Wuhan. Meanwhile, it focuses on improving the operational efficiency and profitability of existing stores, closing certain inefficient stores. As of 31 March 2026, the Group operated 38 retail pharmacies, 15 TCM clinics, 1 beauty clinic, 1 dermatology clinic and an online pharmacy, further increasing investment in online business resources and comprehensively developing its pharmaceutical e-commerce (B2C) and O2O instant delivery business segment.

In October 2025, Ye Kai Tai officially launched the "Ye Kai Tai Health" digital APP platform. This platform, with its core supported by the deep integration of artificial intelligence and big data technologies, constructs a full-chain service system covering "intelligent consultation – syndrome differentiation and medication recommendation – health management – drug delivery". It utilises artificial intelligence tools, membership system, and WeChat to conduct private domain traffic operations, which effectively increase user repurchase rates and achieve market differentiated competition. Moreover, the Group established Resohealth FZCO ("ResoHealth") in Dubai, UAE. Leveraging its industrial resources and global premium medical resources, ResoHealth deeply integrates Ye Kai Tai's 400-year-old "prevention of disease" tradition with modern artificial intelligence technology, independently developing the LetsGo digital health platform to provide global users with a full-chain health service covering prevention, screening, management and intervention. ResoHealth focuses on the corporate health management market, providing quantifiable and sustainable health solutions for employers, insurance companies, and medical institutions through AI-driven health services, a compliant and efficient data architecture, and a deeply integrated partner network, helping Dubai and the Middle East's healthcare system transform towards a "value-based medical" paradigm.

During the year ended 31 March 2026 (the "Reporting Year"), the medical and pharmaceutical retail business of the Group recorded a turnover of approximately RMB155.1 million (year ended 31 March 2025: RMB190.8 million), representing a decrease of 18.71% as compared to the year ended 31 March 2025. The segment recorded a loss of RMB54.7 million (year ended 31 March 2025: a loss of RMB0.1 million).

During the Reporting Year, traditional offline pharmacies faced dual pressures from changes in industry policies and evolving consumer habits, resulting in high fixed costs and a continuous decline in customer traffic. The Group closed down certain under performing stores, which led to a decrease in turnover and an increase in loss for the Reporting Year. In addition, based on the results of the impairment test, an impairment loss on goodwill relating to the medical and pharmaceutical retail businesses of approximately RMB38.6 million was recognised during the Reporting Year, resulting in a further increase in segment loss. The Company seized the development opportunities presented by "Internet + Pharmaceutical Distribution," focusing on establishing and cultivating O2O on-demand medication delivery and B2C online pharmaceutical e-commerce digital business models. By integrating online traffic generation, offline fulfillment, and remote pharmaceutical services, the Company used the incremental revenue from online operations to offset the profit shortfall in its existing offline business, thereby upgrading its channel structure and forging new competitive advantages through omnichannel synergy.

E-commerce and Distribution

Since 2025, China's consumer market has presented a clear recovery trend, with policy benefits continuing to be released and driving the optimisation and upgrading of the consumption structure, and new consumption models and fields emerging constantly. As the core business segment of the Group, the Company focuses on the e-commerce business of consumer electronics and supplements, providing online market expansion services to well-known domestic brands such as Joyoung, Huawei, Xiaomi, Jinlongyu and Aodong, assisting brands in increasing their online channel penetration and market share. In terms of platform layout, the Group has achieved full entry into mainstream comprehensive e-commerce platforms such as JD.com, Taobao, Pinduoduo and Vipshop, building a multi-form trade model of "brand self-operation + channel distribution + platform cooperation" to achieve full channel exposure, precise promotion and efficient sales loop for products to end consumers. Facing a market environment where content marketing has become the mainstream trend, the Group accurately grasps the changes in the traffic ecosystem and conducts in-depth operations on emerging social content platforms such as Douyin, Xiaohongshu, Kuaishou and WeChat Video Account. Leveraging precise insights into consumer needs and psychology, combined with big data-driven user profiling capabilities, the Group customises content materials that align with the ecosystem characteristics and target audience preferences of each platform. Through scenario-based storytelling, the Group builds an emotional connection between consumers and brands, achieving resonant dissemination of brand value and driving explosive growth in the influence of collaborative brands. Through long-term business practice, the Group has accumulated rich experience in brand lifecycle management, gradually forming core competencies in data insight, marketing planning, operational execution and performance review. By leveraging the omni-channel synergy between the e-commerce ecosystem and content platform, the Group continuously enhances the resilience and stability of its business growth, achieving a significant increase in revenue.

During the Reporting Year, the e-commerce and distribution business of the Group recorded a turnover of approximately RMB936.1 million, representing an increase of 31.50% as compared to the Corresponding Period (year ended 31 March 2025: RMB711.9 million). The segment recorded a profit of RMB29.6 million (year ended 31 March 2025: RMB13.5 million).

The Group's e-commerce and distribution business achieved significant revenue growth and profit improvement, driven by a recovery in the consumer market, the enhancement of its omnichannel online presence, and the continued expansion of its product portfolio. Leveraging omnichannel content marketing, the Group has driven a steady increase in sales scale. Moving forward, the Group will optimize operations and inventory management, strictly control operating costs, and leverage its omnichannel e-commerce operational strengths to solidify its foundation and drive long-term, steady business growth.

Real Estate Business

Property Development

As at 31 December 2025, the Group had 11 property development projects across 7 cities in Mainland China. The total area of the properties held for sale, properties under development and area pending construction amounted to approximately 1,914,553 square meters. On 7 May 2025, the Company (as subordinated limited partner) established a partnership (the "Partnership") with Suzhou Aoze Enterprise Management Co., Ltd. ("Suzhou Aoze") (as general partner) and Chongqing Jingjiahui Industry Co., Ltd. ("Chongqing Jingjiahui") (as preferred limited partner). The capital contribution was completed by the Company by way of injecting the entire shareholding interest in the On Tai International Investment Group (Hong Kong) Limited ("Disposal Company") and its subsidiaries ("Disposal Group") into the Partnership. The Disposal Group comprises the Disposal Company and 16 subsidiaries held by the Disposal Company, of which six carry on property development business in the PRC. Upon completion of the transaction on 11 August 2025, the Group would no longer own any real estate development projects which are in the development stage. During the Reporting Year, contracted sales of properties and contracted gross floor area ("GFA") amounted to approximately RMB420 million and approximately 85,000 square meters, respectively, with an average selling price of approximately RMB5,084.51 per square meter. As at 31 March 2026, the total area of properties of the Group still held for sale amounted to approximately 284,300 square meters.

During the Reporting Year, the turnover of the Group's property development business decreased by 37.7% to approximately RMB377.3 million (year ended 31 March 2025: RMB605.2 million). The segment recorded a profit of approximately RMB2,211.8 million (year ended 31 March 2025: a loss of approximately RMB2,184.3 million). During the Reporting Year, the decrease in segment turnover was primarily attributable to a reduction in the delivered area of property development projects. The segment recorded a profit, which was attributable to the gain arising from the disposal of the Disposal Group.

Property Investment and Management

During the Reporting Year, the turnover of property investment and management business decreased by 25.02% to approximately RMB83.0 million (year ended 31 March 2025: RMB110.7 million). The segment recorded a loss of approximately RMB440.6 million (year ended 31 March 2025: loss of approximately RMB133.0 million). The decrease in segment turnover was attributable to the reduction in leasable area arising from the disposal of the Disposal Group and the sale of certain investment properties during the Reporting Year. The segment loss was mainly due to the increase in the fair value loss on investment properties during the Reporting Year to approximately RMB206.6 million (year ended 31 March 2025: fair value gain of approximately RMB10.7 million) and the decrease in gross profit on rented GFA during the Reporting Year.

FINANCIAL REVIEW

Overall Performance

During the Reporting Year, the Group recorded a profit of approximately RMB1,645 million (year ended 31 March 2025: a loss of approximately RMB2,519.6 million). The turnaround from a loss to a profit during the Reporting Year was mainly attributable to the combined effects of the following factors:

a. The Group's revenue for the year decreased slightly by 4.14% year-on-year to approximately RMB1,551.5 million (year ended 31 March 2025: approximately RMB1,618.5 million). Revenue structure showed a mixed trend: The e-commerce and distribution business achieved year-on-year revenue growth of approximately RMB224.235 million, driven by the launch of new e-commerce platforms and the expansion of product lines. At the same time, revenue in certain segments declined: Revenue from the medical and pharmaceutical retail business decreased by approximately RMB35.695 million due to the closure of some underperforming stores; the property development business saw revenue decrease by approximately RMB227.887 million due to the disposal of the Disposal Group and a decline in delivered floor area; revenue from the property investment and management business decreased slightly by approximately RMB27.664 million;

b. Benefiting from the ongoing optimization of its business structure and an increase in the proportion of high-gross-margin businesses, the overall gross profit of the Group improved significantly, recording a gross profit of approximately RMB115.138 million (year ended 31 March 2025: a loss of approximately RMB53 million), representing a year-on-year increase of approximately RMB168.144 million, which effectively offset the operating pressure resulting from the contraction in the scale of the property development business;

c. The total sales and distribution expenses, and administrative expenses of the Group for the current year decreased by 27.00% year-on-year to approximately RMB259.501 million (year ended 31 March 2025: approximately RMB355.441 million), The significant decrease in expenses was primarily attributable to the Group's disposal in July 2025 of the Disposal Group, as well as the streamlining of the organizational structure and the implementation of strict cost control measures, resulting in continued improvements in overall operational efficiency;

d. During the current year, the Group disposed of the Disposal Group, interests in certain subsidiaries engaged in property development, property investment, and property management, and recognised the related gains on disposal, which contributed to other gains and total profit for the year amounting to approximately RMB2,163.3 million;

e. Other expenses and losses for the current year narrowed significantly to approximately RMB173.9 million (year ended 31 March 2025: approximately RMB1,614.239 million), This change was primarily attributable to a corresponding reduction in the provision set aside for the anticipated guarantee liabilities of a subsidiary of Hong Kong Huzi Limited (the Group sold Hong Kong Huzi Limited on 25 March 2022, subject to the continued validity of the relevant guarantee obligations) after the disposal of the Disposal Group;

f. Following the disposal of the Disposal Group in August 2025, the Group's interest-bearing financial debt was significantly reduced, and financial expenses decreased by 38.06% year-on-year to approximately RMB78.510 million (year ended 31 March 2025: approximately RMB126.749 million); and

g. Due to a decrease in domestic corporate income tax and land appreciation tax expenses for the current year, the Group's tax expense decreased by approximately RMB64.247 million year-on-year. An income tax gain of approximately RMB1.171 million was recorded during the year (year ended 31 March 2025: income tax expense of approximately RMB63.076 million).

The profit attributable to the owners of the Company for the Reporting Year was approximately RMB1,783.484 million (year ended 31 March 2025: loss of approximately RMB2,339.899 million) and the loss attributable to non-controlling interests of the Group was RMB138.474 million (year ended 31 March 2025: loss of approximately RMB179.713 million).

Basic and diluted profit per share attributable to owners of the Company for the Reporting Year were approximately RMB65.15 cents (year ended 31 March 2025: loss of RMB85.99 cents).

Liquidity, Financial Resources and Capital Commitments

During the Reporting Year, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in the PRC. As at 31 March 2026, the Group had fixed-rate interest-bearing bank and other borrowings of approximately RMB129.1 million (31 March 2025: approximately RMB1,767.3 million). The borrowings, which were subject to little seasonality, consisted mainly of bank loans, trust loans, and borrowings from other institutions. All interest-bearing bank and other borrowings are denominated in RMB, with approximately RMB51.7 million (31 March 2025: RMB1,566.1 million) repayable within one year, approximately RMBNil (31 March 2025: RMB201.2 million) repayable within two years and approximately RMB77.4 million (31 March 2025: RMBNil) repayable within three years. The Group's banking facilities and other borrowings were secured by certain properties held for sale of the Group, receivables from certain subsidiaries of the Group, and equity interests of certain subsidiaries of the Group. The decrease in other payables and accruals by 55.23% to approximately RMB979.7 million (31 March 2025: RMB2,188.4 million) was due to the disposal of the Disposal Group.

As at 31 March 2026, the Group recorded total assets of approximately RMB3,849.4 million (31 March 2025: RMB10,212.8 million), total liabilities of approximately RMB2,074.2 million (31 March 2025: RMB9,815.7 million), non-controlling interests of approximately RMB1,185.5 million (31 March 2025: RMB1,653.3 million) and equity attributable to owners of the Company of approximately RMB589.7 million (31 March 2025: loss attributable to owners of the Company of approximately RMB1,256.2 million). The Group's net asset value per share as at 31 March 2026 was RMB64.85 cents (31 March 2025: RMB10.6 cents). The increase in net asset value per share was attributable to the turnaround from a loss to a profit for the Reporting Year.

As at 31 March 2026, the Group had total cash and cash equivalents and restricted cash of approximately RMB306.5 million (31 March 2025: RMB661.1 million). As at 31 March 2026, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity, was 0.07 (31 March 2025: 4.45) while the Group's current ratio was 1.33 (31 March 2025: 0.88).

As at 31 March 2026, following the disposal of the Disposal Group, the Group no longer had any contracted but not provided capital commitments in respect of properties under development (31 March 2025: RMB766 million).

Treasury Policies

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

Market risk

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

Interest rate risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's interest- bearing bank and other borrowings. The Group has not used derivative financial instruments to hedge any interest rate risk. All interest-bearing bank and other borrowings bear interest at fixed rates, resulting in stable interest expenses over the term of the instruments; fluctuations in market interest rates do not directly affect interest costs.

Foreign exchange risk

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

Credit risk

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

Liquidity risk

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

Charges on Assets

As at 31 March 2026, properties held for sale of approximately RMB263.3 million (31 March 2025: RMB634.5 million), accounts receivable of approximately RMB52.7 million (31 March 2025: RMB48.7 million), bank deposits of approximately RMB4.5 million (31 March 2025: RMB59.7 million), and equity interests of certain subsidiaries were pledged to banks and other financial institutions to secure general banking facilities and loans granted.

Contingent Liabilities

As at 31 March 2026, the Group had contingent liabilities as follows:

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

(2) After the disposal of the Disposal Group, the Group did not have contingent liabilities relating to guarantees mainly in respect of mortgage facilities granted by any banks to any purchasers of the Group's properties (31 March 2025: RMB850.2 million). Pursuant to the terms of the guarantees, in the event of default in mortgage payments by these purchasers, the Group is liable for repayment of the outstanding mortgage principals owed by the defaulting purchasers together with the accrued interest and penalty to the banks, while the Group is entitled to take over the legal titles and possession of the relevant properties. The guarantees shall be discharged upon: (i) issuance of real estate ownership certificates which are generally issued within three months after the purchasers take possession of the relevant properties; and (ii) repayment of the mortgage loans by the purchasers of the properties, whichever is earlier.

The Group considers that in the event of default by the purchasers of the properties, the net realisable value of the relevant properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in respect of such guarantees in the financial statements. As a result of the said disposal, there are currently no such guarantees outstanding, and no provision was recognised in the audited annual consolidated financial information of the Group during the Reporting Year (31 March 2025: Nil).

MAJOR LITIGATIONS

As at 31 March 2026, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

(1) In the case of unjust enrichment dispute between Shenzhen Ping An Huitong Investment Management Co., Ltd. * (深圳平安滙通投資管理有限公司) ("Ping An Huitong") and Foshan PKU Resources Real Estate Co., Ltd.* (佛山北大資源地產有限公司) ("Foshan PKU"), a subsidiary of the Group, the Guangdong Higher People's Court issued a civil judgment on 18 December 2023 in favor of Foshan PKU under case number (2022) Yue Min Zhong 1901. Ping An Huitong, dissatisfied with the aforementioned judgment, applied to the Supreme People's Court for retrial. Ping An Huitong requested revocation of the aforementioned judgment and a new judgment ordering Foshan PKU to: (1) return the final payment RMB186,996,470 for purchasing house which was already received by Foshan PKU to Ping An Huitong; (2) pay the interest on the aforementioned amount calculated at an annual interest rate of 8% from 9 December 2019 to the date of return; (3) pay the attorney fees for Ping An Huitong of RMB450,000 for the case; and (4) bear the litigation costs of the first and second instances of the case. On 31 March 2025, the Supreme People's Court made a ruling to retry the case. Currently, the case is still pending. On 9 September 2025, Ping An Huitong commenced a separate legal action (the "New Litigation") before the People's Court of Sanshui District, Foshan City, seeking an order that Foshan PKU return an additional outstanding balance of the purchase price in the amount of RMB24,358,271 together with the corresponding interest. On 14 April 2026, the People's Court of Sanshui District, Foshan City ruled to stay the New Litigation on the ground that the Retrial Case, which is related to the New Litigation, has not yet been concluded.

* *For identification purposes only*

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2026, the Group did not have any specific future plans for material investments or capital assets (31 March 2025: Nil). Nonetheless, the Group is always seeking new investment opportunities in the medical and pharmaceutical retail business and e-commerce business, in order to broaden the revenue stream and profitability of the Group and enhance long-term shareholders' value.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

(1) During the year, the Company entered into a partnership agreement with two independent third parties not connected to the Group, pursuant to which the Company agreed to establish a partnership (the "Partnership") with such two independent third parties and to contribute RMB30,000,000 to the Partnership. Such contribution shall be settled by contributing all of the interests in the Company's direct wholly-owned subsidiary, On Tai International Investment Group (Hong Kong) Limited ("On Tai"), to the Partnership. Consequently, the formation of the Partnership and the Company's capital contribution to the Partnership resulted in the Company's disposal of its interest in On Tai and its subsidiaries (the "On Tai Group"). On Tai Group consists of On Tai and 16 subsidiaries held by On Tai, including: (i) Beijing Deyuehe Project Management Co., Ltd.* (北京德悦合項目管理有限公司); (ii) Chongqing Shiteng Property Company Limited* (重慶世騰置業有限公司); (iii) Chongqing Yayuan Henghui Information Technology Co., Ltd.* (重慶雅源恒輝信息技術有限公司); (iv) Chongqing Yingfeng Property Co., Ltd.* (重慶盈豐地產有限公司); (v) Chongqing Yuanchuang Target Real Estate Co., Ltd.* (重慶源創目標置業有限公司); (vi) Chongqing Yueruihe: Chongqing Yueruihe Real Estate Co., Ltd.* (重慶悅睿和置業有限公司); (vii) Hong Kong Resources Yingyue Limited (香港資源盈悅有限公司); (viii) Hong Kong Yingfung Holding Limited* (香港盈豐控股有限公司); (ix) Kaifeng Boyuan Real Estate Development Co., Ltd.* (開封博元房地產開發有限公司); (x) Tung Yuen Resources (HK) Limited (東原資源(香港)有限公司); (xi) Wuhan Jinxiang Asset Management Co., Ltd.* (武漢錦祥資產管理有限公司); (xii) Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.* (武漢天合錦程房地產發展有限公司); (xiii) Wuhu Xinying Investment Partnership Enterprise (Limited Partnership)* (蕪湖信盈投資合夥企業 有限合夥)) ("Wuhu Xinying"); (xiv) Yuxi Hongyue Commercial Operational Management Co., Ltd.* (玉溪鴻悅商業運營管理有限公司); (xv) Yuxi Runya Property Company Limited* (玉溪潤雅置業有限公司); and (xvi) Zhejiang Peking University Resources Real Estate Co., Ltd.* (浙江北大資源地產有限公司). On Tai Group is primarily engaged in property development in Mainland China. The disposal was completed on 11 August 2025.

(2) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected to the Group to dispose of the Group's 100% interest in Hangzhou Linghangxing Entity Management Limited ("Hangzhou Linghangxing"), an indirect wholly-owned subsidiary of the Company, for a consideration of approximately RMB1,000,000. Hangzhou Linghangxing is primarily engaged in property investment and management in Mainland China. The disposal was completed on 19 September 2025.

(3) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected to the Group to dispose of the Group's 70% interest in Chongqing Yuefeng Real Estate Co., Ltd.* (重慶悅豐地產有限公司) ("Chongqing Yuefeng"), an indriectly held non-wholly-owned subsidiary of the Company, for a consideration of approximately RMB430,000. Chongqing Yuefeng is primarily engaged in property development in Mainland China. The disposal was completed on 22 December 2025.

(4) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected to the Group (the "Purchaser") to dispose of the Group's 100% interest in Tianjin Ruihesheng Project Management Co., Ltd.* (天津睿和升項目管理有限公司) ("Tianjin Ruihesheng"), an indirect wholly-owned subsidiary of the Company, on a non-cash basis. Tianjin Ruihesheng is primarily engaged in property investment and management in Mainland China. The disposal was completed on 26 March 2026.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, the Group has approximately 512 employees (31 March 2025: 735). The decrease in the number of employees mainly resulted from the disposal of Disposal Group during the Reporting Year.

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

2023 SHARE SCHEME

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

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

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

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

(1) Employee Participants: any directors (including executive directors, non-executive directors and independent non-executive directors), chief executive and employees (full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted award(s) under the 2023 Share Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries);

(2) Service Provider Participants: any person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, including (a) suppliers of services to any member of the Group; and (b) advisers (professional or otherwise) or consultants to any area of business or business development of any member of the Group, but for the avoidance of doubt excludes (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity; and

(3) Related Entity Participants: the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

According to the 2023 Share Scheme, all awards to be granted that involve the issuance of Shares of the Company shall not exceed 10% of the total number of Shares in issue as at the adoption date, being 912,966,911 Shares. The sublimit for service providers, being 91,296,691 Shares, represents 1% of the total number of Shares in issue as at the adoption date of the 2023 Share Scheme, i.e. 28 August 2023.

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

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

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

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

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

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

The special resolution of the Company was passed at the special general meeting held on 6 May 2024 to implement capital reorganisation of the Company (the "Capital Reorganisation"). Following the Capital Reorganisation, the total number of new Shares available for future grants under the 2023 Share Scheme has been adjusted to 78,241,727 Shares in accordance with the terms of the 2023 Share Scheme, and under the service provider sublimit was 22,824,172 Shares.

Since the adoption of the 2023 Share Scheme and up to the date of this annual report, no awards were granted to any service provider participants under the 2023 Share Scheme. In consideration of the impact of the Capital Reorganisation, as at 1 April 2025 (the beginning of the Reporting Period), the number of Shares available for future grants under the 2023 Share Scheme was 81,366,727 Shares, and under the service provider sublimit was 22,824,172 Shares.

The table below sets out the details of the outstanding options granted to the grantees under the 2023 Share Scheme and movements during the Reporting Year:

Name or category of participant	Position held	Date of grant	Vesting period	Closing price of the Shares immediately before the date of grant	Exercise period	Exercise price	Outstanding as at 1 April 2025	Granted during the period	Exercised during the period	Cancelled/ lapsed during the Reporting Year (Note 4)	Outstanding as at 31 March 2026	Closing price (weighted average) of the Shares immediately before the dates on which the options were exercised
Directors, chief executive, substantial shareholders and/or associates												
Wong Kai Ho	Executive director and Chairman of the Company and a director of several subsidiaries of the Company	29 December 2023	From the date of grant until the commencement of the exercise period	HK$0.098	From vesting date (Note 1) until 31 December 2027 (both days inclusive)	HK$0.101 per Share at the time of grant (Note 2)	2,575,000	–	–	–	2,575,000	–
Xia Ding	Director, co-chief executive officer, the chief operational officer of the Company and the president of several subsidiaries of the Company					HK$0.404 per Share upon Capital Reorganisation (Note 3)	5,750,000	–	–	–	5,750,000	–
Jiang Xiaoping	Deputy chief executive officer of the Company and the president of several subsidiaries of the Company						5,500,000	–	–	–	5,500,000	–
Other employees							133,050,000	–	–	(12,300,000)	120,750,000	–
							146,875,000	–	–	(12,300,000)	134,575,000	–

Notes:

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

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

(3) Immediately upon the Capital Reorganisation becoming effective on 8 May 2024, the exercise price of the outstanding share options granted under the 2023 Share Scheme was adjusted to HK$0.404 per Share and the number of Shares to be issued upon the exercise of the Share Options was adjusted to 150,000,000, and the total number of new Shares available for future grants will be adjusted to 78,241,727 pursuant to the terms of the 2023 Share Scheme, of which the limit of Share Options that may be granted to any service provider participant was adjusted to 22,824,172 shares. Please refer to the circular and the notice of special general meeting of the Company dated 28 March 2024, the announcement dated 7 May 2024, and the announcements of the Company dated 7 May 2024 and 28 August 2024.

(4) During the Reporting Year, certain eligible grantees under the 2023 Share Scheme resigned. They were collectively granted but had not yet vested 12,300,000 Share Options, which automatically lapsed in accordance with the relevant terms and conditions of the 2023 Share Scheme.

No option or award was granted, exercised or vested during the Reporting Year. As at 31 March 2026, the total number of new Shares available for future grants under the 2023 Share Scheme was 93,666,727 Shares, with a limit of 22,824,172 Shares for grants to service provider participants.

EVENTS AFTER THE REPORTING YEAR

There is no any significant event affecting the Group after the Reporting Year and up to the date of this annual report.

BUSINESS DEVELOPMENT PROSPECTS

The Group will fully implement its medium- to long-term development plan to maintain satisfactory earnings growth and achieve its goal of enhancing shareholder value, and will continue to seek sound and profitable investment opportunities that align with the development strategy of the Group.

Pharmaceutical Retail Business

In March 2026, the "Outline of the 15th Five-Year Plan for the National Economic and Social Development" (hereinafter referred to as the "15th Five-Year Plan") was officially announced. The 15th Five-Year Plan is the national economic and social development plan to be implemented from 2026 to 2030. Grounded in the new stage of development and guided by new-quality productive forces, the 15th Five-Year Plan centers on four core areas: digital economy empowerment, Healthy China Initiative, expanding and upgrading consumption, and industrial upgrading. It delivers systemic policy benefits to the e-commerce and pharmaceutical retail sectors in which the Group operates, driving these two industries to transition from scale expansion toward high-quality, standardized, and integrated development, thereby reshaping the industry landscape.

The 15th Five-Year Plan sets the goal of "Advancing the Healthy China Initiative," improving the coordinated governance mechanisms for healthcare, medical insurance, and pharmaceuticals, promoting the development of innovative drugs and medical devices, and deepening the implementation of tiered medical care and the digital and intelligent transformation of public health. The pharmaceutical retail industry is evolving from a "drug retail terminals" to a core entry point for residents' health management. Services such as chronic disease management, medication guidance, telemedicine consultations, and health counseling have become core competitive advantages, extending the industry's value from "selling drugs" to "health services." The 15th Five-Year Plan explicitly calls for deepening medical insurance payment reforms and promoting the diversion of prescriptions from hospitals. It grants designated retail pharmacies the same outpatient pooling benefits as primary care institutions, diverting a large volume of prescription drugs and chronic disease medications from hospitals to the retail sector. This creates incremental market opportunities for the industry and drives the transformation of pharmacies from an "OTC-focused" model to a dual-model approach combining "prescription drugs + health services."

The Group will break away from the traditional business model of pharmacies, aiming to enhance the core value of its business through artificial intelligence, and utilize innovative thinking to provide high-quality health services to consumers. We will prioritize the integration of medical resources and the establishment of specialized clinics, deepen cooperation in digital e-commerce, accelerate the global expansion of our digital and intelligent healthcare business, and simultaneously enhance organizational efficiency. Through a dual-drive approach of "management + operations," we will reshape our talent structure, improve the quality of medical services, and steadily advance toward a highly efficient, comprehensive, and digitalized healthcare industry.

In its ongoing operations, the Group will implement refined management practices using various smart technologies, while strictly adhering to all relevant compliance requirements. By optimizing the supply chain system, accelerating inventory turnover, and leveraging digital tools to enhance operational efficiency, the Group will control operating costs through refined management. It will also reduce costs and improve efficiency through various measures, such as strengthening professional training for staff and enhancing service quality and customer service awareness, thereby earning customer trust through professional service.

E-Commerce Business

The 15th Five-Year Plan explicitly calls for "promoting the deep integration of the real economy and the digital economy," designating e-commerce as a core component of the digital economy. It aims to strengthen the large-scale application of technologies such as AI, big data, and cloud computing in the e-commerce sector, and to drive the transformation of e-commerce toward intelligence, sustainability, and globalization. At the same time, the plan proposes to "vigorously boost consumption and build a robust domestic market," encouraging e-commerce platforms to deepen their involvement in areas such as daily consumer goods, the revitalization of domestic brands, and smart commercial districts. On the one hand, it supports e-commerce platforms in expanding into lower-tier markets and rural e-commerce to bridge the urban-rural consumption gap; on the other hand, it promotes the online presence of "time-honored brands" and "national trend brands," cultivates new consumption scenarios, and combines support for new business models such as low-altitude logistics and real-time retail to continuously expand the scale of the domestic e-commerce market and inject sustained momentum into the industry's growth.

Having deepened its expertise in the e-commerce sector for many years, the Group has developed integrated operational capabilities for "brand building + product sales" across major e-commerce platforms such as JD.com, Tmall, Taobao, Pinduoduo, Vipshop, Douyin, Xiaohongshu, and WeChat Video Accounts. At the same time, we actively explore cross-platform closed-loop marketing models and have accumulated practical experience. We have successfully established marketing pathways such as "using Xiaohongshu content to generate interest and drive traffic to JD.com/Tmall for conversions" and "using Douyin live-streaming sales to drive repeat purchases on JD.com/Tmall." Through hands-on operations across multiple product categories and brands, we help our clients achieve sustained growth in business scale across all platforms.

In terms of service system development, the Group has established a one-stop service capability covering "front-end planning, mid-end operations, and back-end services." In the front-end phase, we rely on a professional brand planning team to define brand positioning and distill core product values, creating brand visual identities and product packaging designs that offer differentiated competitive advantages, while also possessing the capability to execute omnichannel online media campaigns and traffic management; In the mid-end phase, we maintain a mature, cross-platform e-commerce operations system covering daily store management, product listing management, campaign planning and execution, and data analysis and optimization, ensuring efficient store operations; in the back-end phase, we have a dedicated customer service team that provides 24/7 consultation and support, as well as after-sales issue resolution, to guarantee a high-quality customer experience and deliver comprehensive, multi-dimensional value-added services to our partners. In a market environment where consumer demand is becoming increasingly segmented and personalised, the Group will further explore content-driven scenario-based business models. By strengthening product value positioning, optimizing channel distribution structures, and raising service quality standards, the Group aims to provide consumers with a higher-quality, more personalized shopping experience.

Looking ahead, the Group will firmly seize opportunities for high-quality development in the e-commerce industry, deepen its expertise in omnichannel marketing, focus on the refined management of private-domain traffic, strengthen data-driven business decision-making mechanisms, and enhance operational efficiency and market competitiveness. At the same time, by fully leveraging the Group's strengths in medical resources, we will – while consolidating our competitive edge in the consumer electronics business – actively expand sales of health-related products such as health foods, health care products, and medical aids. Furthermore, based on market demand and our own capabilities, we will advance the research, development, and market deployment of our own-brand health products at the appropriate time, thereby building a dual growth engine comprising "e-commerce operations + health products."

Asset Management Business

To achieve its strategic goal of sustainable development, the Group will gradually invest to actively develop new financial services business, including investment and management of special opportunity assets. Peking University Resources Asset Management Limited, a wholly-owned subsidiary of the Group (the "Asset Management Company"), has obtained a Type 9 (Asset Management) license from the Securities and Futures Commission in April 2023 to conduct regulated asset management activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In December 2023, the Asset Management Company was appointed as the investment manager of the Hong Kong Stock Connect Special Asset Return Limited Partnership Fund ("Hong Kong Stock Connect Fund"), leveraging the extensive experience of the Group in real estate industry and its expertise in planning, design, construction and management to provide management services for its subsidiaries' real estate development projects. On 8 August 2024, the Group and Suzhou Aoze jointly established a joint venture, which will primarily engage in investment or cooperation in the non-performing assets of the real estate industry and the healthcare industry within China. On 7 May 2025, the Group and Suzhou Aoze jointly established the partnership, which will primarily engage in debt restructuring and development for certain real estate development projects of the Group.

In its asset management business, the Group will focus on multiple sectors, including but not limited to the real estate industry. In addition, the Group believes that technology-related industries have enormous potential and room for growth, and therefore will also be looking into these sectors. Going forward, the Group will adhere to rigorous and prudent investment principles to create greater returns for shareholders and customers.

DIVIDEND

No interim dividend was paid during the Reporting Year (six-month period ended 30 September 2024: Nil) and the Board did not recommend the payment of any final dividend for the Reporting Year (year ended 31 March 2025: Nil). As at the date of this annual report, there is no arrangement that any shareholder of the Company has waived or agreed to waive any dividend.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

As at 31 March 2026, the Board of Directors of the Company comprises four executive Directors and three independent non-executive Directors. To the best knowledge of the Directors, there is no relationship (including financial, business, family or other material/relevant relationship) among members of the Board. Details of each director's length of tenure and current period of appointment are set out below:

Name of directors	Year of initial appointment	Length of tenure served	Year of latest re-appointment[1]	Current period of appointment (year(s))[2]
Executive Directors				
Mr Wong Kai Ho *(Chairman)*	2021	5	2024	2
Mr Huang Zhuguang	2021	5	2024	2
Mr Hou Ruilin	2023	3	2025	1
Mr Xia Ding	2024	2	2024	2
Independent Non-executive Directors				
Mr Chin Chi Ho, Stanley	2021	5	2025	1
Ms Xu Nan	2024	2	2024	2
Prof Cheung Ka Yue	2024	2	2025	1

Notes:

1. From the date of initial appointment as a director of the Company up to 31 March 2026

2. From the date of initial appointment, or the latest annual general meeting ("AGM") at which such director was re-appointed, up to the expected date of the upcoming AGM to be held in 2026.

The biographical details of each current Director are disclosed on pages 127 to 130 of this annual report.

The Board oversees the Group's strategic development and determines the objectives, strategies and policies of the Group. The Board also monitors and controls the operating and financial performance in pursuit of the Group's strategic objectives. Day-to-day management of the Group's business is delegated to the management of the Company under the supervision of the executive Directors. The functions and powers that are so delegated are reviewed periodically to ensure that they remain appropriate. Matters reserved for the Board are the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment and retirement of Directors, remuneration policy and other major operational and financial matters. It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives. The Directors have access to appropriate business documents and information about the Group on a timely basis. All the Directors have access to the company secretary who is responsible for ensuring that the Board procedures, and related rules and regulations, are followed. Minutes of Board/Committee meetings are kept by the company secretary and are open for inspection by the Directors. All Directors and Board committees have recourse to external legal counsels and other professionals for independent advice at the Group's expense upon their request. Appropriate directors' liability insurance cover has also been arranged to indemnify the Directors for liabilities arising out of corporate activities.

The Board held four regular Board meetings at approximately quarterly intervals during the Reporting Year. Additional Board meetings were held when necessary. Due notices and Board papers were given to all Directors prior to the meetings in accordance with the Listing Rules and the CG Code.

The attendance records of each Director at the Board meetings and general meetings during the Reporting Year are as follows:

Name of directors	Board Meetings attended/ Eligible to attend	Annual General Meeting attended/ Eligible to attend	Special General Meeting attended/ Eligible to attend
Executive Directors			
Mr Wong Kai Ho *(Chairman)*	6/6	1/1	1/1
Mr Huang Zhuguang	6/6	1/1	1/1
Mr Hou Ruilin	6/6	1/1	1/1
Mr Xia Ding	6/6	1/1	1/1
Independent Non-executive Directors			
Mr Chin Chi Ho, Stanley	6/6	1/1	1/1
Ms Xu Nan	6/6	1/1	1/1
Prof Cheung Ka Yue	6/6	1/1	1/1

There are also three Board committees under the Board, namely, the Remuneration Committee, the Nomination Committee and the Audit Committee.

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operation and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

Mr Xia Ding, who was appointed as an executive Director on 30 August 2024, Ms Xu Nan, who was appointed as an independent non-executive Director on 30 August 2024, and Prof. Cheung Ka Yue, who was appointed as an independent non-executive Director on 30 September 2024, each of them obtained the legal advice referred to in Declaration and Undertaking with Regard to Directors (Form B) pursuant to the relevant Listing Rules effective at the material time, which is equivalent to Rule 3.09D of the Listing Rules. Each of them understood his/her obligations as a Director.

Directors' training is an ongoing process. In addition, all Directors are encouraged to participate in continuous professional development trainings to develop and refresh their knowledge and skills. The Company updates the Directors on the latest updates regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the Reporting Year, all Directors have complied with the continuous professional development requirements under Rules 3.09F and 3.09G of the Listing Rules. No director is subject to the minimum training hours for "first-time director" to complete as required under rule 3.09H of the Listing Rules.

Our current Directors have participated in continuous professional development and have provided to the Company the records of the training they received during the Reporting Year. The individual training record of each current Director received for the Reporting Year is summarised below:

Name of directors	Hours	Topics	Format
Executive Directors			
Mr Wong Kai Ho *(Chairman)*	4	Updates on the corporate governance code and the Listing Rules	Self-study
Mr Huang Zhuguang	4	Updates on the corporate governance code and the Listing Rules	Self-study
Mr Hou Ruilin	4	Updates on the corporate governance code and the Listing Rules	Self-study
Mr Xia Ding	4	Updates on the corporate governance code and the Listing Rules	Self-study
Independent Non-executive Directors			
Mr Chin Chi Ho, Stanley	4	Updates on the corporate governance code and the Listing Rules	Self-study
Ms Xu Nan	4	Updates on the corporate governance code and the Listing Rules	Self-study
Prof Cheung Ka Yue	4	Updates on the corporate governance code and the Listing Rules	Self-study

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors, the Company's policies and practices in compliance with legal and regulatory requirements, the Model Code, and the CG Code and disclosure in this Corporate Governance Report.

CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and the Chief Executive are separate and are not exercised by the same individual. During the Reporting Year, Mr Wong Kai Ho is the Chairman of the Board. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. During the Reporting Year, Mr Shi Lei and Mr Xia Ding are the co-chief executive officers of the Company. The co-chief executive officers are responsible for the day-to-day management of the Group's business. Their respective role and responsibilities are set out in writing which have been approved by the Board.

NON-EXECUTIVE DIRECTORS

As at 31 March 2026, there were three non-executive Directors, and all of them were independent. Each independent non-executive Director has entered into a letter of appointment with the Company for a period of one year. Pursuant to the Bye-laws of the Company, one third of all the Directors, including the non-executive Directors, shall be subject to retirement by rotation at each annual general meeting.

Two of the independent non-executive Directors as at 31 March 2026 have appropriate professional qualifications or accounting or related financial management expertise. This composition is in compliance with the requirement of Rule 3.10 of the Listing Rules. Each independent non-executive Director as at 31 March 2026 has, pursuant to Rule 3.13 of the Listing Rules, provided an annual confirmation of his/her independence to the Company and the Company also considers them to be independent.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board was established in 2005 with specific written terms of reference which deal clearly with its authorities and duties. The role and functions of the Remuneration Committee include formulating the remuneration policy, making recommendations to the Board the remuneration packages of all executive Directors and senior management, making recommendations to the Board on the remuneration of non-executive Directors, reviewing and approving performance-based remuneration, including reviewing and approving matters relating to share schemes, and ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the Reporting Year, the Remuneration Committee met once to review and discuss the remuneration policy for the Directors and the remuneration packages of all Directors. The Company's policy on remuneration is to maintain fair and competitive packages based on business needs and industry practice. For determining the level of fees paid to the Directors, market rates and factors such as each Director's workload and required commitment will be taken into account. No individual Director will be involved in decisions relating to his/her own remuneration. The Remuneration Committee adopts the model of making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. Information relating to the remuneration of each Director for the Reporting Year is set out in note 10 to the consolidated financial statements.

The members of the Remuneration Committee during the Reporting Year and their attendance record at the meeting are as follows:

Name of member and their position during the Reporting Year		Meeting attended/Eligible to attend
Prof Cheung Ka Yue *(Chairman)*	*(Independent non-executive Director)*	1/1
Mr Wong Kai Ho	*(Executive Director)*	1/1
Mr Chin Chi Ho, Stanley	*(Independent non-executive Director)*	1/1

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the two members of the senior management (other than Directors) whose particular are contained in the section headed "Biographical Details of Directors and Senior Management" in the annual report for the Reporting Year by band is set out below:

Remuneration Bands	Number of Senior Management
RMBNil to RMB1,000,000	1
RMB2,000,000 to RMB3,000,000	1

NOMINATION COMMITTEE

The Nomination Committee of the Board was established in 2012 with specific written terms of reference which deal clearly with its authorities and duties. Its terms of reference amended and adopted by the Board in December 2018 can be found in the Company's website (www.pkurh.com) and the Stock Exchange's website (www.hkexnews.hk). The role and functions of the Nomination Committee include determining the policy for the nomination of the Directors, setting out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship. Only the most suitable candidates who are experienced and competent and able to fulfill the fiduciary duties and duties of skill, care and diligence would be recommended to the Board for selection. Appointments of Directors are first considered by the Nomination Committee and recommendations of the Nomination Committee are then put to the Board for decision. The Nomination Committee is also responsible for reviewing the structure, size and diversity of the Board.

The Board Diversity Policy was adopted by the Board on 30 April 2013. In designing the Board's composition, the diversity of the Board has been considered from a number of aspects including, but not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and length of services. Candidates will be considered against objective criteria, having due regard for the benefits or diversity of the Board. The Nomination Committee is responsible for reviewing the Board Diversity Policy, as appropriate; and reviewing the measurable objectives that have been set for implementing the Board Diversity Policy, and reviewing the progress on achieving the objectives.

Out of the seven Directors comprising the Board as at 31 March 2026, three Directors were independent non-executive Directors, thereby promoting critical review and control of the management process. The implementation and effectiveness of the mechanism to ensure that independent views and input are available to the Board is reviewed on an annual basis. The Board is also characterised by significant diversity, whether considered in terms of age, cultural and educational background, professional expertise and skills. The Board endeavours to steer forward and ensure that the Board has a balance of skills, experience and diversity of aspects appropriate to the requirements of the Company's business. The Company appointed one female Director, Ms Xu Nan as an independent non-executive Director on 30 August 2024. Going forward, the Board is dedicated to maintain at least one female Director while the ultimate decision will be based on merits and contributions which the selected candidates will bring to the Board. The Company values gender diversity at all levels of the Group. The table below sets forth the gender ratio of the Group's employees.

The Group recognises the importance of diversity of workforce throughout the Group. It has established the workforce diversity policy to provide guidance in creating a diverse, inclusive and supportive working environment for its employees where individual differences are respected and all employees are treated with dignity. Progress in fostering gender empowerment, gender equality and gender diversity across its workforce is continuously monitored.

As of 31 March 2026, the breakdown of the Group's employees within the Reporting Scope[1] was as follows:

	As of 31 March 2026	As of 31 March 2025	As of 31 March 2024	As of 31 March 2023	As of 31 March 2022
Total employees	512	735	744	478	891
By gender					
Male	161	261	287	241	457
Female	351	474	457	237	434
By age group					
Aged under 35	219	194	191	184	401
Aged 35 to 55	267	474	477	269	468
Aged over 55	26	67	76	25	22
By region					
Hong Kong	10	11	10	7	3
Mainland China	501	723	733	470	888
Others	1	1	1	1	0

The nomination policy of Directors of the Company was adopted by the Board on 28 December 2018. The policy sets out the procedures, process and criteria for identifying and recommending candidates for election to the Board.

1 The number of employees within the Reporting Scope as of 31 March 2026 was 512, which was used for the calculation and disclosure of the relevant intensity.

Selection Criteria

When evaluating and selecting candidates for directorships, the members of the Nomination Committee or the Board shall consider the following criteria:

(a) character and integrity;

(b) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategies;

(c) the Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;

(d) willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;

(e) in case of independent non-executive Directors, whether the candidates would be considered independent in accordance with the Listing Rules;

(f) in case of re-election, the overall contribution and service to the Company of the Director to be re-elected and the level of participation and performance on the Board and the other criteria set out in this section; and

(g) such other perspectives appropriate to the Company's business.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

Nomination Procedures

(a) the Nomination Committee and/or the Board identifies potential candidates including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agencies and/or advisors. The Nomination Committee then develops a short list of candidates and agrees on proposed candidate(s);

(b) proposed candidate(s) will be asked to submit the necessary personal information, biographical details, together with their written consent to be appointed as a Director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary;

(c) the Nomination Committee shall, upon receipt of the proposal on appointment of new Director(s) and the personal information (or relevant details) of the proposed candidate(s), evaluate such candidate(s) based on the criteria as set out above to determine whether such candidate(s) is qualified for directorship;

(d) for any person that is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship;

(e) if the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable);

(f) the secretary of the Nomination Committee shall convene a meeting of the Nomination Committee. For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for re-election or election at a general meeting, the Nomination Committee shall make nominations or recommendations for the Board's consideration and the Board shall make recommendations to shareholders in respect of the proposed re-election or election of Director(s) at the general meeting;

(g) in order to provide information of the candidates nominated by the Board to stand for election or re-election at a general meeting, a circular will be sent to shareholders. The circular will set out the names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations including the Listing Rules, of the proposed candidates; and

(h) the Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election or re-election at any general meeting.

During the Reporting Year, the Nomination Committee met once to review the structure, size and diversity of the Board, nomination procedure and the independence of the independent non-executive Directors, and to recommend the Board on the appointment and reappointment of Directors and the succession planning for Directors.

Directors' Time Commitment and Contribution

The Nomination Committee annually assessed directors' time commitment and contribution in a holistic manner, applying a consistent set of criteria to all directors. It is not based solely on attendance rate, but also on qualitative contribution and effectiveness.

Assessment factors included (as applicable):

- Directors' confirmation to devote sufficient time and attention to the Company's affairs
- Professional qualifications and work experience
- Listed issuer directorships and other significant external time commitments
- Meeting attendance and preparedness
- Participation and quality of contribution in Board and committee meetings
- Familiarity with the Group's business and strategic objectives
- Participation in continuing professional development to keep abreast of knowledge relevant to the directors' duties
- Integrity, independence and adherence to the Company's governance and culture expectations

Based on the above assessment, the Nomination Committee is of the view that the Directors, as a whole, have devoted sufficient time and attention to the Company's affairs and made adequate contributions to the effective functioning of the Board during the year, having regard to the roles undertaken and the Company's business and governance needs.

The members of the Nomination Committee during the Reporting Year and their attendance records at the meeting are as follows:

Name of member and their position during the Reporting Year		Meeting attended/Eligible to attend
Mr Wong Kai Ho *(Chairman)*	*(Executive Director)*	1/1
Ms Xu Nan	*(Independent non-executive Director)*	1/1
Prof Cheung Ka Yue	*(Independent non-executive Director)*	1/1

AUDIT COMMITTEE

The Audit Committee of the Board was established in 1998 in compliance with Rule 3.21 of the Listing Rules with specific written terms of reference which deal clearly with its authorities and duties. Its terms of reference amended and adopted by the Board in December 2018 can be found the Company's website (www.pkurh.com) and the Stock Exchange's website (www.hkexnews.hk). As at 31 March 2026, the Audit Committee solely comprises independent non-executive Directors, namely, Mr Chin Chi Ho, Stanley *(Chairman)*, Ms Xu Nan and Prof Cheung Ka Yue. Majority of the committee members have appropriate professional qualifications or accounting or related financial management expertise.

The primary responsibilities of the Audit Committee include making recommendations to the Board on the appointment, reappointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors, reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, developing and implementing policy on the engagement of external auditors to provide non-audit services, monitoring the integrity of the financial statements and the reports of the Company, overseeing the Company's financial reporting system, risk management and internal control systems and developing and reviewing policies and practices or corporate governance.

During the Reporting Year, the Audit Committee met two times. During the meetings, the Audit Committee reviewed the reports from the independent auditors regarding their audit on annual financial statements, reviewed on interim financial results, discussed the internal control of the Group, and met with the independent auditors.

The attendance records of the members of the Audit Committee at the meetings during the Reporting Year are as follows:

Name of member and their position during the Reporting Year		Meetings attended/Eligible to attend
Mr Chin Chi Ho, Stanley *(Chairman)*	*(Independent non-executive Director)*	2/2
Ms Xu Nan	*(Independent non-executive Director)*	2/2
Prof Cheung Ka Yue	*(Independent non-executive Director)*	2/2

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the ultimate responsibility to maintain appropriate and effective risk management and internal control systems for the Group to safeguard the interests of shareholders and the Group as a whole and to ensure strict compliance with relevant laws, rules and regulations. The Audit Committee is responsible for reviewing the effectiveness of the risk management and internal control systems covering all material controls, including financial, operational and compliance controls, resolving any material internal control defects and reporting to the Board.

During the Reporting Year, the internal audit department has carried out an overview on the effectiveness of the risk management and internal control systems of the Group for the Reporting Year. Based on the risk-based approach, the internal audit department continuously review and monitor the sufficiency of the risk control measures of every business unit of the Group and to examine if relevant measures have been implemented for risk management. The procedures involve assuring the existence of related risks in the first place, then assessing the levels to which the potential risks are attributed based on the following two risk factors, i.e., the level of significance of the risk and the possibility of occurrence. The Board confirms its risk management and internal control systems effective and adequate.

INSIDE INFORMATION DISCLOSURE POLICY

An Inside Information Policy was adopted by the Company which sets out guidelines to the Directors of the Company, senior officers and all relevant employees of the Group to ensure inside information (as defined in the Listing Rules) (the "Inside Information") of the Group would be disseminated to the public in equal and timely manner in accordance with applicable laws and regulations. The Company also established Group Internal Notification Policies and Procedures for setting out guidelines for identification and notification of Inside Information and notifiable transactions (as defined in the Listing Rules). The Company has also adopted an enterprise management system which enables the employees of the Company to raise concerns, in confidence and anonymity, about possible improprieties directly to the Board or the Audit Committee.

AUDITOR'S REMUNERATION

During the Reporting Year, the remuneration in respect of audit and other professional services provided by the Company's auditor, CCTH CPA Limited, is summarised as follows:

	RMB'000
Audit services	1,907

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors of the Company acknowledge their responsibility for the preparation of the financial statements of the Group for the Reporting Year. The statement of the auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 142 to 148 of this annual report. Save as disclosed in this annual report, the Directors of the Company are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, therefore the Directors of the Company continue to adopt the going concern approach in preparing the consolidated financial statements.

COMPANY SECRETARY

Ms Zhang Jiabo was appointed as the company secretary of the Company since 30 January 2026. She is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, and the applicable laws, rules and regulations were followed. She has taken relevant professional trainings which are in compliance with Rule 3.29 of the Listing Rules for the Reporting Year.

COMMUNICATION WITH SHAREHOLDERS

The Company affirms its commitment to maintaining a high degree of corporate transparency, communicating regularly with its shareholders and ensuring, in appropriate circumstances, the investment community at large being provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risk profile), in order to enable the shareholders to exercise their rights in an informed manner. The Board has reviewed the implementation and effectiveness of the shareholders' communication policy conducted during the Reporting Year, and the results thereof are satisfactory.

The Company's annual general meeting (the "AGM") is one of the principal channels of communication with its shareholders. It provides an opportunity for shareholders to ask questions about the Company's performance. Separate resolutions will be proposed for each substantially separate issue at the AGM. Pursuant to code provision F.2.2 of the CG Code, the chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. All the Directors have attended the annual general meeting of the Company held on 27 August 2025.

Under the Listing Rules, all resolutions proposed at general meetings must be voted by poll except where the chairman of a general meeting, in good faith and in compliance with the Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Details of the poll procedures will be explained during the proceedings of general meetings. The poll results will be released and posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pkurh.com).

To provide effective communication, the Company maintains a website at www.pkurh.com. All the financial information and other disclosures including, *inter alia*, annual reports, interim reports, announcements, circulars, notices and Memorandum of Association and Amended and Restated Bye-Laws are available on the Company's website.

Shareholders may direct their questions about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, TRICOR INVESTOR SERVICES LIMITED, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or contact the Customer Service Hotline of the Company's Hong Kong branch share registrar and transfer office at (852) 2980 1333. Shareholders may send their enquiries to the Board or the company secretary in written form to the head office and principal place of business in Hong Kong of the Company.

SHAREHOLDERS' RIGHTS

Convene a Special General Meeting

Pursuant to Section 74 of the Companies Act 1981 of Bermuda (as amended) and Bye-law 62A of the Bye-laws of the Company, a special general meeting shall be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, shares in the share capital of the Company that represent not less than one tenth of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meeting of the Company on a one vote per share basis. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting of the Company to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within three months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner.

Put forward proposals at shareholders' meetings

Shareholder(s) representing not less than one-twentieth (5%) of the total voting rights of all the shareholders of the Company or of not less than 100 shareholders of the Company may by requisition, at their own expense unless the Company otherwise resolves, to put forward proposals at general meetings of the Company pursuant to Sections 79 and 80 of the Companies Act 1981 of Bermuda (as amended). A written notice to that effect signed by the shareholder(s) concerned together with a sum reasonably sufficient to meet the expenses in giving effect thereto must be deposited at the registered office of the Company not less than six weeks before the meeting for requisition(s) requiring notice of a resolution, or not less than one week before the meeting for any other requisition(s).

DIVIDEND POLICY

Policy on Payment of Dividend of the Company is in place setting out the factors in determination of dividend payment of the Company, including results of operations, working capital, financial position, future prospects, and capital requirements, as well as any other factors which the Board may consider relevant from time to time. The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

Considering the Company's financial conditions and in order to maintain adequate cash reserves for meeting working capital requirements and future growth, the Board did not recommend the payment of any final dividend for the Reporting Year.

CONSTITUTIONAL DOCUMENTS

The Company did not make any changes in its Memorandum of Association and New Bye-laws during the Reporting Year.

1. ABOUT THIS REPORT

Overview

This Environmental, Social and Governance Report (the "Report") summarises the environmental, social and governance (the "ESG") initiatives, plans and performance of Peking University Resources (Holdings) Company Limited (the "Company", together with its subsidiaries, the "Group", "Resources Holdings", "we" or "us") and demonstrates its commitment to sustainable development. Adhering to the management policy of sustainable ESG development, the Group is committed to handling its ESG affairs effectively and responsibly. This principle serves as a core part of our business strategy as we believe that this is the key to our continued success in the future.

Scope of Reporting

The coverage of this Report centres on the Group's three principal business divisions: the medical and pharmaceutical retail business, the e-commerce and distribution business, as well as the real estate development and property investment business. Such businesses are managed and operated via the Group's head office in Beijing, Hong Kong branch office, Singapore, Dubai and a portfolio of cities throughout the People's Republic of China (the "PRC"), namely Foshan, Hangzhou, Chengdu, Yuxi, Chongqing and Wuhan). To further bolster its sustainable development agenda, the Group is consistently enhancing its data gathering infrastructure, and upholds a reporting disclosure scope that fully satisfies applicable regulatory mandates.

In August 2025, the Group completed the partnership asset injection transaction and fully divested all subsidiaries carrying out ongoing property development projects. Property development has since been excluded from the Group's operating portfolio. The Group has reallocated all core capital, operational manpower and ESG budget resources to its integrated healthcare retail business under the century-old Yekaitai brand and e-commerce operations.

Benchmark of Preparation

The Report is prepared pursuant to the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") under Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Reporting Principles

During the preparation of the Report, the Group has adopted the principles of reporting in the ESG Reporting Guide as follows:

Reporting Principles	Implications	Our Responses
Materiality	The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders that they should be reported by the issuer.	The Group attaches great importance to the far-reaching implications of the ESG Report for investors and broader stakeholder communities. Drawing on our formalised stakeholder engagement mechanism and consistent application of the materiality principle, material sustainability risks and opportunities were screened and confirmed via formal materiality assessments conducted in the 12 months ending 31 March 2026. The identified material issues and relevant management initiatives serve as the primary preparation focus of this Report. Further in-depth information is set out within the "Communication with Stakeholders" and "ESG Materiality Assessment" chapters.
Quantitative	The KPIs shall be disclosed in a measurable manner. Information in relation to the standards, methods, assumptions or calculation tools used, and sources of conversion factors used, for the reporting of emissions and energy consumption shall be disclosed.	Quantitative presentation is adopted for all KPIs featured in this Report. Each set of disclosed data is supplemented with explanatory addenda that specify governing standards, measurement protocols, key presumptions, computational utilities and the provenance of conversion factors deployed to quantify energy usage and carbon emissions. Provided consistent evaluation conditions are maintained, the stated metrics facilitate meaningful, valid cross-period comparisons.

Reporting Principles	Implications	Our Responses
Balance	The ESG Report should provide an unbiased picture to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	Within this Report, the Group discloses obstacles arising from its sustainability journey alongside the corresponding remedial and developmental efforts deployed, presenting a balanced and objective account of its operational landscape.
Consistency	The issuer should use consistent disclosure and statistical methodologies for meaningful comparisons of ESG data in the future and complementing the discussions on ESG issues in the section headed "Business Review" under the Report of the Directors.	The scope of reporting and the method of preparation of the ESG Report are substantially the same as that of the previous year, with explanations of changes in the scope of the disclosure and in the method of calculation of data. Since the financial year 2022, the financial year end date of the Group would be 31 March of the following year, covering the twelve-month reporting period from 1 April of each year to 31 March of the following year. Accordingly, the data in the Report covers the period from 1 April 2025 to 31 March 2026 for the year of 2025, 1 April 2024 to 31 March 2025 for the year of 2024, 1 April 2023 to 31 March 2024 for the year of 2022, the 15-month period from 1 January 2021 to 31 March 2022 for the year of 2021, the period from 1 January to 31 December 2020 for the year of 2020.

This Report adheres to the Balance Principle set out in Appendix C2 of the HKEX Listing Rules. It objectively presents the Group's achievements, operational constraints and phased limitations in sustainability governance, instead of only highlighting positive outcomes, so as to faithfully reflect the actual state of the Group's overall ESG management. At present, there are four objective limitations in the Group's environmental and sustainability data systems as well as internal governance frameworks, with phased improvement plans formulated for each item as detailed below:

1. Incomplete coverage of Scope 3 greenhouse gas (GHG) inventory This year, only three high-weight Scope 3 emission categories – inter-regional transportation of Chinese herbal medicines, e-commerce packaging and employee commuting – have been fully quantified. The remaining 15 value chain categories including upstream herbal cultivation, energy consumption of overseas data centres under Singapore MyDoc and Dubai ResoHealth, and outsourced cold-chain logistics are yet to be fully measured. This constraint arises from the lack of standard carbon accounting systems among small and medium upstream suppliers and high costs of cross-regional data consolidation.

2. Insufficient quantified financial figures in TCFD scenario analysis Existing climate risk scenario assessments only provide qualitative descriptions of impacts on revenue and operating costs, without disclosing specific numerical ranges for capital expenditure and potential carbon tax expenses.

3. ESG-linked remuneration mechanism for management remains under review. The current performance appraisal system does not incorporate quantitative climate and sustainability KPIs as weighting factors for bonuses.

4. Ongoing optimisation of ESG data collection systems for overseas operating entities Dedicated data reporting standards and data capture procedures for Singapore MyDoc and Dubai ResoHealth are still being adjusted to align reporting criteria across all regions.

The Board has established a follow-up mechanism to address all the above phased shortcomings. The cross-functional ESG Task Force will oversee system upgrades and improvements to data frameworks year on year to narrow disclosure gaps, continuously enhance the comprehensiveness and data comparability of this Report, and strive to fully comply with the mandatory quantitative disclosure requirements issued by HKEx and the International Sustainability Standards Board (ISSB).

Reporting Period

The Report details the Group's activities, challenges and measures taken in ESG aspects during the twelve months from 1 April 2025 to 31 March 2026 (the "Reporting Period").

Source of Information

The Group regularly collects information from all business segments through its internal mechanism. Information cited in the Report is mainly sourced from the Group's statistics and official documents. The Board monitors the content of the Report, to ensure that there are no false representations, misleading statements or material omissions.

Forward-looking Statements

This Report includes forward-looking statements founded on the Group's prevailing expectations, estimates, forecasts, judgements and assumptions relating to the operations of the Company and its subsidiaries, as well as the market environments in which they conduct business. Such statements do not constitute assurances of future operating results. The Group's performance is exposed to market risks, uncertainties and external variables outside of its control. Accordingly, actual outcomes and returns may deviate substantially from the projections and forward-looking assertions presented in this Report.

Availability of the Report

The electronic version of the Report can be downloaded from the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.pkurh.com).

Stakeholders' Feedback

We welcome opinions and suggestions from stakeholders. You may provide your valuable opinions on the Report or our sustainability performance by emailing ir@pkurh.com.

BOARD'S STATEMENT

The Board of Directors acts as the highest decision-making body for the Group's ESG governance, bearing ultimate statutory responsibility for formulating the Group's ESG management framework, sustainable development strategies and all disclosures contained in this ESG Report. The Board confirms that all information set out in this Report is true, fair, complete and free from false statements, material omissions or misleading representations, and accepts ultimate oversight accountability in this regard. The Board is vested with authority to define the Group's risk appetite and risk tolerance thresholds, and conducts regular reviews of the Group-wide enterprise risk management and internal control systems as well as standard ESG policies and guidelines. Such oversight arrangements ensure all risk mitigation plans, internal control procedures and sustainable development initiatives are fully and effectively implemented. The dedicated ESG Working Group submits regular updates to the Board on all material ESG risks and emerging sustainable development opportunities.

To implement a regular oversight mechanism, the Board convenes no fewer than two dedicated board meetings each financial year focusing on ESG and climate change matters. Standing ESG agenda items are allocated to each quarterly ordinary board meeting to continuously monitor progress against TCFD-aligned climate governance, greenhouse gas inventory and sustainable business operations.

The Board has fully reviewed the full set of materiality assessment procedures for the current reporting year, stakeholder engagement records, scoring matrices covering financial and non-financial impacts of each issue, as well as the tiered list of high, medium and low material topics. The Board confirms that the materiality identification and screening process adopted this year is objective and robust, and all highly material issues have been fully disclosed in this Report.

The dedicated ESG Working Group is tasked with cross-functional day-to-day administration of all ESG-related matters within the Group. Empowered to continuously monitor, collate and consolidate Group-wide ESG data, the Working Group comprises core senior representatives from various functional departments. It assists all business segments in rolling out institutional ESG policies, conducting annual materiality assessments and compiling annual ESG disclosure documents, integrating ESG work into regular operations. The Working Group submits ad-hoc special reports to the Board in a timely manner to flag newly emerging material ESG risks and untapped sustainable development opportunities across all operating locations.

Through a standard workflow comprising issue screening, impact assessment, multi-stakeholder validation and materiality ranking, the Group categorises and prioritises all material ESG issues so as to systematically identify, evaluate and quantify associated risks and opportunities that may materially disrupt core operations. All materiality assessment results are subject to formal review and confirmation by the Board. The Board places oversight and continuous improvement of high-priority material ESG matters as core annual supervision focus areas, and keeps ongoing track of the execution progress and performance metrics of corresponding improvement initiatives.

The Group adopts a top-down communication approach to embed sustainable development principles across all tiers of management, frontline staff and external stakeholders, requiring environmental protection and social responsibility to be integrated into daily operations and external corporate communications. Creating long-term value for all stakeholders stands as an unalterable strategic objective of the Board. The Board directs each business segment to formulate tailored policies, actionable measures, quantifiable KPIs and forward-looking targets for material ESG issues, aligned with each segment's unique operations and growth strategies. Delivery progress against all established ESG targets, carbon reduction roadmaps and TCFD implementation plans is formally reviewed at each quarterly ordinary board meeting. To drive targeted and sustained performance enhancement, the Group has established a suite of improvement mechanisms including multi-year data comparison and trend analysis, periodic post-implementation reviews of sustainable initiatives, ongoing refinement of internal controls and long-term optimisation of operational cost efficiency.

The Group recognises that formulating science-based, operationally feasible ESG targets underpins the Group's long-term sustainable development. Accordingly, the Group strengthens feasibility testing and impact assessment prior to launching all initiatives to consistently advance environmental and social performance. The Group's sustainable development endeavours align with global sustainability trends and China's national carbon peaking and carbon neutrality strategies. In the long run, this sustainable transformation will further unlock cost optimisation and operational efficiency gains across all business segments, generate higher comprehensive returns and enable the Group to deliver broader corporate social responsibility commitments.

Comprehensive disclosures covering the Group's full ESG governance framework, standardised sustainable management systems, established ES targets, climate tracking mechanisms as well as governance pathways and quantifiable outcomes for all material issues will be set out in full in the Group's Annual Report and this ESG Report.

2. CORPORATE GOVERNANCE

2.1 ESG Governance Structure

While pursuing sustainable value creation for shareholders, the Company fulfill its corporate social responsibility commitments in parallel. We regard ESG accountability as an integral pillar of corporate social responsibility, and are committed to embedding ESG considerations across all tiers of corporate decision-making. To deliver this commitment, we have established a robust overarching governance framework that aligns the Group's ESG oversight with its long-term corporate growth strategy, while driving full integration of ESG priorities into day-to-day business operations. Our dual-tier ESG governance structure comprises two core tiers: the Company's Board of Directors (the "Board") and the dedicated ESG Taskforce.

Board

- Bear ultimate overall oversight responsibilities for all Group-wide ESG affairs, including material sustainability risks and opportunities
- Formulate, endorse and steer the Group's unified ESG management frameworks and long-term sustainability strategies
- Vet and approve all formal ESG targets, key performance indicators and roadmaps, and conduct periodic reviews on implementation progress against predefined benchmarks

ESG Taskforce

- Collect and analyse ESG data, and evaluate the effectiveness of the policies and procedures
- Ensure the implementation of plans, so as to achieve ESG goals and indicators
- Ensure compliance with ESG-related laws and regulations
- Report to the Board and prepare annual ESG report

The Board has ultimate oversight responsibility for the Group's ESG matters, including ESG approaches, strategies and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board, with the assistance of the ESG Taskforce, conducts regular materiality assessments, taking into account the views of various stakeholders, to assess and prioritise key ESG-related issues.

2.2 ESG Taskforce

The Board and senior management bear collective accountability for ensuring the Group's ESG strategies, sustainability initiatives and climate-related management frameworks are pragmatically formulated and effectively executed. Empowered by formal authorisation from the Board, the ESG Taskforce acts as the dedicated executive body tasked with overseeing day-to-day delivery of the Group's full spectrum of ESG responsibilities.

The ESG Taskforce is composed of core cross-functional representatives drawn from various departments across the Group, providing operational support to the Board in the supervision of all material ESG matters. Its core mandates encompass systematic collection and analytical review of Group-wide ESG data, ongoing tracking and quantitative evaluation of corporate sustainability performance, full adherence to all applicable ESG statutory and regulatory requirements, as well as end-to-end coordination for the compilation and publication of the annual ESG Report.

The Taskforce convenes regular scheduled meetings to assess the operational efficacy of existing ESG policies and internal procedures, and to design targeted improvement solutions for elevating the Group's overall sustainability performance. During such sessions, members deliberate on ongoing delivery progress and forward-looking roadmaps for monitoring the Group's sustainable development strategic targets, action plans and implementation measures. Key discussion priorities include mitigating latent sustainability risks and minimising adverse operational externalities stemming from business activities. By developing structured ESG objectives and quantifiable KPIs that curb the environmental footprint of the Group's operations, the Group endeavours to embed sustainable development principles into all core business workflows and fully discharge its corporate social responsibility commitments.

The ESG Taskforce submits periodic formal reports to the Board covering two core streams of oversight: first, an assessment of the functionality and execution effectiveness of internal ESG control mechanisms; second, a comprehensive progress review against all approved sustainability targets and metrics. In parallel, the Taskforce is fully integrated into the Group's enterprise-wide risk management framework, supporting the identification, screening and evaluation of material ESG risks and untapped sustainability opportunities across all business segments.

2.3 Sustainable Development Philosophy and Performance Highlights

The Group proactively delivers environmental and social stewardship while advancing targeted sustainability strategies. Such initiatives are designed to continuously mitigate the environmental and societal externalities generated by its business operations, with the overarching objective of delivering enduring sustainable value to all stakeholder cohorts. As the Group maintains robust commercial expansion, it embeds environmental and social accountability as a core operational value. The Board fully acknowledges that sound sustainable development practice underpins the Group's long-term business resilience and longevity. We aspire to evolve into a fully sustainable enterprise dedicated to unlocking lasting shared value for all stakeholders across society.

The Group commits to proactively managing environmental and social footprints arising from its value chain activities, and systematically integrates sustainability principles into every business segment. Adopting a cascading top-down, organisation-wide engagement model, the Group drives full internalisation of its corporate sustainability ethos among senior management, frontline staff and external stakeholders alike. All personnel are encouraged to embed environmental protection and social responsibility into daily workflows and stakeholder engagement practices. The Group will progressively lift its level of ESG data and performance transparency, alongside stepping up environmental and social commitments, to jointly foster a green, regenerative and sustainable legacy for future generations.

The Group anchors its holistic sustainability framework around five core strategic pillars: Environmental Stewardship, Employee Wellbeing, Customer Care, Responsible Supply Chain Management and Community Empowerment. This five-pillar architecture underscores our unwavering resolve to generate long-term equitable value for all stakeholders.

The Group adheres to a robust, multi-layered sustainable development governance system benchmarked against the HKEX Appendix C2 ESG Reporting Code, HKFRS Sustainability Disclosure Standards (HKFRS S1/S2) and the United Nations 2030 Agenda for Sustainable Development (SDGs). Beyond conventional SDG alignment, the Group fully complies with Hong Kong's latest listing sustainability disclosure requirements and adopts ISSB-aligned reporting protocols to standardise ESG governance, climate risk management and value-chain impact disclosure. The Group proactively unites internal teams and external stakeholders to address material environmental and social challenges, embedding responsible practices into daily operations and strategic planning. Out of the 17 UN SDGs, 11 goals with high business materiality have been selectively identified and formally mapped to the Group's five core sustainability pillars, namely Environment, Employees, Customers, Supply Chain and Community. Through continuous stakeholder engagement and iterative enhancement of internal ESG management capabilities, the Group systematically identifies performance gaps, optimises sustainable operational practices and solidifies its long-term stakeholder value creation mechanism.

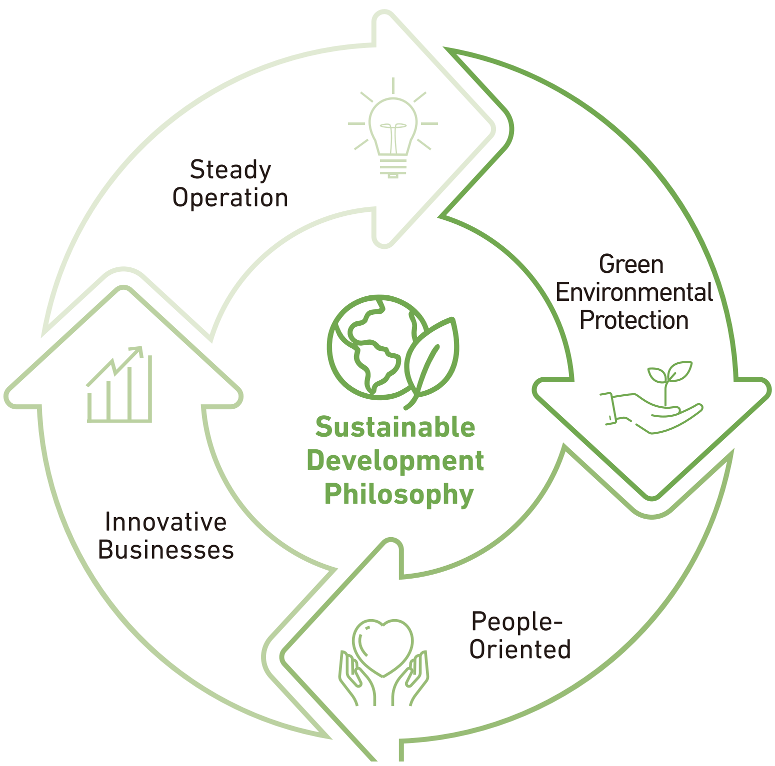
Measures Adopted by the Group to Comply with Regulatory Requirements:

Core Sustainability Framework	Issuing Body & 2026 Applicable Version	Core Alignment Purpose	Group Implementation & Five Pillars Integration	Company Action & Practical Initiatives
HKEX Appendix C2 ESG Reporting Code	Hong Kong Stock Exchange (Latest 2026 Climate Disclosure Regime)	Serves as the fundamental regulatory baseline for all ESG disclosures; standardises environmental, social and governance KPIs, compliance supervision and climate-related mandatory disclosure for Hong Kong listed issuers.	Fully governs the Group's annual ESG reporting scope, data calibration and disclosure quality. Covers all five core pillars, ensuring full compliance with listing rules and consistent, comparable public disclosure of sustainability performance.	Conducts annual ESG data verification and gap assessment; standardises full-pillar KPI statistics and disclosure protocols; updates internal ESG management manuals in accordance with latest HKEX requirements; completes mandatory climate and social disclosure items on a yearly basis.
HKFRS S1 & S2 (ISSB-aligned Sustainability Standards)	Hong Kong Institute of Certified Public Accountants (2026 Mandatory Adoption)	Investor-centric disclosure framework; standardises sustainability-related financial information, climate risk governance, scenario analysis and Scope 1/2/3 emissions disclosure, aligning with global ISSB baseline requirements.	Strengthens the Group's climate and sustainable risk management under the Environment pillar; optimises internal control and board oversight mechanisms for all sustainability matters, supporting transparent financial-related ESG disclosure.	Establishes unified greenhouse gas inventory accounting procedures; conducts annual climate-related risk scenario analysis and financial impact assessment; optimises Scope 1, 2 and 3 emissions monitoring systems; reports sustainability-related financial risks and control effectiveness to the Board regularly.
UN 2030 Agenda & SDGs	United Nations (2026 Global Sustainable Development Benchmark)	Provides the overarching global strategic blueprint for inclusive, balanced and long-term sustainable development, guiding corporate social responsibility and industry-wide sustainable transformation.	10 material SDGs are precisely mapped to the five core pillars (Environment, Employees, Customers, Supply Chain, Community), directing the Group's long-term sustainability investment, social contribution and green development layout.	Launches energy-saving and emission-reduction renovation projects; implements employee welfare and talent development programmes; promotes responsible supply chain management and green procurement; delivers community public welfare and low-carbon popularisation activities; optimises customer green service experience to fulfil SDG-aligned sustainable commitments.

Ten Sustainable Development Goals of the United Nations

SDGs	Our Actions
SDG3 Good Health and Well-being	The Group's core businesses encompass Yekaitai traditional Chinese medicine retail, offline TCM clinics, omnichannel pharmaceutical e-commerce and remote chronic disease health management. We deliver professional medical, wellness and healthcare services to the general public, forming a core business segment that underpins public healthcare and people's wellbeing.
SDG5 Gender Equality	The Group implements diversity and inclusion policies for the Board and management, establishes a talent pipeline of high-potential female employees, and strictly enforces equal pay for equal work, anti-discrimination mechanisms and flexible parental leave arrangements. Gender equality is fully practised throughout recruitment, promotion and daily management.
SDG7 Affordable and Clean Energy	The Group continuously advances energy-saving upgrades for its properties and office premises, including the installation of photovoltaic systems, LED retrofits, and energy optimisation for cold-chain and office equipment. We steadily raise the proportion of renewable energy adopted to promote the popularisation of clean energy.
SDG8 Decent Work and Economic Growth	The Group has built a full-lifecycle talent development framework, offering market-competitive remuneration packages and a safe workplace environment while upholding equal employment and decent labour standards. The steady expansion of our healthcare and e-commerce operations drives sustainable employment and high-quality economic growth.
SDG9 Industry, Innovation and Infrastructure	The Group actively advances digital transformation by developing smart pharmacies, online healthcare service platforms, omnichannel e-commerce delivery systems and intelligent property management infrastructure. Technological innovation enhances operational efficiency and builds smart, resilient service facilities.
SDG10 Reduced Inequalities	The Group adopts inclusive employment policies by providing internship and job opportunities for underrepresented groups. We also launch affordable TCM healthcare products and services to lower barriers for grassroots communities to access quality medical resources and narrow gaps in the distribution of social resources.

SDGs	Our Actions
SDG11 Sustainable Cities and Communities	The Group carries out energy-saving renovations, greening works and public space optimisation for its commercial and office properties. Regular community initiatives including free TCM consultations and health seminars are organised to build safe, comfortable and low-carbon sustainable neighbourhoods.
SDG12 Responsible Consumption and Production	The Group adopts green operations and waste reduction management. We gradually switch to biodegradable packaging materials for pharmaceuticals and e-commerce deliveries, implement packaging recycling schemes, facilitate the recycling of TCM herbal residues and restrict the use of disposable consumables to embrace sustainable production and green consumption practices.
SDG13 Climate Action	The Group fully adopts the TCFD governance framework, conducts Scope 1, 2 and 3 greenhouse gas inventories and climate risk assessments, accelerates the electrification of delivery fleets and site-wide carbon reduction renovations, and formulates long-term decarbonisation roadmaps and net-zero transition plans to proactively address climate change challenges.
SDG17 Partnerships for the Goals	The Group maintains deep collaboration with TCM planting bases, logistics partners, property management operators and medical service institutions to build sustainable supply chains and public welfare networks. We jointly deliver a full spectrum of sustainability initiatives through cross-industry partnerships.



Sustainable Development Philosophy

To fully implement the four core sustainable development principles- Steady Operation, Innovative Business, Green Environmental Protection and People-Oriented, the Group has formulated the following operational and social commitments, with all initiatives categorised under the four principles for comprehensive execution:

1. Steady Operation

    Covering Compliance & Integrity Operation and Real Estate Asset Stewardship All business segments shall strictly abide by applicable laws, regulations and professional codes of conduct. The Group maintains a sound corporate governance and internal control system to foster a transparent, compliant and responsible operational ecosystem.

    As for real estate business, the Group divested all real estate development assets in August 2025 and will no longer launch new construction projects. Subsequent ESG work for real estate will solely focus on energy-saving retrofits and green operation of completed managed properties to achieve long-term prudent and low-carbon asset management under full compliance.

2. Innovative Business

    Covering Healthcare Retail Expansion & Innovative E-commerce Distribution Leveraging Singapore's MyDoc telemedicine platform, Dubai's ResoHealth and self-developed LetsGo digital healthcare system, the Group integrates cross-border medical and pharmaceutical resources. It plans to deepen R&D collaboration with domestic pharmaceutical enterprises, build an AI-enabled precise chronic disease management framework, expand the national network of Yekai Tai pharmacies and online medical insurance settlement coverage across key Mainland cities, and standardise multi-channel medical services to drive sustainable growth via digital healthcare innovation.

    For the e-commerce and distribution segment, the Group dynamically optimises product portfolios and service systems in response to market trends, strengthens full-cycle risk identification, monitoring and control, and advances digital iteration of e-commerce platforms to deliver high-quality, sustainable growth for distribution businesses through industrial innovation.

3. Green Environmental Protection

   Covering Proactive Environmental Stewardship & Low-carbon Management of Existing Assets Environmental awareness and green training are institutionalised within the Group. Internal teams and external partners are guided to adopt low-carbon initiatives to continuously reduce the Group's environmental footprint. Energy-saving renovation and green operation projects will be prioritised for managed properties throughout their lifecycle, with all decarbonisation measures implemented in line with the Group's TCFD-aligned climate governance and carbon reduction roadmaps.

4. People-Oriented

   Covering Stakeholder Safety & Wellbeing, the Group prioritises the health, safety and legitimate rights and interests of employees and customers, and establishes robust occupational health & safety as well as customer service protection systems to safeguard core interests of all stakeholders. Inclusive and people-focused sustainability objectives are delivered via affordable Chinese medicine services, community health campaigns and equitable employment policies.

To ensure a unified, ESG governance framework in compliance with the consistency principle for regulatory disclosure, the Group fully aligns and deeply integrates its four core sustainable development principles, five strategic sustainability pillars, annual double materiality assessment mechanism and TCFD-aligned climate governance framework. The Group's four core principles – "Steady Operation, Innovative Business, Green Environmental Protection and People-Oriented" serve as the top-level guidance for the Group-wide ESG management regime, material topic screening and strategy formulation. All material environmental, social and climate issues identified via the annual double materiality assessment are risk-ranked, prioritised and matched with corresponding strategies in accordance with the four core principles, before being implemented under the five strategic pillars: Environmental Governance, Employee Wellbeing, Customer Care, Responsible Supply Chain and Community Development.

In terms of climate governance, the Group takes the Green Governance principle as the cornerstone of its TCFD climate governance system, overseeing climate risk supervision, scenario analysis, greenhouse gas inventory accounting and delivery of the long-term carbon reduction roadmap. The Prudent Operation principle strengthens compliance oversight and internal control systems relating to climate risks. The Innovative Development principle drives digital low-carbon transformation and unlocks sustainable business opportunities arising from climate change. The People-centric Approach safeguards workplace safety, employee health as well as community climate adaptation and resilience.

Through this integrated governance logic, the Group achieves full alignment across ESG strategies, day-to-day operational initiatives, materiality assessment outcomes and climate control mechanisms. All disclosures throughout this Report maintain consistent standards, traceability and comparability, fully complying with HKEX Appendix C2, HKFRS S1 & S2, ISSB and global TCFD disclosure standards.

Sustainability Performance Highlights

Indicator	Unit	2025	Year-on-year
Total other indirect GHG emissions (Scope 3)	tCO_2e	64.04	44.23%
Total GHG emission	tCO_2e	456.11	-18.5%
Total GHG emissions intensity	tCO_2e/employee	0.89	17.1%

Indicator	Unit	2024	Year-on-year
Density of non-hazardous waste disposed	tonnes/employee	0.03	–

Indicator	Unit	2024	Year-on-year
Energy consumption density	kWh'000/employee	1.89	5.5%
Water consumption density	m^3/employee	10.59	40.5%

Indicator	Unit	2024
Amount of loss due to climate change	RMB	0

Indicator	2024
Number of work-related fatality and injury	0 employee
Work-related injury rate	0%
Lost days due to work injury	0 day

2.4 ESG Rating

To achieve sustainable development objectives, the Group continuously optimises its comprehensive ESG governance framework, implements diverse sustainable operation initiatives and steadily lifts the Group's overall ESG performance. The Company obtained a BBB composite rating under Wind ESG assessment, which demonstrates the stable operation of the Group's internal ESG control system and places its overall performance at the mid-tier range within the industry. The Group will keep refining its ESG practices to further strengthen its sustainable development capabilities.

2.5 ESG Development Planning

Joining ESG International and Industry Organisations

The Group recognises that active participation in professional international and industrial ESG bodies is pivotal to elevating corporate sustainability standard and industry influence. In FY2025–2026, the Group has adopted a diversified and proactive layout to engage with mainstream ESG industry ecosystems, benchmark advanced international sustainable practices and continuously refine its end-to-end ESG management system. Moving forward, the Group will selectively join authoritative ESG organisations that align with its core business segments covering pharmaceutical retail, e-commerce distribution and real estate investment. Through industry exchange and collaborative initiatives, the Group strives to contribute to the advancement of industry-wide sustainable development and global ESG governance progress.

Research on ESG Performance-linked Remuneration Mechanism

In response to the global ESG governance upgrade driven by the International Sustainability Standards Board (ISSB), industry-leading listed enterprises have widely adopted ESG performance-linked remuneration frameworks. In line with FY2025–2026 governance optimisation targets, the Group has launched in-depth feasibility research on integrating ESG metrics into corporate incentive and assessment systems. The Group aims to fully align ESG strategic goals with operational development and compliance requirements, establishing scientific and quantifiable ESG assessment indicators. In the future, ESG value management will run through all business segments, driving iterative optimisation of the Group's sustainable development strategies and clarifying tailored ESG objectives and implementation roadmaps for each operational division.

Research on Third-Party Assurance for ESG Reporting

Keeping abreast of evolving domestic and international ESG disclosure trends and HKEX's enhanced sustainability regulatory requirements, the Group actively participates in authoritative ESG rating evaluations and industry benchmarking activities based on its operational characteristics. Recognising third-party assurance as a core component of standardised ESG disclosure, the Group has prioritised relevant research and layout in FY2025–2026. The Group will further strengthen the standardisation, digitisation and systematic management of its ESG workflow, steadily advance third-party independent assurance arrangements for ESG reports, enhance the credibility, transparency and comparability of sustainability information disclosure, and enable stakeholders to comprehensively and accurately grasp the Group's ESG implementation progress and performance outcomes.

2.6 Robust Operation

The Group upholds its core sustainable development tenets of robust operation and standardized governance, strictly complying with national laws, industrial regulations and Hong Kong listing rules that materially affect business operations. The Group's functional departments conduct real-time tracking and regular reviews of regulatory policy updates, iteratively revising internal management systems and corporate policies to ensure full alignment with latest compliance requirements. Targeted staff compliance training is delivered on a regular basis to consolidate employees' legal awareness and operational standardisation. Adapting to evolving market and operational landscapes, the Group further optimises organisational frameworks and staffing allocation in accordance with the characteristics of its pharmaceutical retail, e-commerce distribution and real estate businesses. By focusing on core business positioning, consolidating high-quality industrial resources, tapping operational development potential and implementing refined lean management strategies, the Group effectively enhances operational resilience and core competitiveness amid complex external market uncertainties.

Risk Control and Compliance Management

The Group maintains a layered, standardised risk management and internal control framework, with a clear governance hierarchy consisting of the Board, Audit Committee and senior management. The Board bears ultimate accountability for establishing and sustaining an effective Group-wide risk management and internal control system, in compliance with HKEX corporate governance requirements. The Audit Committee independently assesses the Group's risk appetite and tolerance aligned with strategic development goals, and oversees the full-cycle design, implementation, monitoring and optimisation of risk management and internal control mechanisms. The Group has formulated comprehensive risk management policies to standardise the systematic identification, evaluation and mitigation of material operational, financial, compliance and ESG-related risks. Supported by an independent internal audit function, the Group conducts ongoing oversight of internal control effectiveness, identifies operational deficiencies, delivers targeted improvement recommendations, and realises closed-loop risk rectification and management upgrades in the year.

Adherence to Scientific and Ethical Standards

The Group strictly abides by national scientific and technological ethical norms and adheres to the innovation principles of usability, traceability, reliability and controllability. In the current reporting year, the Group further promotes responsible technological and business innovation, embedding tech ethics review mechanisms throughout the whole innovation lifecycle of medical retail services, digital e-commerce systems and smart property management businesses. Regular professional training and one-on-one technical communication sessions are organised for technical and operational teams to deepen their understanding of technological ethics and industry norms. The Group advocates the"tech for good"development concept, ensuring all innovative business practices meet ethical standards, serve practical market demands and deliver responsible industrial value.

Intellectual Property Rights and Information Protection

Protection of Intellectual Property Rights

Fully recognising the strategic value of intellectual property rights (IPR), the Group strictly complies with the PRC Trademark Law, Copyright Law, Patent Law and relevant regulatory provisions. It has established a standardised full-process IPR management system covering patent application, trademark registration, copyright filing and daily maintenance. In the year, the Group fully implements pre-launch IPR screening mechanisms for new product lines, new project brands and service trademarks, completing standardized registration, application progress tracking and document filing across all business segments. In accordance with the revised Marketing and Promotion Guidelines, all marketing and promotional materials are strictly reviewed for regulatory compliance and copyright risks. Any content involving third-party copyright or licensed resources can only be used, reproduced or distributed after obtaining formal authorisation and completing relevant fee settlement, so as to fully safeguard legitimate IPR of the Group and third parties.

Protection of Customers' Privacy

Customer information security and privacy protection remain core social responsibility priorities of the Group. The Group strictly implements the PRC Personal Information Protection Law, Consumer Rights Protection Law and national personal information security specifications, building a full-dimensional customer data protection system. In the current fiscal year, the Group upgraded its encrypted document management system and refined data access authority control, restricting personal data access to designated authorised staff only. It further standardises the whole process of customer information collection, storage, processing and transmission, and publicly releases standardised Personal Information Collection Statements to ensure transparent, lawful and compliant utilisation of customer personal data. Continuous dynamic monitoring of data processing behaviours effectively prevents information leakage, tampering and unauthorised usage, fully protecting customers' legitimate information privacy rights and interests.

Advertising and Labelling Management

The Group strictly abides by the PRC Advertising Law and real estate industry regulatory requirements, and has further upgraded its advertising compliance management system in the year. It explicitly prohibits any false, misleading or feudal superstitious content such as feng shui descriptions in all promotional materials. All commercial advertisements and property publicity content must feature accurate project locations, standardised scale schematic diagrams and objective product information. The Group implements a dual-review mechanism for pre-release advertising auditing and post-release compliance inspection, strictly eliminating false publicity, incomplete data and misleading statements. This rigorous management mechanism effectively safeguards consumer rights and maintains the Group's credible market brand image.

Anti-monopoly and Fair Competition

The Group adheres to the principles of fair market competition and strictly complies with the PRC Anti-Unfair Competition Law. In response to updated industry anti-monopoly regulatory trends in the year, the Group iterated its internal anti-monopoly and fair competition compliance systems, optimised institutional processes and clarified departmental accountability mechanisms. It has improved full-cycle compliance risk assessment, early warning and internal audit procedures to prevent monopolistic behaviours and unfair market competition. The Group fully respects the legitimate intellectual property rights and market interests of other market players, actively maintains a healthy industrial competition ecosystem. Meanwhile, targeted special training on anti-monopoly policies, business compliance guidelines and typical industry cases are regularly organised for employees, empowering all staff to standardise business behaviours and abide by fair competition norms in daily operations.

Sustainable Supply Chain Compliance Management

As an upgraded governance focus for the year, the Group has formally established a full-life-cycle sustainable supply chain management system, targeting the upstream and downstream industrial chains of pharmaceutical retail, commodity distribution and real estate supporting services. The Group formulates unified supplier access standards incorporating ESG assessment indicators, conducting pre-entry qualification review, annual ESG performance evaluation and regular on-site compliance inspections for all cooperative suppliers and partners. It prioritises partnering with suppliers that comply with environmental protection regulations, labour safety standards and fair trade principles, while phasing out high-risk and non-compliant suppliers to optimise the overall supply chain ecosystem. To strengthen chain-wide sustainable governance, the Group launches regular ESG communication and training sessions for suppliers, conveying the Group's green procurement, safe production and responsible operation requirements. Through collaborative optimisation with industrial partners, the Group effectively mitigates supply chain operational and ESG risks, realises synergistic sustainable development across the industrial chain, and consolidates the stable and high-quality development foundation of core businesses.

ESG Risks and Opportunities

In the year, the Group further upgraded its double materiality assessment system in response to ISSB and HKEX updated disclosure standards. It clearly recognises that improper ESG risk management may trigger operational uncertainties, financial losses and reputational impacts, while proactive capture of ESG opportunities can effectively drive business transformation and market competitiveness enhancement. Combined with the operational characteristics of its pharmaceutical retail, e-commerce distribution and real estate segments, the Group conducts in-depth screening and systematic analysis of material ESG factors. The Group defines six core ESG risk categories, including climate change physical and transition risks, product safety and responsibility risks, industrial policy transition risks, daily operational compliance risks, regulatory disclosure standard-upgrade risks and public opinion reputation risks. It also identifies four major ESG development opportunities, covering sustainable revenue expansion via green business layout, operational cost optimisation through energy conservation and efficiency improvement, organisational productivity enhancement via digital and lean management, and asset value increment via responsible investment and low-carbon asset upgrading. The Group will continue to dynamically iterate its ESG risk opportunity matrix, formulate targeted response strategies, and integrate risk prevention and opportunity exploration into daily operational management to support long-term sustainable corporate development.

3. COMMUNICATION WITH STAKEHOLDERS

The Group attaches great importance to multi-dimensional stakeholder engagement and proactively collects stakeholder feedback on corporate operations and ESG performance to fully embed sustainable development concepts into daily operational practices. To systematically identify, respond to and address the core concerns of diverse stakeholder groups, the Group sustains continuous and effective communication with key stakeholders, including investors and shareholders, customers, suppliers, employees, government authorities and regulatory bodies, local communities, non-governmental organisations (NGOs) and media parties. Through diversified and targeted communication channels, the Group strengthens interactive dialogue, optimises stakeholder concern response mechanisms, and delivers sustainable and responsible corporate development aligned with multi-party interests.

Through different stakeholder engagement and communication channels, we will incorporate stakeholders' expectations into the ESG strategies of the Group. The communication channels for the Group and stakeholders, and their corresponding expectations are as follows:

Stakeholders	Communication Channels	Expectations
Investors and Shareholders	• Annual general meeting and other general meetings • Financial reports • Announcements and circulars	• Complying with relevant laws and regulations • Disclosing the latest corporate information in due course • Financial results • Corporate sustainable development
Customers	• Customer satisfaction survey • Customer service centre • Customer manager • Complaint review meetings • Hotline • Social media platform • Email and website	• Perform product and service responsibility • Customer information protection • Compliant operation
Suppliers	• Supplier meetings and events • Supplier on-site audit and management	• Fair competition • Business ethics and reputation • Cooperation with mutual benefits
Employees	• Employee opinion survey • Channels for employees' feedback (forms, suggestion boxes, etc.) • Work performance reviews • Internal media platforms	• Health and safety • Equal opportunities • Remuneration and benefits • Career development
Government and Regulatory Bodies	• Regular performance reports • Written response to public consultation	• Tax payment in accordance with laws • Business ethics • Complying with relevant laws and regulations
Communities, NGOs and Media	• Public and community activities • Community investment programs • ESG reports	• Giving back to society • Environmental protection • Compliant operation

The Group is committed to deepening long-term collaboration with all stakeholders to continuously enhance its ESG management performance and create sustainable, long-term shared value for the broader community and society. In strict compliance with the stakeholder, the Group maintains a year-round regular stakeholder communication mechanism. Through the multi-channel interactions outlined above during the reporting year, the Group systematically collected and consolidated core concerns raised by various stakeholders, covering key areas including climate and carbon emission control, quality of digital healthcare services, data privacy protection, occupational health and safety management, and ESG compliance standards for the supply chain.

All stakeholder feedback has been fully incorporated into the Group's annual double materiality assessment process, serving as the core basis for screening material ESG topics, prioritising relevant risks and adjusting sustainability strategies. Corresponding action plans are then implemented in line with the Group's four core sustainable development principles and five strategic sustainability pillars. Meanwhile, stakeholder views on climate governance are taken into account to refine the Group's TCFD-aligned governance framework. The Group conducts closed-loop continuous updates to its carbon reduction roadmap, operational control standards and service systems, ensuring its ESG strategies are closely aligned with stakeholder expectations, regulatory requirements and market trends to deliver dynamic optimisation and transparent disclosures of sustainability governance.

4. ESG MATERIALITY ASSESSMENT

Apart from referencing its own business development strategies and industry practices, the Group identified major ESG issues of the Group based on the results from last year's materiality assessment while taking into account the international reporting guidelines as well as sustainability and industry trends. The Group's stakeholders and management and staff in major functions are able to assist the Group in reviewing its operations and identifying the relevant ESG issues, and assess the importance of relevant issues to the Group's business and its stakeholders.

The Group reviewed the result of the materiality assessment. Following an analysis on the changes in the business of the Group and the inspection by the management, a total of 8 environmental issues and 14 social issues were selected to be of high importance from the sustainability issues pool based on the operational focus for the financial year 2025, and were particularly elaborated in the Report. The Group will continue to monitor its business operation and ESG performance on a regular basis.

The Groups materiality assessment process for the financial year 2025 is as follows:

The First Step – Analysis

The ESG Taskforce re-examined and updated the sustainability issues pool of the Group with consideration given to the Group's business operation and development direction for the financial year 2025 and the material issues in previous years, while making comparative analysis of the focus areas of companies in the same industry as well as referencing international reporting guidelines. Based on the focus of the Group's business operation management for the financial year 2024, the sustainability issues pool of the Group for the financial year 2025 comprises a total of 11 environmental issues and 10 social issues.

The following table outlines the sustainability issues of the Group for the financial year 2025:

Environmental Issues	
1. Exhaust Gas Emissions	2. Sewage Discharge management
3. Hazardous waste management	4. Non-hazardous waste management
5. Noise control	6. Energy Management
7. Biodiversity protection	8. Environmant and natural resources
9. Use of resources	10. Climate change
11. Green building	

Social Issues	
1. Employment	2. Anti-discrimination, diversity, inclusion and equal employment opportunities
3. Occupational health and Safety	4. Development and training
5. Labour Standard	6. Supply chain management
7. Product responsibility	8. Anti-corruption and integrity management
9. Charity	10. Responsible marketing

The Second Step – Assessment

Following the completion of the sustainability issue pool screening, the ESG Taskforce organised in-depth deliberations with the Group's senior management and responsible personnel across all business segments. The participants jointly reviewed and recalibrated the materiality level of each sustainability issue based on the Group's operational strategies and stakeholder concerns. After comprehensive evaluation, 8 environmental issues and 14 social issues were confirmed as high-materiality topics for the the year assessment cycle.

The Third Step – Confirmation

The ESG Taskforce presented the materiality assessment results to the Board for review and confirmation of the issues of high importance for the year.

The Fourth Step – Evaluation

The Group maintains continuous and systematic stakeholder engagement to evaluate the influence and material impact of high-priority ESG topics, ensuring that its sustainable development roadmap consistently aligns with stakeholder expectations and market sustainability trends. This Report comprehensively elaborates the Group's practical work, achievements and ongoing progress corresponding to the 8 material environmental issues and 14 material social issues identified for the year. Moving forward, the Group will prioritise the governance of all high-materiality ESG matters by formulating targeted operational strategies, optimising internal management policies and establishing long-term sustainable development targets. Through structured ESG governance and continuous operational improvement, the Group proactively responds to evolving stakeholder demands and transparently discloses its sustainability efforts and performance outcomes.

The following table lists out the issues of high importance to the Group for the financial year

Issues of High Importance	Aspect	Corresponding Sections in the Report
1. Exhaust gas management	Environmental	6.1 Emissions
2. Risk Control and Compliance Management	Govern	2.6 Robust Operations
3. Anti-discrimination	Social	7.1 Employment
4. Customer Satisfaction	Social	7.7 Product responsibility
5. Staff Sustainability Awareness Cultivation	Environmental	6.3 Environmental and natural resources
6. Product Innovation and Quality Control	Social	7.7 Product responsibility
7. Employee diversity	Social	7.1 Employment
8. Green office	Environmental	6.3 Environment and natural resources
9. Climate change	Environmental	6.4 Climate change
10. Employee remuneration and benefits	Social	7.1 Employment
11. Anti-corruption	Social	7.8 Anti- corruption and Integrity management
12. Health and safety	Social	7.2 Occupational Health and Safety
13. Water Management	Environmental	6.2 Use of Resource
14. Supply chain management	Social	7.6 Supply Chain Management
15. Development and training	Social	7.3 Development and Training
16. Green buildings	Environmental	6.1 Emissions
17. Use of resources	Environmental	6.2 Use of Resource
18. Community development	Social	7.9 Charity
19. Responsible investment	Social	2.6 Robust Operations
20. Biodiversity protection	Environmental	6.2 Use of Resource
21. Sustainable innovation planning	Govern	2.6 Robust Operations
22. Popularisation of inclusive healthcare services	Social	7.2 Occupational Health and Safety

5. BUSINESS TRANSFORMATION AND INNOVATION

The Group's long-term strategy of full transformation from asset-heavy property development to asset-light healthcare and digital e-commerce businesses is formulated in strict accordance with the four core sustainable development principles set out in Section 2.3 "Steady Operation, Innovative Business, Green Environmental Protection and People-Oriented". The sustainability initiatives across all business segments covered in this chapter correspond precisely to the 22 high importance issues ESG topics identified in the Chapter 4.

The pharmaceutical retail segment addresses core material topics including climate change, product quality control, inclusive healthcare services, supply chain management and green operations. The omnichannel e-commerce segment aligns with responsible marketing, compliance risk management, customer privacy protection and efficient resource utilisation. The retained property management segment delivers actions covering green building performance, emission management, biodiversity conservation and community sustainable development. All segment-level ESG controls and annual achievements are anchored in the Group's four core sustainability principles and TCFD climate governance logic, ensuring full disclosure consistency in compliance with HKEX Appendix C2 and ISSB standards.

This chapter covers three business segments: pharmaceutical retail, omnichannel e-commerce and retained property management. In compliance with the Principles for Responsible Investment (PRI), the TCFD climate governance framework, HKEX Appendix C2 and ISSB disclosure standards, it sets out a full disclosure of the policy landscape, sustainable operational initiatives rolled out during the reporting year, tangible outcomes of ESG investment, and the sustainable development roadmap for the future. All ESG control mechanisms supporting this transformation have been integrated into the Group-wide risk management and internal control systems (see Section 2.6 Robust Operations for further details).

Listed on the Main Board of The Stock Exchange of Hong Kong since 1991, the Group has undergone decades of steady development and strategic iteration. In the year, the Group advances profound business restructuring and industrial upgrading, transforming from a traditional diversified operation model to a technology-driven, health-focused and asset-light high-quality development layout. Following the full divestment of onshore real estate development projects, the Group has optimised its business portfolio and focused resources on core high-growth tracks covering the medical and pharmaceutical retail business, the e-commerce and distribution business.

Upholding the corporate mission of building a technology-enabled, quality and healthy lifestyle, the vision of pursuing corporate excellence and delivering refined living experiences, and the core values of innovation, creation and shared progress, the Group anchors its financial year 2025 strategic development on the digital intelligent health ecosystem. It actively researches and develops green, low-carbon and user-centric smart health products, fully implements an operational transformation strategy, and enhances synergistic integrated operation across industrial segments to build a new-era sustainable strategic framework.

To empower long-term sustainable growth, the Group integrates global industrial resources centred on technology, digital intelligence, quality services, health management and ecological development. It actively promotes technological innovation and business model iteration, leveraging self-developed AI healthcare platforms and overseas ResoHealth brand layout to launch innovative digital medical services and cross-border health solutions. Through targeted business optimisation, quality asset mergers and acquisitions, and global market expansion, the Group fosters innovative, high-value and sustainable new business growth drivers, continuously elevates industrial competitiveness, and delivers long-term stable returns for stakeholders and the broader society.

The United Nations Principles for Responsible Investment

The Company fully supports and practises the six United Nations Principles for Responsible Investment (PRI) during its FY2025–2026 strategic transformation, asset-light portfolio optimisation and cross-industry M&A activities. The Group integrates PRI requirements into the full lifecycle of investment screening, due diligence, post-investment governance and exit management across healthcare, digital distribution and property investment segments. The table below outlines the Group's practical, segment-specific PRI execution measures for the current fiscal year.

PRI Six Core Principles	Our Actions
1. Incorporating ESG issues into investment analysis and decision-making processes	• Roll out customised ESG scoring tools for healthcare asset, real estate and e-commerce target screening • Evaluate internal asset management team and external fund partners' ESG due diligence capabilities before cooperation • Embed climate risk, product safety and labour governance metrics into pre-acquisition feasibility assessments • Deliver group-wide PRI & ESG investment training for investment, M&A and asset management teams
2. Being active owners	• Formalise ESG oversight clauses in investment management agreements and joint venture contracts • Build dedicated ESG engagement teams to conduct regular dialogue with invested subsidiaries and portfolio partners • Collaborate with professional ESG consultancies to conduct annual on-site ESG audits of invested entities • Mandate invested assets to deliver annual ESG performance reports and establish improvement roadmaps
3. Seeking appropriate disclosure on ESG issues by invested entities	• Require all invested operating entities to adopt GRI-aligned standardised ESG reporting templates • Stipulate mandatory ESG disclosure sections in annual financial reports of all subsidiaries and joint ventures • Verify invested firms' compliance with HKEX ESG rules, ISSB standards and national dual-carbon regulatory requirements

PRI Six Core Principles	Our Actions
4. Promoting acceptance and implementation of the PRI within the investment industry	• Revise investment monitoring workflows to prioritise long-term sustainable value over short-term returns amid FY2025–2026 portfolio restructuring • Clearly communicate unified ESG investment thresholds to all partners; terminate cooperation with assets failing sustained ESG compliance reviews • Participate in Hong Kong green finance working groups to contribute to local sustainable investment policy formulation
5. Working together to enhance the effectiveness in implementing the PRI	• Join cross-industry responsible investment information platforms to share healthcare and real estate ESG best practices • Collectively addressing ESG-related news and issues • Take part in collaborative low-carbon asset transformation and responsible supply chain initiatives for healthcare retail
6. Reporting on activities and progress towards implementing the PRI	• Disclose PRI implementation progress to investors, regulators and stakeholders via annual ESG reports and investor briefings • Track measurable ESG outcomes of investment portfolios including carbon reduction and responsible medical service penetration

Medical and Pharmaceutical Retail Business

Since 2025, successive rounds of upgraded national medical supervision and supportive policies for digital healthcare have driven a pronounced structural division in the prescription drug market. Homogenous competition among standalone physical pharmacies has intensified, slowing revenue growth, while omnichannel pharmaceutical e-commerce has maintained double-digit growth backed by national policies for the "Internet + Medical and Healthcare" initiative.

Building on the 2024 Official Letter on Launching the Special Campaign of "Opening Online Stores, Checking Drug Prices, Comparing Data, and Strengthening Governance"《關於開展「上網店，查藥價，比數據，抓治理」專項行動的函》issued by the National Healthcare Security Administration (NHSA), a unified national dynamic online pharmaceutical price monitoring platform was launched in 2025. It targets differentiated pricing and inflated drug prices, guides pharmaceutical operators to set reasonable prices, and fosters high-quality innovative development across the industry.

Following the 2024 Key Work Tasks for Deepening the Reform of the Medical and Healthcare System《深化醫藥衛生體制改革2024年重點工作任務》, the General Office of the State Council released a new round of medical reform implementation arrangements covering FY2025–2026, which continuously optimise the tripartite joint supervision mechanism spanning medical institutions, medical insurance and pharmaceutical suppliers. Relevant policies explicitly mandate accelerated construction of national electronic prescription circulation hubs, wider dual-channel coverage of state-negotiated medicines, improved mutual medical protection for outpatient employee treatment, and refined medication guarantee mechanisms for chronic disease patients among urban and rural residents.

During the reporting period, the State Administration of Traditional Chinese Medicine (SATCM) fully rolled out the Standardisation Action Plan for Traditional Chinese Medicine (2024–2026) and issued supporting technical specifications for digital TCM diagnosis and treatment to advance standardised inheritance and innovative development of TCM. In mid-2026, the National Health Commission (NHC) and

National Medical Products Administration (NMPA) launched a public consultation on the Administrative Provisions on Traceability Codes for Chinese Herbal Decoction Pieces《中藥飲片追溯編碼管理規定》, which requires unique traceability codes for all herbal pieces to enable full supply chain and full-lifecycle traceability – a core compliance obligation applicable to all the Group's offline TCM clinics and retail pharmacies.

Issued by the State Council in 2024, the Opinions on Promoting the High-Quality Development of Service Consumption《關於促進服務消費高質量發展的意見》serves as a core policy document for the reporting period. It encourages innovative "Internet + Medical and Healthcare" models, delivers targeted policy support to time-honoured TCM brands including Yekaitai, and broadens the business scope for retail pharmacies to deliver health management and nutritional care services.

In January 2026, nine central ministries jointly issued the Opinions on Promoting the High-Quality Development of the Pharmaceutical Retail Industry《關於促進藥品零售行業高質量發展的意見》, a landmark policy reshaping the industry's development positioning. It clarifies the transformation of pharmacies into integrated community health service hubs, standardises remote online pharmacist prescription review procedures, supports in-store TCM cultural experience services, and integrates pharmacy development into the construction of 15-minute radius livelihood service circles. The revised 2025 National Basic Medical Insurance Drug List《2025年國家基本醫療保險藥品目錄》was officially implemented, expanding covered categories for chronic and rare disease medicines and unlocking new development space for chain pharmacies.

Fueled by favourable industrial policies and iterative digital technologies, the overall scale of the pharmaceutical retail market continues to expand, yet the sector faces notable challenges including unbalanced regional market maturity, rising comprehensive operating costs, and mandatory transformation of business models. Regulators have enforced all-round stringent oversight: thresholds for medical insurance price audits have been lifted, market price supervision has been fully digitised, and competition among traditional offline pharmacies has turned cutthroat. Meanwhile, comprehensive national support for the TCM industry has created sound policy and market conditions for pharmacies to upgrade into integrated TCM wellness service complexes.

Industry-wide operators have accelerated the rollout of two innovative operating models: "Pharmacy + On-site TCM Clinic" and "Internet + Full Lifecycle Medical Services". Market participants build closed-loop community health ecosystems via self-operated TCM clinics, grassroots community medical stations and physical examination centres, steering the industry toward scaled chain operation, diversified service offerings and full-lifecycle health consumption.

In November 2023, the Group completed the acquisition of the remaining 44% equity interest in Wuhan Yekaitai Pharmaceutical Chain Co., Limited to achieve full ownership. Over the reporting year, the Group carried out systematic upgrades for conventional standalone pharmacies and fully replicated the composite "Pharmacy + TCM Clinic" operating model, revamping multiple outlets into one-stop "Wellness Plus" integrated stores delivering diversified services including professional TCM consultations, wellness herbal teas and medicinal dietary conditioning. The Group completed upgrades for a total of nine composite TCM pharmacy outlets and opened a flagship Yekaitai TCM Hospital in Hangzhou. Drawing on Yekaitai's century-old brand heritage, the hospital integrates classical TCM theories with modern precision medical solutions to deliver integrated Chinese-Western chronic disease management services, with six core clinical departments: General TCM Practice, Dermatology, Paediatrics, Integrated Chinese-Western Medicine, Internal Medicine and Surgery.

The Group currently operates 38 chain retail pharmacies, 15 TCM clinics, 1 specialist dermatology clinic, alongside a fully functional self-operated online pharmacy platform. The Group concurrently optimises its store portfolio by phasing out underperforming offline outlets to lift overall operating efficiency. Its offline TCM clinics provide a full suite of compliant services including Chinese herbal dispensing, rehabilitation physiotherapy and one-on-one professional pharmaceutical counselling. Following the launch of diversified wellness service lines, both in-store footfall and core operating revenue registered material growth.

To build a dual-track wellness industrial layout covering Mainland China and overseas, the Group has deployed cross-border digital healthcare assets in Singapore and Dubai respectively. In Singapore, the Group is a co-founder of MyDoc, the region's pioneering telemedicine platform, unlocking cross-border teleconsultation and international pharmaceutical supply chain resources across Southeast Asia. In Dubai, the Group established Resohealth FZCO as its Middle East operating vehicle, leveraging its self-developed Lets Go digital wellness platform to roll out Yekaitai's preventive TCM wellness concepts and deliver holistic employee health management programmes for multinational corporations. During the reporting year, the Group exclusively launched the Yekaitai Wellness WeChat Mini Programme, a dedicated digital channel fully compliant with national electronic prescription circulation regulations. It provides one-stop services including online TCM consultations, electronic prescription matching and customised herbal remedy orders, fully aligning with the 2026 inter-ministerial regulatory guidelines governing standardised remote pharmacist reviews.

The Group entered into technical cooperation agreements with medtech partners to deploy AI-assisted chronic disease management systems for community residents, in response to national policies promoting smart primary healthcare. To meet Dual Carbon targets and green operational regulatory requirements, the Group formulated uniform standardised green pharmacy operational protocols covering three core areas: full rollout of low-energy LED lighting across outlets, phased replacement of all pharmaceutical packaging with biodegradable alternatives, and centralised local sourcing of TCM raw materials to cut carbon emissions generated by long-distance cross-regional logistics.

Looking ahead to the next financial year, aligned with national policies on the"15-minute community living circle", the Group formulated an expansion roadmap for new TCM clinics in tier-1 and tier-2 cities to broaden the coverage of accessible public TCM medical services. The Group will further expand its offline TCM service network and iteratively enhance its online digital healthcare channels, capitalising on successive national supportive policies for pharmaceutical retail and TCM industries to steadily advance its long-term asset-light wellness transformation blueprint.

* *For identification purposes only*

E-commerce and Distribution Business

Industry Landscape & Latest Regulatory Policy Framework

During the 2025–2026 financial year, China's e-commerce sector has fully entered an era of high-quality development. Powered by immersive consumption scenarios and flexible operating models, instant retail, content commerce and social commerce have become core growth drivers for the whole industry. Consumer demand demonstrates distinct segmentation characteristics: middle-class and young shoppers prioritise quality-of-life upgrades and personalised shopping experiences, with robust appetite for niche and distinctive product categories. Mass mainstream consumers are brand-conscious, placing strong emphasis on brand reputation, consistent product quality and cost performance.

Driven by continuous expansion in digital retail scale, regulators have rolled out a comprehensive suite of updated rules to standardise full-value-chain operations of online platforms, underpinned by two fundamental legislation: the E-Commerce Law of the People's Republic of China《中華人民共和國電子商務法》and the Regulations on the Implementation of the Consumer Rights Protection Law of the People's Republic of China《中華人民共和國消費者權益保護法實施條例》. Below are core regulatory documents newly effective in the reporting period that bear direct relevance to the Group's operations:

1. Supplementary implementing rules under the Measures for the Supervision and Administration of Online Transactions《網絡交易監督管理辦法》, which strengthen oversight over big data differential pricing and algorithmic recommendation practices;

2. The Measures for the Supervision and Administration of Live Streaming E-Commerce《直播電商監督管理辦法》, jointly issued by the State Administration for Market Regulation and the Cyberspace Administration of China in December 2025 and effective 1 February 2026. The document clarifies the scope of accountability for four parties – platforms, operating entities, livestream hosts and MCN institutions – and regulates livestream marketing promotion, transaction data archiving and deceptive advertising;

3. The Provisions on Supervision and Administration of Operators of Live Streaming E-Commerce for Fulfilling the Main Responsibility for Food Safety《直播電商經營者落實食品安全主體責任監督管理規定》, effective 20 March 2026, sets dedicated compliance criteria for online sales of food and wellness products, which are directly applicable to the Group's health food e-commerce division;

4. The Rules on Price Conduct of Internet Platforms《互聯網平台價格行為規則》, effective 10 April 2026, strictly prohibits price fraud and improper competitive pricing while enhancing transparency of online transaction pricing;

5. Industry Standard SB/T 10375-2025 Evaluation Indicators for the Informatisation Level of Retail Enterprises《零售企業資訊化水平評價指標》, implemented 1 January 2026, guides retail operators to pursue digital transformation and smart supply chain upgrading.

Meanwhile, successive national policies to boost domestic circulation and consumer spending have provided solid policy support for steady growth in online retail transaction volume. The industry has shifted its development paradigm from extensive traffic-driven competition towards sustainable growth built on refined brand operation, controllable supply chains and comprehensive protection of consumer rights and interests.

The Group's Strategic Layout for E-Commerce and Distribution Business

Commencing in 2023, the Group rolled out a core strategic transformation, gradually phasing out low-margin offline distribution of traditional IT products and concentrating resources on two high-growth vertical e-commerce tracks: omnichannel brand agency operation for consumer electronics and health food. Distinct from pure platform resale models, the Group delivers one-stop full-lifecycle online growth services for a roster of well-known domestic brands including Joyoung, Huawei, Xiaomi, Yihai Kerry Arawana and Aodong. With years of industry accumulation, the Group has mature capabilities in end-to-end brand management, underpinned by three core competitive moats: big data-driven consumer insights, integrated content marketing and full-cycle operational execution, rendering it a preferred online operating partner for leading consumer brands.

The Group has established a comprehensive omnichannel matrix. On one hand, it maintains permanent operations across major comprehensive e-commerce platforms including JD.com, Taobao, Pinduoduo and Vipshop, building a diversified operation system covering official brand stores, channel distribution and platform flash sales to maximise product exposure, precision traffic acquisition and efficient sales conversion. On the other hand, aligning with the industry-wide boom in content marketing, the Group has scaled up its presence on emerging social content platforms such as Douyin, Xiaohongshu, Kuaishou and WeChat Channels. Leveraging its self-developed user profiling database, the Group customises scenario-based creative materials tailored to the ecosystem attributes of each platform. Through life-themed narrative content, it fosters emotional connections between partner brands and end consumers, continuously lifting brand recognition and traffic conversion efficiency. Deep synergy between conventional comprehensive marketplaces and emerging social content channels creates unique differentiated competitive strengths for the Group and substantially elevates the commercial operation efficiency of partner brands.

Throughout the reporting year, the e-commerce division continued to optimise its product portfolio and aggressively expand high-growth niche segments such as health food and smart small home appliances. In parallel, to fully align with the latest 2026 regulatory requirements governing live streaming e-commerce and online food sales, the Group proactively upgraded its internal compliance management framework. Standardised internal controls have been put in place, including pre-review procedures for all livestream content, dedicated archiving systems for health food qualification certificates, and mandatory storage of full online transaction records for no less than three years. This complete set of internal control mechanisms fully complies with the Measures for the Supervision and Administration of Live Streaming E-Commerce and national online food safety supervision standards, effectively mitigating a full spectrum of compliance risks arising from digital retail operations.

Looking ahead, amid intensifying industry competition, rapidly evolving consumer demands and tightening regulatory regimes, the Group will press forward with comprehensive business upgrades in the upcoming financial year. The Group will further refine inventory management to enable forward-looking sales analysis and dynamic allocation of inventory resources, lowering the risks of slow-moving stock and stockouts while boosting the overall operational resilience of its supply chain. The Group will also ramp up online operational investment in health food and wellness consumer goods, integrate customer traffic resources between the e-commerce division and Yekaitai's big health retail business, and build an industrial ecosystem featuring coordinated development of pharmaceutical retail and wellness e-commerce. In addition, the Group will keep abreast of the latest regulatory direction reflected in the draft amendments to the E-Commerce Law, and continuously optimise internal control workflows covering data compliance, algorithm-based marketing and livestream promotion, to sustain long-term, robust and high-quality sustainable development of the Group's digital distribution business.

Real Estate Business

During the reporting year, the central government rolled out a series of upgraded policies to stabilise the property market, steering the sector toward a brand-new sustainable development model. Pursuant to a 2025 joint policy document issued by nine central ministries on optimising housing supply structure, regulatory priorities include destocking commercial residential properties, urban village renovation, expanding the supply of indemnificatory housing and stringent control over project delivery risks. Local authorities adjusted purchase restriction and mortgage policies in light of local market conditions and revitalised idle land assets, gradually restoring market confidence and narrowing the decline in residential transaction volumes.

In response to the national deleveraging policy direction and the Group's comprehensive strategic transformation, the Group completely withdrew from its capital-intensive real estate development business during the year. The Group published an announcement on 7 May 2025 in respect of the disposal of 100% equity interest in the platform company holding all of the Group's onshore property development projects under construction, with the transaction fully completed on 11 August 2025. Upon completion, the Group no longer held any development properties under construction. Subsequently in September 2025, the Group further disposed of several non-core property subsidiaries to optimise its asset portfolio, marking the Group's full exit from the capital-intensive property development segment.

Following the completion of asset restructuring, the Group's property-related businesses are limited to light-asset property investment and professional property management services. The Group's in-house property management brand "Weida Service" continues to expand its footprint across the Yangtze River Delta and North China regions, securing multiple new service contracts covering residential compounds and industrial parks. In response to national policies promoting the development of 15-minute community living circles and integrated community amenities, the Group plans to foster business synergy between its property management division and the Yekaitai big health industrial ecosystem, and build distinctive capabilities in delivering all-round integrated community services.

Looking ahead, the Group will allocate the vast majority of its capital and human resources to its three core growth segments, namely pharmaceutical retail, traditional Chinese medicine medical services and omnichannel e-commerce. The asset-light property management business will maintain low-risk and stable operations as a steady supplementary source of recurring income. The Group will not make any new investments in real estate development, and will continuously pursue an asset-light sustainable development path centred on the big health sector.

6. ENVIRONMENT

All environmental management measures covered in this Chapter, including emission control, efficient resource utilisation and ecological conservation, are guided by the four core sustainable development principles set out in Section 2.3 "Steady Operation, Innovative Business, Green Environmental Protection and People-Oriented". Among them, Green Governance serves as the core implementation framework for all environmental initiatives in this Chapter, while the other three principles underpin environmental compliance risk control, low-carbon technological innovation and inclusive environmental outreach to employees and communities respectively.

High-priority environmental topics addressed throughout this chapter, such as waste gas management, water resource efficiency, green buildings, resource consumption, environmental education and biodiversity conservation, correspond to all high important issues identified Chapter 4.

Having fully divested all capital-intensive real estate development assets in August 2025, the Group has eliminated construction-related pollution and carbon emission sources entirely; environmental management focus is now refocused on mitigating operational footprints from pharmacy outlets, e-commerce warehousing, delivery logistics and existing managed residential and commercial properties. The Group fully institutionalises green building operation standards for retained assets, integrating low-energy design into daily facility maintenance, rolling out multi-pronged initiatives for energy conservation, pollution control and waste minimisation, and delivering healthy, resource-efficient working and living premises to strike a balanced harmony between corporate operations and natural ecosystems. The Group regards staff environmental awareness as a foundational pillar of its ecological governance system, and delivers regular offline training and digital green advocacy sessions at all retail, warehouse and office sites to cultivate consistent low-carbon working habits across all teams.

Throughout the year, the Group maintained a clean compliance track record without any material violations of environmental statutes governing greenhouse gas emissions, air pollutants, sewage discharge, land contamination and the classified disposal of hazardous and non-hazardous waste. The Group's environmental management protocols have been comprehensively updated to align with the latest iteration of HKEX Appendix C2 ESG Reporting Guide, mandatory ISSB-aligned HKFRS S2 climate disclosure standards, as well as cross-jurisdictional regulatory frameworks including the PRC Environmental Protection Law, Water Pollution Prevention and Control Law, Solid Waste Pollution Prevention and Control Law, national dual-carbon and green retail policies, alongside Hong Kong's Waste Disposal Ordinance and Water Pollution Control Ordinance. Supplementary industry-specific regulatory benchmarks covering medical waste handling and e-commerce packaging circular economy management have also been fully incorporated into internal compliance checklists this financial year.

In response to accelerating global low-carbon transition momentum and upgraded mandatory climate disclosure rules enforced by the Stock Exchange from 2025 onwards, the Group has comprehensively revamped its climate risk and opportunity governance architecture under the four core pillars of the TCFD (Task Force on Climate-related Financial Disclosures) framework. The Group has built real-time data tracking systems to quantify and trace Scope 1 and Scope 2 greenhouse gas emissions, while expanding Scope 3 carbon accounting coverage to include herbal raw material transportation, e-commerce delivery fleets and disposable packaging waste for the year disclosure. All climate adaptation and decarbonisation roadmaps are embedded into the Group's medium-to-long-term ESG strategic blueprint, strengthening overall operational climate resilience while rolling out sector-specific green upgrades: including energy-saving LED retrofits for all Yekaitai pharmacy branches and propose localised herbal procurement schemes to cut long-haul logistics carbon footprints.

Environmental Management Objectives

Aligned with China's national Dual Carbon strategic goals of carbon peaking and carbon neutrality as well as Hong Kong's Climate Action Plan 2050, the Group anchors its holistic environmental governance agenda by integrating ecological protection into core corporate social responsibility and long-term asset-light development roadmap. Following the full divestment of all real estate development projects in August 2025, the Group has reset its environmental KPIs tailored exclusively to three core operation segments: Yekaitai pharmaceutical retail outlets, omnichannel e-commerce warehousing & logistics, and managed residential and commercial properties. We have issued tiered, quantified medium-and-long-term environmental targets together with matched implementable action plans covering energy intensity cutbacks, GHG emission reduction, packaging waste minimisation and water recycling upgrades. The Group organises quarterly cross-department performance reviews against established eco-benchmarks, conducts annual gap analysis on green operation progress, and forms a full closed-loop supervision workflow spanning target formulation, on-site implementation, regular auditing and rectification follow-up to continuously optimise the full-cycle execution efficiency of our corporate environmental management system. Additional segment-specific green initiatives are rolled out this reporting cycle, energy-saving retrofits for all offline pharmacy stores and propose localised herbal raw material procurement schemes to slash cross-regional logistics carbon output.

Environmental Goals for Financial Year 2030

Taking 2021 as the baseline year, the Group aims to exceed compliance requirements and accomplish the Group's long-term objectives on or before the year 2030, as follows:

Energy Consumption	Water Consumption	Non-hazardous	GHG Emission
↓ 5%	↓ 5%	↓ 8%	↓ 10%

Guided by these targets, the Group has formulated corresponding business strategies. The steps to be taken to achieve these goals are detailed below.

6.1 Emission

Green Building

The construction and building sector accounts for approximately one-third of global energy consumption and greenhouse gas emissions. While the Group fully divested all in-progress real estate development projects during the reporting year, its property management division continues to administer an extensive portfolio of completed operational buildings. Recognising physical climate risks that may disrupt daily property operations, the Group integrates green, low-carbon philosophies into the full lifecycle management of all managed premises to capture energy efficiency and operational optimisation potential.

To align with national Dual Carbon policies and Hong Kong's long-term climate targets, the Group scales up green property management and low-carbon asset stewardship. Having fully exited capital-intensive real estate development, the Group solely focuses on its retained portfolio of finished residential and commercial properties, and sets measurable environmental performance targets to lift resource utilisation efficiency, cut pollutant discharge and deliver year-on-year reductions in energy use and carbon emissions across managed assets, supporting the industry's carbon peaking and carbon neutrality progress. When renovating and upgrading existing managed properties, the Group adopts eco-centred design principles that balance residents' living demands with ecological protection, creating comfortable, healthy and energy-efficient indoor and communal spaces for occupants and tenants.

In routine property service delivery, the Group adheres to a resource-conservation approach to safeguard on-site water resources and green landscapes, and controls large-scale hard landscaping and unnecessary land alteration works. The Group implements holistic environmental governance covering the entire lifecycle of each managed building: low-carbon considerations are embedded into renovation design reviews, low-energy and low-emission operational benchmarks apply to all public facilities, and eco-friendly refurbishment standards are adopted for minor on-site renovation works to mitigate temporary pollution and carbon footprints. Looking ahead for FY2025–2026, the Group plans to formulate a tiered green asset evaluation framework covering its full property portfolio, prioritise energy-saving upgrade works for high-energy-consumption assets, and explore opportunities to deploy rooftop distributed photovoltaic systems on eligible commercial premises to lower reliance on grid electricity and reduce Scope 2 greenhouse gas emissions.

Exhaust Gas Emissions

In full compliance with the Atmospheric Pollution Prevention and Control Law of the People's Republic of China, GB16297-1996 Integrated Emission Standard of Air Pollutants, and national GB18352.6-2016 China 6b motor vehicle emission standards fully enforced nationwide as of the year, the Group has formulated a dedicated Group-wide "Exhaust Gas Management System" aligned with cross-regional environmental regulatory requirements across all operational regions. The framework has been upgraded in the reporting period to strengthen real-time monitoring, source control and full lifecycle governance of air pollutants generated by the Group's daily operations, enabling consistent compliant exhaust discharge. This safeguards the physical and mental health of employees and customers, improves indoor and outdoor working environments, and mitigates air pollution risks arising from corporate activities. The Group's Technical Department oversees regular inspections, maintenance and operational audits of all exhaust treatment facilities, while each business unit bears primary responsibility for routine pollutant monitoring and data filing.

The Group's exhaust gas emissions are mainly nitrogen oxides, sulphur oxides, respirable particulate matter and fine particulate matter emitted from the operation of the Group's business vehicles. To reduce exhaust gas emissions from mobile emission sources, the Group has integrated environmental protection concepts into its daily execution and has developed and implemented the following measures:

- Conduct regular vehicle maintenance and systematic servicing to keep engines, chassis and exhaust after-treatment devices in optimal condition, cutting fuel consumption and corresponding carbon and exhaust pollutant output;
- Mandate exclusive use of standard unleaded gasoline for all fleet vehicles to curb toxic substance release from tailpipe emissions, complying with national refined oil quality control rules;
- Strengthen whole-process vehicle administration, phase out high-emission obsolete vehicles that fail China 6b emission thresholds, and strictly implement national fuel quality and motor vehicle technical supervision standards;
- Prioritise zero-emission new energy passenger and logistics vehicles for all fleet renewal and expansion plans, aligning with national dual-carbon and green transport incentive policies;
- Add supplementary management measures: Install OBD remote emission monitoring terminals on all heavy-duty business vehicles, carry out quarterly roadside emission spot checks, and incorporate fleet carbon and pollutant reduction indicators into the Group's annual environmental performance appraisal system.

During the Reporting Period, the Group's exhaust gas emission[1] performance is summarized below:

Type of exhaust gas	Unit	2025	2024	2023	2022	2021
Sulphur oxides (SO_x)	kg	0.95	0.99	0.78	0.6	2.21
Nitrogen oxides (NO_x)	kg	29.38	55.67	107.60	85.63	90.63
Particulate matter (PM)	kg	4.06	3.88	9.32	7.51	6.67

Sewage Discharge

Complying with the Water Pollution Prevention and Control Law of the People's Republic of China, the Regulations on Urban Drainage and Sewage Treatment, and the updated GB18918-2002 Sewage Discharge Standard Amendment implemented in March 2026, the Group integrates the "Sponge City" development concept into the operation of all its managed property communities, commercial plazas and office premises to maximise rainwater recycling and cut freshwater reliance.

Aligned with national "Sponge City" construction principles of "infiltration, retention, storage, purification, reuse and drainage", the Group explores rainwater harvesting solutions for managed buildings. Captured rainwater, after simple purification treatment, can be reused for non-potable applications including toilet flushing and landscape irrigation. Surplus rainwater will be guided via infiltration facilities and green buffer zones for natural underground infiltration before overflow into municipal drainage networks, mitigating surface runoff pollution risks.

The Group plans to deploy on-site water recycling facilities at managed buildings to lower tap water consumption and the energy cost of water transportation. As the Group has fully exited heavy-asset real estate development projects during the year, its core business segments including pharmaceutical retail, e-commerce distribution and light-asset property management generate relatively low water intake volume and no substantial industrial wastewater. All domestic sewage produced by storefronts, offices and residential properties is fully discharged into municipal sewer networks and delivered to designated urban sewage treatment plants for centralised purification. For internal environmental statistics, the Group takes total freshwater consumption as the benchmark to estimate equivalent sewage discharge volume.

During the reporting period, the Group's property management team rolled out regular quarterly inspections of rainwater recycling and reclaimed water equipment, optimised maintenance cycles for filtration and storage hardware, and incorporated water-saving and sewage reduction targets into the annual environmental performance appraisal system. The Group also arranges staff training on rainwater recycling and water conservation to reinforce low-water consumption operational habits across all operation sites.

1 The main sources of emissions during the statistical period are vehicle emissions, and the main air pollutants emitted are nitrogen oxides (NO_x), sulphur oxides (SO_x) and particulate matter (PM).

Hazardous Waste Emissions

The Group complies with the 2025 revised National Catalog of Hazardous Waste, national temporary hazardous waste storage standards and Hong Kong's amended Waste Disposal Ordinance (Cap. 354) effective 1 January 2025. Hazardous waste from pharmacies, maintenance workshops, offices and managed properties is sorted by risk category and stored in designated leak-proof zones as required by regulation.

The Group maintains complete traceable records for expired drugs, medical residues, waste batteries and ink cartridges under national electronic waste manifest rules. Only fully licensed third-party contractors are appointed for waste recycling, incineration or secure landfilling, with regular reviews of contractors' qualifications to mitigate compliance risks.

The Group delivers environmental guidance to frontline teams covering waste sorting, standard handling and chemical leakage emergency responses. All waste storage areas are equipped with spill treatment supplies to prevent soil and water pollution. Source reduction of hazardous waste is a key environmental priority for FY2025–2026; the Group plans to adopt low-toxicity consumables and refillable supplies to cut disposable waste, and explore drug take-back arrangements at pharmacy outlets to reduce household pharmaceutical waste.

A full-lifecycle environmental risk screening mechanism covers store operations, property renovation, chemical storage, office supplies and landscape pesticides. Cross-functional regular site inspections identify pollution risks and drive targeted rectification, forming closed-loop environmental supervision.

In the reporting year, waste lithium batteries and used ink cartridges were delivered to certified environmental service providers for resource recovery and harmless treatment. All hazardous waste undergoes professional treatment with no untreated residues released into the natural environment.

Non-hazardous Waste Emissions

In the year, the Group's total disposed non-hazardous waste volume dropped roughly 47.79% year-on-year against the 2024 benchmark, with per-unit waste generation intensity maintained at the same level as 2024. Ahead of schedule, the Group has fulfilled its 8% non-hazardous waste reduction target set against the 2021 baseline year, delivering tangible progress on circular economy commitments.

The Group implements a three-tier circular waste management framework centred on source prevention, waste minimisation and high-value material recovery, fully complying with the 2026 Revised Measures for the Administration of Domestic Waste Classification issued by Mainland regulatory authorities and Hong Kong's municipal waste reduction roadmaps. Standardised classified waste collection stations are fully installed across Yekaitai pharmacy outlets, e-commerce fulfilment warehouses and all managed residential and commercial compounds, with colour-coded sorting bins clearly marked to guide employees, tenants and residents on correct waste separation. To boost public engagement, the Group rolled out recurring offline zero-waste workshops, digital social media sustainability campaigns and on-site waste sorting training sessions for community dwellers throughout the reporting cycle. A newly launched real-time digital waste monitoring platform this financial year automatically records daily waste generation volumes, recycling ratios and diversion rates at each site, enabling data-driven optimisation of waste management schedules and timely identification of low-recycling outlets for targeted rectification.

The Group's major non-hazardous waste categories include office paper waste, pharmaceutical packaging scraps, e-commerce cartons, daily domestic waste and food residues generated from pharmacy service zones, warehouse canteens and property communal facilities. All waste streams are pre-sorted on-site before handover to fully licensed municipal waste treatment operators for centralised processing. Waste paper, corrugated delivery boxes and paper-based pharmaceutical packaging are separately stockpiled and transported to certified recycling enterprises for pulp regeneration and remanufacturing, which effectively curbs felling demand for virgin timber and eases ecological strain on forest resources. The Group plans to launch packaging collection channels at offline pharmacy outlets and physical experience stores to encourage customers to return empty medicine boxes and delivery cartons for recycling. Food waste is processed by contracted service providers via low-carbon anaerobic fermentation to produce reusable biomass resources. The Group intends to install composting facilities within managed residential compounds, so that fermented organic fertiliser can be reused for landscape maintenance to form a circular organic waste management model for communities.

To embed circular economy habits into daily corporate operations, the Group has comprehensively revised its internal Office Sustainable Management Manual by adding granular waste reduction and substitution provisions aligned with national circular economy policies. Specialised multi-category waste sorting hubs are installed in every office premise, requiring all teams to strictly follow the "reduce, reuse, recycle, replace" circular operation principles in daily workflows. The Group has completely phased out single-use plastic cups, disposable cutlery and one-time plastic medicine packaging across all pharmacy counters and office pantries, switching to durable reusable tableware and certified compostable packaging materials to achieve fundamental source waste reduction. Complementary to waste control efforts, the Group pushes forward ecological upgrading of all completed managed assets by expanding native tree planting and lawn greening areas year-on-year, continuously raising the green coverage ratio of residential and commercial compounds to strengthen carbon sequestration capacity and offset residual carbon footprints generated from daily waste disposal.

The Group has rolled out a full suite of source waste reduction policies across all corporate offices to advance circular office management, with core daily implementation measures as below:

- Collect and repurpose intact express cartons and packaging materials generated by e-commerce and administrative operations for internal secondary use;
- Arrange daily regular rubbish bin clearance to extend the service life of plastic bin liners and slash liner consumption;
- Phase out single-use disposable drinking cups for visitor receptions and deploy reusable glass and stainless steel water cups instead;
- Equip staff pantries with durable reusable tableware to minimise reliance on disposable cutlery and lunch boxes;
- Place dedicated waste paper collection bins beside printing equipment for staff to reuse blank reverse sides of printed paper for drafting and note-taking;
- Centralise discarded newspapers, magazines and office paper into dedicated recycling containers for unified paper resource recovery.

During the Reporting Period, the Group's non-hazardous waste emission performance is summarized below:

Indicator	Unit	2025	2024	2023	2022
Total non-hazardous waste disposed[2]	tonnes	13.6	20.1	25.51	24.72
Density of non-hazardous waste disposed	tonnes/employee	0.03	0.03	0.03	0.05

Noise Control

Historically, the Group's main noise sources stemmed from property construction works; though the Group has fully exited development projects in the year, its property maintenance, warehouse equipment and pharmacy renovation works still generate operational noise. The Group enforces a formal Noise Prevention Management System for all noise-prone sites, adopting dual control logic of source suppression and transmission isolation tailored to different equipment types. Mitigation measures include mounting sound-absorbing panels and sound insulation fillers, optimising operational efficiency to shorten equipment running time, and enforcing restricted working hours for noisy maintenance and renovation activities. The Group carries out routine peripheral noise sampling testing to keep noise levels within statutory limits and avoid disturbance to nearby residents and office tenants.

6.2 Use of Resources

Boosting resource utilisation efficiency and curbing energy consumption stand as core environmental priorities for the Group. The Group commits to advancing circular resource management and plan to establishing real-time monitoring mechanisms to track the ecological footprint brought by all operational activities. To deliver on its environmental corporate social responsibility commitments, the Group conducts periodic reviews and performance evaluations of its full spectrum of environmental initiatives. This iterative assessment framework allows the Group to maintain a sustainable equilibrium between robust business expansion and rigorous ecological governance.

Energy Management

The Group gradually establishes an energy management system and policies, while exploring objectives and plans for energy management. It also strictly regulates the use of energy, promotes energy conservation, consumption reduction, quality improvement, as well as efficiency enhancement, and encourages employees to actively propose energy-saving and consumption reduction measures, seeking opportunities to reduce the use of energy with concerted efforts.

Aligned with national energy-saving and low-carbon policies, the Group explores multi-dimensional energy optimisation avenues, including energy efficiency upgrades to building envelopes, replacement with high-efficiency energy-saving equipment, maintenance optimisation for lighting and air-conditioning systems, and digital office transformation to cut paper usage. The Group formulates usage guidelines for all office and operational electrical appliances, prioritises high energy-efficiency grade equipment in procurement, and phases out outdated high-power-consumption machinery to advance decarbonisation. For long-term planning, the Group intends to deploy intelligent power monitoring meters at pharmacy outlets, warehouses and managed properties to capture real-time electricity data and identify abnormal consumption patterns. It also explores rooftop solar power installations on eligible commercial assets to reduce reliance on grid electricity.

The Group's direct energy consumption is mainly from stationary power-consuming equipment and fuel-consuming business vehicles; and the Group's indirect energy consumption is mainly from purchased electricity. Air conditioners are identified as the biggest part of building's electricity consumption of the Group, and therefore the Group adopts the design concept of "green building" to reduce electricity consumption. In addition, the Group strictly complies with the requirements under the "Law of the People's Republic of China on Energy Conservation" in respect of its property management operations.

During the Reporting Period, the Group's total energy consumption was approximately 970.77 kWh'000, and the energy consumption intensity was 1.89 kWh'000/employee, representing a decrease of approximately 26.14% and increase of 5.5% respectively as compared to 2024.

To cap overall electricity usage and elevate comprehensive energy efficiency, the Group enforces a full array of standardised energy-saving measures across offices, pharmacies, logistics warehouses and managed properties, as set out below:

- Actively align with national energy conservation and dual-carbon strategies, scaling up source reduction initiatives to curb unnecessary power waste;
- Upon end-of-life cycles of lighting and electrical installations, replace all units with Grade 1 energy-efficient alternatives and prioritise low-power appliances for new procurement;
- Deploy cutting-edge energy-saving hardware paired with scientific operational scheduling; roll out the "user-in-charge" accountability system across all departments to foster the habit of switching off idle lighting and equipment;
- Promote stair use among staff to cut frequent lift operation and associated power draw;
- Maximise natural daylight utilisation and complete full retrofits of traditional light fittings to low-carbon LED lamps;
- Rationalise the layout of public lighting in commercial and industrial compounds, removing redundant light points and switching remaining fixtures to low-wattage energy-saving bulbs;
- Enforce full cut-off of non-essential lighting after daily working hours and on non-business days;
- Maintain air conditioner temperature within the national recommended energy-saving range in both summer and winter seasons;
- Install intelligent IoT electricity meters across all office zones to enable refined energy management and real-time power consumption tracking;
- Optimise transformer deployment according to actual load fluctuations and power down idle no-load transformers to eliminate standby power loss;
- Deploy power reactive compensation devices to lift the operational efficiency of power distribution networks and electrical equipment;

- Cut travel-related carbon emissions by substituting long-distance on-site business visits and physical meetings with online video and telephone conferences;

- Conduct monthly statistical analysis of energy consumption data, promptly investigating and rectifying abnormal power spikes upon detection;

- Issue quarterly energy consumption quota targets: impose improvement reminders for departments exceeding limits while rewarding teams that deliver outstanding energy-saving outcomes;

- Establish a zero-tolerance mechanism for energy waste, requiring staff to immediately halt and report any idle power-consuming equipment for timely rectification.

Through the above measures, the Group aims to improve employees' awareness of energy conservation and emission reduction, which would effectively control its total energy consumption and enhance the energy efficiency.

During the Reporting Period, the Group's performance of energy consumption was as follows:

Types of energy	Unit	2025	2024	2023	2022	2021
Direct energy consumption	kWh'000	529.90	854.97	570.01	293	1,487
Indirect energy consumption (electricity)	kWh'000	440.87	459.38	435.28	397	1,030
Total energy consumption[3]	kWh'000	970.77	1,314.35	1,005.29	690	2,517
Density	kWh'000/ employee	1.89	1.79	1.35	1.44	2.83

3 Energy consumption mainly refers to the use of non-renewable fuels (direct energy consumption) and the consumption of purchased electricity (indirect energy consumption). Data on energy consumption for the statistical periods of 2023, 2022 and 2021 are rounded to the nearest single digit.

Water Management

The Group's water consumption primarily covers domestic water usage for daily office operations and property service scenarios, while phasing out construction water consumption following the full exit from real estate development businesses. Its managed water resources mainly support toilet flushing, daily cleaning and environmental sanitation across office premises, residential communities and commercial properties. The Group strictly implements refined water resource management plans, prioritises water conservation initiatives, optimises daily water usage workflows, and elevates the recycling and reuse efficiency of water resources to minimise water wastage. During the reporting period, all water utilised by the Group is sourced from municipal public water supply systems with no independent groundwater extraction. Adhering to the "Sponge City" low-carbon design concept, the Group plans to deploys systematic rooftop rainwater collection and simple purification systems across managed buildings. Recycled rainwater is fully reused for non-potable purposes including green landscape irrigation, waterscape supplementation and toilet flushing, effectively reducing reliance on municipal tap water and achieving efficient, circular utilisation of natural water resources.

In order to promote sustainable development, the Group has set a target of a 5% reduction in water consumption density by 2030. In the financial year 2025, water consumption density was approximately 10.59 m^3/employee, representing a year-on-year increase of approximately 40.5% and a decrease of approximately 5.1% as compared to that of 2021. The 2030 target has been achieved ahead of schedule.

The target was achieved mainly through the following water saving measures:

- Strengthen water facility management and regular pipeline inspections to eliminate overflow, dripping and leakage issues, with timely on-site repairs to avoid water wastage.
- Deploy advanced water-saving hardware at high water-consumption zones, including sensor-activated and flow-limiting faucets to achieve intelligent and precise water control.
- Equip all public restrooms with water-saving faucets and low-flush toilets to effectively reduce daily sanitary water consumption.
- Adopt drought-resistant landscape plants and efficient drip/micro irrigation with seasonal staggered watering, while prioritising recycled rainwater for irrigation, toilet flushing and vehicle cleaning.
- Deliver regular water conservation training and on-site publicity, posting reminder slogans to foster water-saving awareness among employees and residents.
- Implement monthly water consumption data monitoring and regular operational assessments, promptly rectifying abnormal water usage to realise refined water resource management.

During the Reporting Period, the Group's water consumption performance was as follows:

Indicator	Unit	2025	2024	2023	2022	2021
Total water consumption	m^3	5,426.0	5,545.5	6,083.7	4,731.50	9,946.51
Density	m^3/employee	10.59	7.54	8.18	9.90	11.16

Use of Paper and Packaging Materials

In the financial year 2025, the Group further accelerated digital and paperless office upgrades across all offices, retail outlets and warehouse sites. The Group rolled out targeted resource-saving measures, including mandatory double-sided printing and idle paper recycling, classified sorting and reuse of waste newspapers and magazines, and standardized recovery of logistics express packaging. By fully digitising internal approval workflows, operational documents and meeting records, the Group substantially cuts redundant paper usage, minimises office solid waste output and improves overall resource utilisation efficiency.

The Group publishes bilingual Chinese and English annual reports, allowing shareholders to receive documents in their preferred language. Aligned with its low-carbon operation strategy, the Group actively advocates electronic report subscription and digital reading among investors. All paper utilised for limited printed annual reports adopts FSC-certified materials sourced from sustainably managed forests, adhering to green publishing and responsible environmental governance requirements that fit the Group's sustainable operation positioning.

Benefiting from the Group's current light-asset business layout with no construction and production links, the Group generates only minor packaging consumption, which remains non-material to its overall business operations. In the reporting period, the Group's total packaging material consumption was 84.00 tonnes, with an average per-employee consumption of 0.16 tonnes. Targeting the packaging demand of pharmaceutical retail and e-commerce warehousing scenarios, the Group keeps optimising its packaging structure, phasing out disposable plastic packaging, prioritising eco-friendly, recyclable and degradable packaging materials, and implementing classified packaging recycling mechanisms to achieve source reduction and circular utilisation of packaging resources.

Biodiversity Protection

The Group strives to minimise adverse ecological disturbances caused by daily business operations and facility management. It embeds biodiversity conservation as a core component of its environmental management framework and sustainable development roadmap, consistently implementing practical ecological protection measures across its light-asset business segments including property services, commercial operation and retail management.

The Group adheres to the balanced development principle of ecological preservation, green operation and sustainable economic growth. All operational layouts and daily management strictly avoid ecological protection red lines, key ecological functional zones, nature reserves and ecologically sensitive surrounding areas. No high-impact construction or disruptive operational activities are permitted within ecologically vulnerable zones. To further reduce environmental interference, the Group optimises daily operational workflows and adopts low-carbon, low-disturbance management standards to improve resource efficiency, reduce resource consumption and lower pollutant output. Beyond passive protection, the Group actively enhances on-site ecological diversity by prioritising native plant species in community greening, eliminating invasive vegetation and reducing chemical pesticide and fertiliser usage in landscape maintenance, effectively protecting local habitats and stabilising regional biodiversity.

6.3 The Environment and Natural Resources

The Group proactively adopts industry-leading environmental governance best practices, focusing on monitoring and mitigating the impacts of its daily operations on the natural environment and resource reserves to achieve long-term sustainable development. In strict compliance with domestic environmental regulatory requirements and international ecological protection standards, the Group consistently implements targeted operational optimisation measures to minimise potential environmental footprints across its property management, pharmaceutical retail and commercial service businesses. Beyond institutional environmental management, the Group integrates green and low-carbon concepts into corporate culture by conducting regular environmental literacy training and resource conservation education for all employees. Such initiatives foster company-wide environmental awareness, guiding staff to practise eco-friendly habits in daily work and personal life, and form a solid internal foundation for the Group's sustainable environmental governance.

Corporate Environmental Culture and Staff Sustainability Awareness Cultivation

The Group regards energy conservation and carbon reduction as fundamental environmental responsibilities of all employees, integrating relevant requirements into internal management frameworks in alignment with national environmental promotion guidelines and Hong Kong green office operational standards. The Group plans diversified channels to disseminate environmental knowledge and foster sustainable operational values among staff. Employees are encouraged to participate in community environmental initiatives to connect workplace decarbonisation practices with public ecological conservation, supporting the delivery of medium-to-long term carbon reduction roadmaps covering retail, logistics and property segments.

To translate environmental awareness into tangible operational outcomes, the Group intends to refine internal green office guidelines and formulate standardised workflows for energy, paper and water conservation. It also explores supporting low-carbon commuting incentives and bicycle parking arrangements at workplaces. Regular reviews of green operation performance are conducted across all business units, with proven sustainable practices shared cross-functionally to cultivate a group-wide culture of energy and waste reduction.

For FY2025–2026 and beyond, the Group plans to establish a cross-site environmental performance benchmarking mechanism to track energy consumption and waste intensity metrics at pharmacy outlets, warehouses and property teams. It also intends to allocate dedicated funding for environmental facility upgrades to advance the green transformation of all operational premises progressively.

Green Office & Low-Carbon Workplace Governance

To fully comply with the 2026 Central Government Guidelines on Elevating Energy Conservation & Carbon Reduction, alongside the PRC Environmental Protection Law, Solid Waste Pollution Prevention and Control Law and updated national public institution energy efficiency standards, the Group has fully upgraded its integrated green workplace governance framework covering headquarters offices, Yekaitai pharmacy outlets, e-commerce fulfilment centres and managed property service offices. Building on the original Office Management Rule, the Group plans to compile internal Green Office & Low-Carbon Operation Manual, and explore setting phased measurable targets for energy, water and waste reduction across retail and office sites, together with standardised requirements for low-carbon fleet scheduling and digital paperless transformation.

The guidelines cover four core modules: power optimisation, water conservation, waste sorting and eco-friendly procurement, with supporting internal control workflows governing Scope 1 and Scope 2 greenhouse gas emissions arising from daily operations. Aligned with ISO50001 energy management system benchmarks, the Group optimises supporting internal policies and intends to deploy energy consumption monitoring equipment to track electricity usage and flag abnormal consumption patterns. The Group actively advances digitalisation of internal approval workflows, meeting materials and operational documents, and will consider sustainably FSC-certified paper for essential print runs to promote responsible forest resource utilisation.

The Group establishes regular review mechanisms for green operation performance, incorporating departmental energy and waste reduction progress into segment-level ESG assessments, and explores incentive arrangements to reward teams delivering outstanding decarbonisation results. The Group issues temperature control guidance for air conditioning to save energy, and plans to install sensor lighting and electric vehicle charging facilities where feasible, while guiding all operational sites to cut consumption of single-use plastic products.

Rooted in the Group's asset-light business layout focusing on pharmaceutical retail and omnichannel e-commerce, the standardised green office management mechanism systematically curbs workplace wastewater, solid waste and greenhouse gas discharge at source, embedding institutionalised low-carbon routines into daily operations to steadily advance the Group's medium-to-long dual carbon delivery roadmaps.

Specific green office measures & low carbon workplace measures include the following:

- Full digital office transformation; restrict printing to double-sided FSC recycled paper only.
- Install human-sensor LED lights and smart energy meters; enforce 24–26°C air-con temperature rules.
- Fit sensor water taps and rainwater harvesting systems to cut municipal water use.

- Ban single-use plastic tableware, pharmacy sachets and disposable packaging across all sites.
- Deploy multi-category waste bins; run battery & expired medicine take-back recycling schemes.
- Build canteen compost facilities to convert food waste into landscape fertiliser.
- Replace fuel corporate vehicles with EVs; offer public transport cycling subsidies for staff.
- Mandate green procurement with energy-saving, biodegradable supplies prioritised.
- Conduct quarterly energy waste audits and targeted rectification for high-consumption zones.
- Hold inter-branch low-carbon contests and reward outstanding eco-performing teams.

Indoor Air Quality Management

As indoor working environments constitute the primary workplace for employees, indoor air quality is a key priority of the Group's occupational health and environmental management. The Group has deployed professional indoor air quality monitors across office premises and built a smart IoT real-time monitoring system to track indoor air indicators around the clock. Through continuous data tracking, regular analysis and targeted optimisation of ventilation and filtration systems, the Group sustains stable and high-quality indoor air environments. The intelligent system supports automatic alerts for air quality anomalies, enabling timely identification, investigation and effective control of potential indoor pollution sources.

To maintain superior indoor air circulation, the Group adheres to standardized daily ventilation management, implementing regular overall ventilation and local targeted exhaust for enclosed office areas. Professional air purification devices are deployed in public and staff office zones to filter fine dust, impurities and airborne pollutants. In addition, the Group arranges periodic deep cleaning and maintenance of central air conditioning and ventilation systems, effectively reducing bacterial and dust accumulation and ensuring long-term healthy, clean and comfortable indoor air quality for all employees.

6.4 Climate Change

Against the backdrop of escalating global climate risks, the Hong Kong Stock Exchange ("HKEX") mandates all issuers to disclose climate governance, business strategies, risk management and quantitative targets under the four pillars of the Task Force on Climate-Related Financial Disclosures ("TCFD") starting from Financial Year 2025. The Group operates across Mainland China pharmacy chains, omnichannel e-commerce platforms, MyDoc telemedicine services in Singapore, ResoHealth digital healthcare solutions in Dubai, and existing property management assets. Cold-chain pharmaceutical transportation, cross-regional herbal medicine supply chains, cross-border logistics and commercial property facilities are all exposed to physical and transition climate risks. This section discloses the Group's group-wide climate governance framework, climate risks and opportunities, scenario analysis, greenhouse gas ("GHG") inventory and decarbonisation roadmap in full accordance with the four core pillars of Governance, Strategy, Risk Management and Metrics & Targets. Current data limitations and phased improvement plans are also elaborated herein, complying with the "comply or explain" disclosure principle set out in HKEX Appendix C2.

Governance

The Board of Directors bears ultimate oversight responsibility for climate-related risks and sustainability opportunities across the entire Group. Climate matters are included as dedicated agenda items for at least two Board meetings each year. The Board independently reviews the annual climate risk assessment report, progress against decarbonisation targets and value chain carbon footprint improvement plans every financial year.

A cross-functional ESG Task Force has been established under the Board as the primary execution body for climate-related initiatives, comprising senior management representatives from Finance, Procurement, Pharmaceutical Operations, Overseas Business Divisions, Property Management and Compliance. Its core responsibilities are as follows:

- Conduct annual updates to the double materiality climate assessment matrix covering all operational sites in Mainland China, Southeast Asia and the Middle East;
- Coordinate data collection, GHG inventory accounting and annual disclosure for Scope 1, Scope 2 and Scope 3 emissions;
- Drive carbon reduction initiatives including energy-saving retrofits for pharmacies, local sourcing of Chinese herbal medicines, low-carbon cross-border logistics and carbon control measures for overseas digital healthcare platforms;
- Submit quarterly climate risk tracking reports to the Board, alongside updates on value chain carbon management progress for Singapore telemedicine and Dubai digital health platforms.

The Group is developing quantitative climate KPIs to be embedded within senior management performance evaluation frameworks. GHG emission reduction performance and green supply chain coverage will subsequently be weighted into senior management annual bonus schemes to strengthen accountability for climate governance at all corporate tiers. The Board conducts regular reviews of the ESG Task Force's delivery performance. Where material climate risk control gaps are identified, relevant departments are required to formulate closed-loop rectification timelines with implementation tracking mechanisms in place. All directors and ESG team members participate in annual professional training covering climate risk management and ISSB disclosure standards to continuously enhance their expertise in climate-related decision-making.

Strategy

Centred on an asset-light healthcare business model, the Group operates five core segments: Yekaitai pharmacy chains in Mainland China, cold-chain e-commerce distribution, cross-border MyDoc telemedicine in Singapore, corporate wellness services via ResoHealth in Dubai, and commercial property management. The Group faces physical climate risks and low-carbon transition risks across short, medium and long-term horizons, alongside emerging sustainable commercial opportunities driven by green healthcare and cross-border digital wellness services.

(I) Qualitative Identification of Material Climate Risks

Physical Climate Risks

Short-term extreme weather events (typhoons, catastrophic floods, prolonged heatwaves) disrupt herbal medicine sourcing in Mainland production regions and long-distance cold-chain pharmaceutical transportation, resulting in herbal medicine shortages and deterioration of temperature-sensitive pharmaceuticals. Sustained high temperatures in Singapore and Dubai increase energy consumption for supporting infrastructure of local digital healthcare platforms. Stormwater overload of drainage systems at retail and commercial properties disrupt pharmacy operations and customer service delivery.

Long-term climatic trends: Persistent global warming drives up energy consumption across all cold-chain infrastructure and pharmacy air-conditioning systems, inflating operational electricity costs. Drought conditions suppress Chinese herbal medicine yields, creating upward price pressures across upstream supply chains.

Transition Risks

Regulatory tightening across Mainland China, Hong Kong, Singapore and the Middle East covers carbon taxation, Carbon Border Adjustment Mechanisms ("CBAM"), sustainable packaging standards and logistics emission controls. Capital expenditure will be incurred for fleet electrification and energy efficiency upgrades at pharmacy premises. Suppliers failing to meet low-carbon benchmarks face termination risks, threatening the stability of herbal medicine supply. Stricter energy consumption regulations governing data centres supporting MyDoc and ResoHealth cross-border telemedicine platforms will push up overseas operational overheads.

(II) Climate-Related Commercial Opportunities

Low-Carbon Healthcare Service Development

Aligned with national green development policies for Traditional Chinese Medicine ("TCM"), the Group plans to build climate-resilient local herbal medicine supply chains and develop green wellness products packaged with biodegradable materials. Remote consultation services will be expanded to cut patient travel-associated carbon footprints, alongside newly designed low-carbon wellness advisory services to capture environmentally conscious consumer demand and lift revenue share from sustainable product lines. Singapore-based MyDoc virtual consultations reduce carbon emissions generated by patient cross-city travel, matching low-carbon consumption trends across Southeast Asia. Dubai's ResoHealth delivers low-carbon corporate employee wellness solutions tailored to ESG procurement requirements of multinational enterprises operating in the Middle East.

Low-Carbon Growth Drivers for Omnichannel E-Commerce

Responding to consumer demand for sustainable retail, the Group will optimise merchandise mix by introducing Grade 1 energy-efficient household appliances, organic eco-friendly health food and zero-waste daily necessities. Initiatives include optimising last-mile delivery fleet composition, installing packaging recycling stations at all pharmacy outlets and trialling low-carbon digital marketing channels to expand high-margin sustainable retail revenue streams.

Brand and Stakeholder Value Enhancement

Systematic climate governance strengthens the Group's green brand equity and improves ESG rating performance, aligning with climate disclosure requirements of institutional investors and reinforcing trust among regulators, consumers and local communities. The Group will host community outreach campaigns focused on eco-friendly TCM practices and zero-waste lifestyles to broaden brand reach and nurture long-term customer loyalty.

(III) Qualitative Financial Impact Assessment under TCFD-Aligned Dual Scenarios

In compliance with TCFD and HKFRS S2 requirements, the Group conducts operational resilience assessments using two weighted climate scenarios:

1.5°C Ordered Low-Carbon Transition Scenario: Globally stringent decarbonisation policies, phased rollout of carbon pricing regimes and mandatory electrification for pharmaceutical logistics. Potential financial impacts: Near-term capital expenditure for delivery fleet replacement, LED lighting retrofits across pharmacies and sustainable packaging switchovers. Over the long run, revenue growth from local herbal medicine sourcing and telemedicine services will offset upfront low-carbon transformation costs, while exposure to financial penalties for carbon regulatory breaches will drop materially. Demand for cross-border low-carbon healthcare services via MyDoc will rise, alongside growth in green procurement orders from Dubai corporate clients of ResoHealth.

High-Emission Baseline Scenario (RCP8.5): Weak enforcement of climate mitigation policies, with increased frequency and severity of extreme flooding and heatwaves. Potential financial impacts: Sustained upward pressure on energy costs for cold-chain storage and retail premises; volatile procurement expenses triggered by climate disasters in herbal medicine production zones; revenue losses arising from pharmaceutical spoilage and temporary store closures; incremental operational costs for overseas businesses due to expanding cross-border carbon tariffs.

Both scenarios cover three core operating territories – Mainland retail operations, Singapore MyDoc and Dubai ResoHealth. Potential impacts on revenue, operating costs and capital assets are modelled separately for cold-chain supply chains, physical pharmacy outlets, overseas digital health platforms and property portfolios to inform the Group's medium-to-long term business adjustments and capital allocation decisions.

(IV) Climate Resilience Planning for Cross-Regional Operations

Customised low-carbon operational roadmaps have been formulated for overseas business segments MyDoc (Singapore) and ResoHealth (Dubai). Digital telemedicine platforms will optimise server energy efficiency and prioritise local pharmaceutical procurement to shorten cross-border transportation distances. In Mainland China, partnerships with geographically diversified local herbal medicine cultivation bases will be expanded to mitigate supply chain disruption risks triggered by climate disasters concentrated within single production regions.

Risk Management

Climate risks are fully integrated into the Group's enterprise risk management ("ERM") framework via a closed-loop governance workflow: Identification → Risk Rating → Mitigation → Monitoring → Rectification. Risks are split into two core categories for tiered oversight: physical climate risks and transition climate risks.

Climate Risk Identification Mechanism

Annually, the ESG Task Force collaborates with Procurement, Logistics and Overseas Business teams to conduct full site climate risk audits covering all Yekaitai pharmacies and e-commerce warehouses in Mainland China, MyDoc data centres in Singapore, Dubai corporate offices and managed property assets. A live climate risk register is updated with materiality grading (High/Medium/Low). High-materiality risks (including climate disruption to cold-chain herbal medicine supply and cross-border logistics carbon tariffs) are included in the Board's annual priority monitoring list.

Tiered Risk Assessment Criteria

Risk grading is determined via scoring across three dimensions: magnitude of financial impact, likelihood of occurrence and duration of exposure:

High-risk items: 12-month rectification roadmap mandated;

Medium-risk items: Phased mitigation implemented within two years;

Low-risk items: Ongoing routine monitoring.

Supporting Risk Mitigation Initiatives

Physical risk mitigation: Backup constant-temperature storage equipment deployed for all national pharmacy cold-chain facilities; geographically diversified herbal medicine supply bases; drainage and thermal insulation upgrades across property assets; high-efficiency cooling systems installed at Singapore and Dubai data centres to withstand extreme heat.

Transition risk mitigation: Phased replacement of fossil fuel delivery fleets; green supply framework agreements with upstream pharmaceutical manufacturers; remote telemedicine platforms (MyDoc/ResoHealth) positioned as long-term low-carbon growth channels; proactive tracking of evolving carbon policies in Mainland China, Hong Kong and the Middle East to adjust procurement and logistics models accordingly.

Routine Monitoring and Rectification Tracking

The ESG Task Force reviews updates to the climate risk register on a quarterly basis. Monthly tracking is enforced for rectification progress on all high-risk items, with departments failing to meet scheduled milestones subject to internal control reviews. All climate risk exposures and rectification outcomes are disclosed within the annual ESG Report.

Metrics & Targets

Phased Quantitative Decarbonisation Targets

Short-Term Targets

The Group prioritises frontline climate risk prevention and the establishment of robust carbon data infrastructure. Core focus areas include minimising operational disruptions to cold-chain storage and delivery caused by extreme weather events. Energy saving, emission reduction and waste minimisation KPIs will be cascaded down to individual operating sites with clear management accountability frameworks in place. The Group will optimise temperature-controlled pharmaceutical storage infrastructure and expand geographically diversified herbal medicine cultivation partnerships to reduce supply chain disruption risks stemming from regional climate disasters. Digital carbon management systems for Scope 1 and Scope 2 emissions will be rolled out, alongside progressive expansion of Scope 3 inventory coverage to cover logistics and packaging categories.

Medium-Term Targets

Building upon short-term risk mitigation and carbon data infrastructure investments, the Group will shift strategic focus to value chain decarbonisation and low-carbon service expansion. Key pathways include the electrification of delivery fleets, green supply chain optimisation via local herbal medicine sourcing and energy efficiency retrofits for owned commercial properties. Scope 3 inventory coverage will be expanded to capture herbal cultivation, long-distance freight transport, single-use packaging and employee commuting. Supplier ESG climate performance will be integrated into formal vendor evaluation criteria. Decarbonisation delivery performance will also be explored as a formal weighted metric within senior management performance assessments to drive delivery against medium-term carbon reduction milestones.

Long-Term Targets

The Group's long-term climate strategy targets progressive reduction of controllable operational emissions (Scope 1 and Scope 2), with high-quality carbon sink projects deployed to neutralise residual hard-to-abate Scope 3 emissions. Circular economy development across retail and logistics operations will be advanced via scaled adoption of biodegradable packaging, resource recovery programmes for herbal waste and rooftop photovoltaic installations at eligible commercial property assets. Through its asset management division, the Group will prioritise capital allocation to climate-resilient healthcare and green consumer sectors. Cross-industry collaboration and knowledge sharing on low-carbon transition will be pursued to lift collective climate governance standards across the healthcare industry.

Greenhouse Gas Emissions

The Group conducts greenhouse gas ("GHG") inventory in accordance with the WRI/WBCSD Greenhouse Gas Protocol and environmental KPI guidance set out in Appendix C2 of the Hong Kong Stock Exchange Listing Rules, categorising emissions into Scope 1, Scope 2 and Scope 3 as follows:

Scope 1: Direct fuel combustion emissions generated by the Group's operational fleets and delivery vehicles.

Scope 2: Indirect emissions from purchased electricity consumed at pharmacy outlets, e commerce warehouses, corporate headquarters and common areas of managed properties. Grid emission factors for Mainland China and Hong Kong are updated annually for calculation purposes. *(Mainland China power grid factors: Official data issued under the Announcement on Release of 2024 Power Grid Carbon Footprint Factor Data;Hong Kong power grid factors: Data extracted from Hongkong Electric's 2025 Sustainability Report.)*

Scope 3: Cross regional logistics of Chinese herbal medicines, employee commuting, and waste generated from pharmaceutical and e commerce packaging.

For the 2025–2026 financial year, the Group optimised its carbon data collection workflows by phasing out fragmented manual record keeping practices, thereby enhancing the accuracy and traceability of carbon emission data. Complete quantification across all 15 Scope 3 categories for the Group cannot be achieved in a single financial year due to constraints on data access from third party suppliers. For the reporting year, the Group prioritised data collation for high materiality Scope 3 segments including logistics, packaging and herbal medicine transportation. Timelines for data refinement covering other value chain segments are set out in the KPI notes. Year on year fluctuations in annual carbon intensity are primarily driven by two core factors: adjustments to the business portfolio (complete exit from high carbon property development operations) and internal green operational optimisations (delivery fleet electrification, localised herbal medicine sourcing, adoption of eco friendly packaging materials, and other initiatives). In subsequent financial years, the Group intends to revise ESG clauses within supplier cooperation agreements to encourage key upstream and downstream partners to submit standardised carbon data, progressively expanding the coverage of Scope 3 disclosures.

To continuously reduce its annual carbon footprint, the Group has implemented refined low carbon operational management measures, including standardised vehicle usage protocols to cut unnecessary fuel consumption and exhaust emissions. The Group also promotes green commuting and low carbon business travel by incentivising staff to utilise public transport, mass transit and shuttle services. Full site energy conservation initiatives have been rolled out across all premises, covering optimised operating schedules for lighting, air conditioning and office equipment, alongside expanded adoption of paperless workflows and virtual remote meetings. The above low carbon upgrades have effectively curbed overall GHG emissions while fostering greater low carbon awareness and sustainable operational capabilities across all staff.

Total quantified Scope 3 GHG emissions for the reporting period stood at 64.04 tonnes of CO_2 equivalent, covering two core accounted categories: cross regional transportation of Chinese herbal medicines and waste from pharmaceutical and e commerce packaging. Under the standard framework of 15 comprehensive Scope 3 value chain categories, full quantification for remaining segments – including upstream raw material cultivation, employee commuting, outsourced cold chain transportation and waste disposal – has not yet been completed. This constraint arises from objective factors such as the absence of formal carbon accounting systems among small and medium upstream suppliers and high cross regional data coordination costs. The Group has formulated a multi year roadmap for data enhancement: in the next financial year, the Group will prioritise requesting baseline carbon emission data from core herbal medicine suppliers to gradually expand the number of Scope 3 categories covered by inventory exercises, with the ultimate objective of completing full carbon accounting across all 15 value chain segments. The year on year rise in Scope 3 emissions recorded for the current year is mainly attributable to expanded volumes of herbal medicine procurement and increased intercity delivery mileage. Concurrently, the Group is advancing localised herbal medicine sourcing and the rollout of biodegradable packaging to compress the Group's overall value chain carbon footprint over the long term. The Group is actively assessing the feasibility of relevant data collection and researching applicable calculation methodologies to drive progressive improvements in carbon disclosure going forward.

To continuously reduce carbon footprints in the year, the Group has rolled out refined low-carbon operational management measures. It standardises corporate vehicle usage regulations to cut redundant fuel consumption and tailpipe emissions, and advocates green commuting and low-carbon business travel by encouraging employees to take public transit, metro and shuttle transportation. The Group also promotes full-scenario energy conservation, optimises the operational schedule of lighting, air conditioning and office equipment, and scales up paperless offices and online remote conferences. These upgraded low-carbon initiatives effectively curb comprehensive GHG emissions and further strengthen company-wide low-carbon awareness and sustainable operational capabilities.

During the Reporting Period, the Group's total GHG emissions intensity increased to approximately 0.89 tCO_2e/employee, up by approximately 17.1% as compared with 2024. The total GHG emission decreased by approximately 65.00% over 2021. Using 2021 as the base year, the GHG emissions reduction target of 10% has been attained ahead of schedule.

During the Reporting Period, the Group's GHG emission performance is summarized below:

Indicator	Unit	2025	2024	2023	2022	2021
Direct GHG emissions (Scope 1)	tCO_2e	136.53	211.32	155.32	95.89	399.43
Energy indirect GHG emissions (Scope 2)	tCO_2e	255.54	303.93	264.97	227.55	902.93
Total other indirect GHG emissions (Scope 3)	tCO_2e	64.04	44.40	63.22	485.38	–
Total GHG emission[4]	tCO_2e	456.11	559.65	483.50	808.82	1,302.36
Total GHG emissions intensity[5]	tCO_2e/employee[4]	0.89	0.76	0.65	1.69	1.46

7. SOCIETY

Talent constitutes core intangible competitive strength supporting the Group's pharmaceutical retail, omnichannel e-commerce and asset management businesses. Drawing on HKEX's latest human capital disclosure requirements, diversity & inclusion guidelines (ISO30415) and UN Sustainable Development Goal 8, the Group plans to establish a people-centric full-lifecycle human resources governance framework. Anti-discrimination equal opportunity principles are upheld throughout recruitment, promotion and remuneration workflows, with diversity development reference metrics under consideration for all management and frontline teams. The Group continuously optimises incentive and benefit frameworks, and explores integrating environmental and social ESG performance into employee performance review criteria. Beyond statutory employment protections, the Group plans to expand enhanced welfare arrangements including flexible working options, annual health check subsidies, improved parental leave provisions and hardship support schemes for staff. Confidential psychological counselling services and employee stress relief activities will be explored to support holistic physical and mental wellbeing across all staff.

4 GHG emission data is presented in terms of carbon dioxide equivalent and is based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, and "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange. For calculating GHG emissions in 2025, the electricity emission factor for Hong Kong is 0.59 kg CO_2/kWh, which is derived from the "Sustainability Report 2025" published by HK Electric Investments, and that for Mainland China is 0.58 kg CO_2/kWh, which is derived from the "Announcement on Issuing the 2024 Electricity Carbon Footprint Factor Dataset" issued by the Ministry of Ecology and Environment of the PRC.

5 During the Reporting Period, the Group had a total of 512 employees (2024: 735 employees; 2023: 744 employees; 2022: 478 employees; 2021: 891 employees) in respect of the scope of reporting (including Beijing headquarters and other points-of-sales and places of business in Hong Kong and Guangdong, Hangzhou, Chengdu, Chongqing, Guiyang, Kunming and Wuhan in Mainland China). The data is also used for calculating other density data.

To tackle industry talent shortages and nurture long-term human resources reserves, the Group rolled out segmented career development pipelines for pharmacists, TCM practitioners, e-commerce operators and investment specialists, offering certification subsidies, cross-department secondment and senior succession training for high-potential staff. Multi-way communication channels including staff forums and anonymous feedback portals are in place to collect frontline suggestions, with formal tracking systems for all employee feedback and rectification follow-ups. Such holistic human capital management fosters an inclusive corporate culture, improves staff retention and continuously lifts the Group's overall operational efficiency.

7.1 Employment

Upholding a people-oriented employment philosophy, the Group recognises talent as a fundamental driver of corporate sustainable development and regards all employees as core strategic assets. The Group is committed to building a sound employee rights protection system and fostering a diverse, equal and inclusive workplace ecosystem, striving to achieve synchronous progress and mutual value growth between the enterprise and its workforce.

The Group strictly abides by all applicable local and national labour regulatory requirements, including the Employment Ordinance of Hong Kong, the Labour Law, Labour Contract Law, Work Safety Law, Occupational Disease Prevention and Control Law and minimum wage regulations of the People's Republic of China, to fully respect and safeguard employees' legitimate legal rights and benefits. To standardise full-cycle human resource management, the Group has formulated a complete set of internal governance rules, covering Remuneration Management Rules, Recruitment Management Rules, Resignation Management Rules, Attendance and Leave Management Rules, Welfare Management Rules and Staff Training Management Rules. These institutional frameworks comprehensively regulate recruitment and termination, salary distribution, career promotion, working hours, leave arrangements and daily staff management, building a standardised and systematic human resources management mechanism.

The Group's administrative and human resources teams conduct regular reviews and dynamic revisions of internal policies and systems, continuously optimising workplace management mechanisms to maintain a fair, reasonable and non-discriminatory working environment. It establishes standardised labour relations in compliance with the principles of legality, fairness, voluntariness and integrity. In accordance with staff employment types, the Group signs formal internship agreements and labour contracts with all employees and completes timely contract renewal for expired agreements to standardise labour relationship management.

During the reporting period, the Group had no material violations of employment-related laws, regulations or institutional requirements that could generate significant adverse operational or reputational impacts.

Remuneration and Welfare

The Group establishes a systematic, refined remuneration governance framework offering market-competitive total compensation and benefits packages for all employees. Remuneration mechanisms are formulated based on four dimensions: market salary benchmarks, job grading, individual performance and professional competence. Performance bonuses are awarded according to role contribution, work output and technical proficiency to objectively reflect individual employee value and unlock talent potential. The Group makes full and timely statutory social insurance contributions, iterates multi-tiered benefit frameworks to ease staff living burdens, standardises leave administration to provide statutory public holidays and paid annual leave, arranges annual health examinations and maintains dedicated staff health records. Clear working hour and rest policies are formulated in strict compliance with local labour legislations, regulating basic salaries, overtime pay and all categories of statutory paid leave.

Specialised safeguards are in place for female team members to uphold their legal entitlements, including fully compensated antenatal, maternity and lactation leave. Dedicated lactation rooms are installed at office premises to offer a private, hygienic space for breastfeeding staff during working hours. For the year, the Group has rolled out targeted flexible working arrangements as a new supplementary benefit to support work-life balance for caregivers and remote operational needs.

To lift staff loyalty, wellbeing and job satisfaction, the Group organises a full calendar of recreational, cultural and team-building sports events, alongside routine hardship subsidies and free confidential psychological counselling services. These holistic support measures help alleviate workplace stress, foster healthy mental states, and cultivate an inclusive, harmonious corporate culture across all business units.

Remuneration Policy

- Remuneration data and salary details are strictly confidential, with access limited only to authorised senior management, department heads and HR payroll staff.

- All salary system revisions, company-wide pay adjustments and labour cost budgets are submitted to the Board for approval prior to implementation.

- The Group adopts a differentiated remuneration model, applying annual, monthly and hourly salary schemes based on different job roles and duties.

- Components of basic salary and performance bonuses are clearly defined under standard internal policies.

- Fixed monthly salary payment schedules are strictly followed to ensure timely and regular staff remuneration.

- The Group applies a performance-linked bonus assessment mechanism for key employees, aligning staff remuneration with the Group's long-term sustainable development.

Welfare Policy

- The Group delivers statutory benefits to boost employee engagement, work efficiency and the Group's sustainable development.

- Full legal social security coverage is provided, covering basic pension, medical, unemployment, work injury, maternity insurance and housing provident fund.

- Staff lounges and maternal-and-child rooms are installed across workplaces to build a warm, family-friendly environment.

- Regular festival events, team-building and cross-departmental exchange activities are held to strengthen internal communication.

- Annual physical check subsidies and free confidential psychological counselling are rolled out to protect employees' physical and mental health.

Recruitment, Promotion and Dismissal

Aligned with the Group's long-term human resources strategy, we strive to recruit, nurture and retain diverse, versatile and globally-minded professional talents. The Group optimises its integrated talent planning framework, accurately assesses staffing demands and executes structured recruitment via multi-channel platforms to expand the talent pipeline and secure adequate human capital to support business growth. A multi-dimensional talent sourcing mechanism is in place to guarantee steady talent supply and optimise the overall workforce competency mix.

The Group prioritises unlocking employees' potential and long-term career progression. Clear tiered career development ladders are formulated for all staff, paired with standardised periodic performance reviews as the core assessment benchmark. Appraisal results serve as key references for pay revisions, internal promotions and performance bonus allocation to drive workforce motivation and productivity. All staff qualify for annual promotion assessments via supervisor nomination or self-nomination; evaluation criteria cover personal values, job performance and professional capabilities to uphold a fair, transparent and credible promotion process. This balanced mechanism facilitates individual advancement and strengthens the Group's capability to attract and retain core talents.

The Group launches an internal talent mobility programme, allowing eligible employees to apply for cross-department and cross-business transfer opportunities, breaking departmental silos and enabling multi-scenario capability development for internal high-potential staff.

Recruitment Policy

- The Group aligns annual talent recruitment with corporate strategic goals. At year-end, it analyses business roadmaps and external market conditions to finalise post allocation and formulate the next year's formal recruitment blueprint.

- The HR department takes charge of drafting overall recruitment plans, verifying staffing requests from all departments and tracking full-cycle execution of recruitment arrangements.

- Multiple recruitment channels are deployed to broaden talent sourcing, covering online hiring platforms, graduate trainee schemes and campus recruitment drives.

- Unified candidate competency standards are clearly defined, highlighting execution efficiency, cost consciousness and sense of accountability as core selection criteria.

- Mandatory background verification is implemented for applicants of key functional roles including human resources, finance, legal affairs and procurement to mitigate operational risks.

- The Group adopts structured competency interviews for management and core technical posts, linking interview scoring criteria to long-term business competency requirements for more objective talent screening.

Dismissal Policy

- The Group clearly defines voluntary and involuntary resignation scenarios, together with standardised full-handover and exit administrative workflows for each case.

- All employee resignation procedures strictly follow mainland and Hong Kong labour laws to fully comply with statutory requirements.

- Direct supervisors and HR staff will jointly conduct a formal exit interview with every resigning employee.

- Prior to exit interviews, HR distributes structured resignation feedback questionnaires for departing staff to complete.

- Comprehensive written records of all exit interviews are compiled and filed by HR for internal policy optimisation.

- The Group analyses aggregated exit feedback data quarterly to identify workplace pain points and adjust talent retention and management measures proactively.

Leaves and Holidays Policy

- Adhering to a people-oriented management principle, the Group standardises full-process attendance and leave administration to protect employees' rest rights and ensure orderly operational management.

- The Group adopts a standard five-day, eight-hour working system. Flexible and position-specific working hour arrangements are independently formulated for special roles such as frontline reception staff and drivers based on operational needs and job responsibilities.

- All employees are legally entitled to statutory public holidays and fully paid annual leave in compliance with local labour regulations.

- The Group further enriches leave benefits by providing statutory marriage leave, bereavement leave and sick leave, with standardised approval workflows to realise humanised, fair and transparent leave management.

Anti-Discrimination, Diversity and Equal Opportunity

The Group fully complies with Hong Kong anti-discrimination ordinances, Mainland labour regulations and ISO30415 diversity, equity and inclusion standards, embedding non-discrimination and equal opportunity as baseline HR governance requirements covering the full employee lifecycle. We set clear measurable diversity KPIs on gender balance, age spectrum and recruitment of persons with disabilities, and roll out annual diversity training for all management and recruitment teams to eliminate biased decision-making. All recruitment, remuneration, promotion and succession arrangements are assessed solely on professional competence, job performance and developmental potential, with no weighting given to gender, age, marital status, physical condition, ethnicity or religious belief. The Group strictly implements equal pay for work of equal value across all job grades and business divisions, and has rolled out flexible career tracks for part-time, pregnant and caregiving employees to remove systemic career barriers.

A confidential, multi-channel grievance reporting system is accessible to all staff for reporting discriminatory acts or unfair treatment. All complaints are handled by an independent cross-functional panel separated from line management, with standardized investigation timelines, closed-loop rectification records and anonymous protection for complainants. The Group conducts annual diversity gap reviews and adjusts internal HR policies proactively; we also launch targeted internship programmes for underrepresented groups to broaden talent intake channels and build a more inclusive workplace ecosystem free from prejudice and unequal treatment.

The Group launches a structured diversity inclusion initiative, strengthening gender balance in talent recruitment and internal promotion, and provides equal development support for junior staff and minority groups to further consolidate a fully equitable and inclusive corporate ecosystem.

As of 31 March 2026, the breakdown of the Group's employees within the Reporting Scope[6] was as follows:

	As of 31 March 2026	As of 31 March 2025	2023	2022	2021
Total employees	512	735	744	478	891
By gender					
Male	161	261	287	241	457
Female	351	474	457	237	434
By age group					
Aged under 35	219	194	191	184	401
Aged 35 to 55	267	474	477	269	468
Aged over 55	26	67	76	25	22
By region					
Hong Kong	10	11	10	7	3
Mainland China	501	723	733	470	888
Others	1	1	1	0	0

6 The number of employees within the Reporting Scope as of 31 March 2026 was 512, which was used for the calculation and disclosure of the relevant intensity. All employees within the reporting scope are full-time employees.

During the Reporting Period, the employee turnover rate[7] of the Group was approximately 22%. The table below shows the turnover rate breakdown by gender, age and region:

	Statistical period	Total employees (A)	Number of employees left during the Reporting Period (B)	Sum (A+B)	Employee turnover rate B/(A+B) x100%
Total	As of 31 March 2026	512	143	655	22%
	2024	735	202	937	22%
	2023	744	149	893	17%
	2022	478	431	909	47%
	2021	891	345	1,236	28%
By gender					
Male	As of 31 March 2026	161	50	211	24%
	2024	261	74	335	22%
	2023	287	70	357	20%
	2022	241	218	459	47%
	2021	457	199	656	30%
Female	As of 31 March 2026	351	93	444	21%
	2024	474	128	602	21%
	2023	457	79	536	15%
	2022	237	213	450	47%
	2021	434	146	580	25%
By age group					
Aged under 35	As of 31 March 2026	219	57	276	21%
	2024	194	69	263	26%
	2023	191	42	233	18%
	2022	184	192	376	51%
Aged 35 to 55	As of 31 March 2026	267	80	347	23%
	2024	474	111	585	19%
	2023	477	100	577	17%
	2022	269	226	495	46%
Aged over 55	As of 31 March 2026	26	6	32	19%
	2024	67	22	89	25%
	2023	76	7	83	8%
	2022	25	13	38	34%

7 Calculation method of employee turnover rate = Number of employees left during the Reporting Period/(total number of employees within the Reporting Scope + number of employees left during the Reporting Period) x 100%.

By region	Statistical period	Total employees (A)	Number of employees left during the Reporting Period (B)	Sum (A+B)	Employee turnover rate B/(A+B) x100%
Hong Kong	As of 31 March 2026	10	2	12	17%
	2024	11	2	13	15%
	2023	10	3	13	23%
	2022	7	0	7	0%
Mainland China	As of 31 March 2026	501	141	642	22%
	2024	724	200	924	22%
	2023	733	146	879	17%
	2022	470	431	901	48%
Others	As of 31 March 2026	1	0	1	0%
	2024	1	0	1	0%
	2023	1	0	1	0%
	2022	1	0	1	0%

Diversity

Board diversity

The Group maintains a balanced, multi-faceted Board structure with complementary professional expertise, cross-industry operational experience and objective independent oversight capacity, laying a solid foundation for sound corporate governance, scientific strategic decision-making and disciplined risk control. The Group has implemented a structured written Nomination Policy, delegating full authority to the Nomination Committee to lead the whole lifecycle screening, assessment and shortlisting of all prospective executive and independent non-executive director candidates in strict compliance with the Listing Rules. When evaluating potential Board appointees, the Committee adopts a holistic assessment matrix covering seven core dimensions: (i) personal integrity, ethical track record and market reputation; (ii) specialist knowledge and industrial know-how matching the Group's asset-light healthcare retail, e-commerce and asset management strategic roadmap; (iii) sufficient time commitment and capacity to attend Board, committee and on-site operational meetings without overcommitment conflicts; (iv) existing external directorships and third-party engagements to identify potential competing interests or schedule clashes; (v) full compliance with HKEX independence criteria and objective verification of independent non-executive director qualifications; (vi) alignment with the Group's formal Board Diversity Policy and measurable multi-aspect diversity benchmarks spanning gender, age bracket, academic discipline, cultural background, ethnicity, vocational expertise and length of board service; (vii) unique sector-specific experience matching the Group's evolving business layout and climate governance priorities.

The incumbent Board possesses well-distributed diversified backgrounds and mutually reinforcing professional capabilities, fully matching the Group's current medium-to-long term development blueprint. The Nomination Committee carries out annual formal reviews of Board composition gaps, adjusting nomination priorities to respond to shifting corporate strategies, emerging climate risks and industry regulatory updates. To systematically lift gender inclusiveness at Board level, the Group has built a structured internal succession pipeline of high-potential female senior executives across pharmaceutical operation, digital commerce and investment management divisions, forming a sustainable talent reserve for future female director appointments. Moving forward, the Group will roll out fixed annual quantified diversity KPIs covering gender parity, age spread and professional background balance, embed diversity performance evaluation into the yearly Nomination Committee work report, and continuously refine the Board's inclusive profile to strengthen multi-angle, forward-looking decision-making competence of the Board as a whole.

Employee diversity

The Group regards workforce diversity as a core competitive advantage and a fundamental driver of sustainable corporate growth. We fully recognise, embrace and value individual differences across all employees, irrespective of gender, ethnicity, age, personal beliefs, values and life experiences. The Group ensures equal and respectful treatment for all staff from diverse backgrounds, empowering every employee to leverage their unique strengths, drive innovation and deliver value to the business. Diverse employee perspectives and working styles enrich the team's creativity, empathy and sense of accountability, enabling the Group to continuously optimise its products and customer services. Accordingly, in talent recruitment, the Group evaluates candidates based on their comprehensive competence and alignment with corporate development, while proactively prioritising workforce diversity to build a multi-faceted and inclusive employee cohort.

The Group has formulated robust institutional frameworks and policies for anti-discrimination and diversity management to foster a harmonious, inclusive workplace where talents from all backgrounds can grow and excel. The Group's internal guidelines, Code of Conduct, Human Rights and Equal Opportunities Policy and relevant operational practices formalise our commitment to upholding human rights, equal employment opportunities and an inclusive, discrimination-free working environment. Strictly adhering to unified employment governance, the Group prohibits all forms of discrimination, workplace harassment and retaliation based on age, gender, marital status, pregnancy, disability, family status, race, skin colour, nationality, religion, sexual orientation, gender identity and veteran status, cultivating a corporate culture featuring pluralism, equity and inclusiveness.

The Group advances open and democratic workplace management through diversified communication channels, fully embracing diverse opinions and thinking modes, and fostering a free, open and collaborative working atmosphere. This promotes mutual respect and effective synergy across teams with different attributes. The Group also encourages timely employee feedback and actively collects staff suggestions on all operational and management matters, so as to comprehensively improve employee engagement and workplace satisfaction.

The Group will launch regular diversity and inclusion training for all employees and management teams, and conduct periodic workplace inclusiveness assessments, to continuously eliminate implicit workplace biases and consolidate a more equitable, diverse and people-oriented talent ecosystem.

For the financial year 2025, female members accounted for approximately 68.55% of all employees (including senior management) of the Group. Based on the principle of talent orientation and in accordance with the business model and specific up-to-date needs of the Group, and taking full account of the benefits of employee gender diversity, the Company reviews the gender ratio from time to time to achieve a good balance in employee gender diversity.

7.2 Occupational Health and Safety (OHS)

Occupational health and safety (OHS) together with holistic employee wellbeing sit at the top tier of the Group's people governance priorities. The Group has rolled out a full-cycle tiered OHS control framework fully aligned with Hong Kong's Occupational Safety and Health Ordinance (Cap. 509), PRC Work Safety Law and national occupational disease prevention regulatory updates, anchoring the core management tenet of"safety first, preventive intervention"across pharmacy outlets, e-commerce fulfilment centres, property service sites and corporate offices. A clear cascaded safety accountability matrix is implemented, assigning graded safety oversight duties to department heads, site supervisors and frontline team leads to lock in end-to-end risk ownership.

To systematically eliminate latent workplace hazards, the Group operates a closed-loop risk governance workflow encompassing routine on-site safety patrols, quarterly cross-functional OHS audits, graded occupational hazard classification tracking and standardised formal incident investigation protocols for all work-related accidents and near-miss events. Complementing a training curriculum covering fire prevention, emergency evacuation, cold-chain equipment safety for pharmaceutical premises, PPE standard usage, traffic logistics risk control, occupational disease screening and confidential mental wellness guidance. Recurring quarterly emergency response drills (fire, flood, medical incident) are scheduled across all operation sites to consolidate staff emergency handling competency.

For frontline roles with elevated exposure risks, the Group provides site-specific certified personal protective equipment and conducts regular PPE compliance spot checks to eliminate substandard labour protection arrangements. Beyond mandatory statutory work injury insurance and supplementary commercial accident coverage, all full-time and contract employees are entitled to annual comprehensive physical check-ups, with dedicated health follow-up support provided for staff with abnormal medical indicators. The Group further upgrades on-site wellbeing infrastructure including staff rest lounges, fitness zones and on-call first-aid kits to tackle work stress.

The Group's newly introduced graded occupational risk early warning mechanism categorises physical and psychological hazards by severity, triggering targeted rectification plans for high-risk work areas. All OHS performance metrics, including incident frequency, training completion rates and hazard elimination progress, are incorporated into departmental annual ESG appraisal scores, embedding sustained safety and wellbeing consciousness into daily operational routines.

Office Occupational Health and Safety

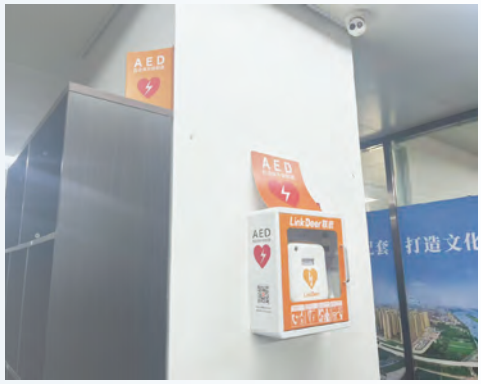
The Group prioritises indoor occupational health and workplace safety as fundamental workplace governance obligations, formulating a full suite of standardised institutional specifications in strict alignment with updated indoor workplace health management regulations and corporate occupational safety compliance requirements. Standardised office safety codes of conduct are clearly defined in the official Employee Handbook, while a standalone Anti-smoking Policy is fully enforced across all office premises, imposing a comprehensive indoor smoking ban to eliminate second-hand smoke hazards and secure a hygienic workplace environment. To sustain superior indoor environmental quality, the Group implements refined dynamic management of office facilities, including intelligent temperature adjustment, continuous ventilation optimisation, full-time air purification and scientific lighting configuration, creating a comfortable, healthy and ergonomic working space for all employees. The Group has also established standardised regular assessment and compliance filing mechanisms to conduct ongoing inspections of office and project site environmental conditions, ensuring consistent and rigorous implementation of internal health and safety guidelines at all operational premises.

Beyond physical workplace environment governance, the Group builds a multi-dimensional employee health protection and wellness system covering physical healthcare, safety literacy enhancement and psychological counselling. It provides annual comprehensive physical examinations for all regular employees to realise early screening, early warning and targeted intervention of potential occupational health risks. The Group regularly organises diversified thematic training and lectures, including workplace safety education, seasonal cold and frost disaster prevention, emergency response preparedness and occupational health knowledge popularisation, systematically improving employees' self-protection awareness and on-site emergency disposal capabilities. Routine environmental optimisation works are standardised across all offices, including regular air conditioning deep cleaning and maintenance, full-space carpet disinfection and indoor green plant layout upgrading, effectively improving indoor air quality and suppressing bacterial growth. In terms of mental health governance, the Group adopts daily interactive communication and regular one-on-one psychological follow-up mechanisms to dynamically grasp employees' psychological status, deliver timely stress relief guidance and professional counselling support, and resolve workplace anxiety and emotional pressure in a targeted manner.

Most of the Group's office spaces are located in Grade A central business district (CBD) commercial buildings with professional property management systems and complete emergency support facilities. The Group actively collaborates with building property management teams to arrange regular participation of employees in standardised emergency drills, including fire evacuation drills and elevator entrapment simulation training, continuously consolidating the team's emergency response and self-rescue capabilities. To further standardise indoor environmental governance, the Group has launched a regular indoor environmental quality testing mechanism in the current fiscal year, conducting periodic professional sampling and detection of key indicators such as indoor air quality, ambient noise and lighting illumination to ensure full compliance with national and industry workplace environmental standards. Complementing rigid safety management, the Group launches diversified flexible workplace wellness initiatives and regular staff stress-relief activities, building a human-centric, safe, hygienic and high-quality office ecological environment that integrates safety governance, health protection and employee wellbeing. The Group has achieved zero employee injuries and fatalities for five consecutive years (including the Reporting Period). During the Reporting Period, the Group had not lost any working days due to work injury.

Case:

The Group installs LinkDeer Automated External Defibrillators (AEDs) within office premises, supplemented by prominent identification signage to enable staff to locate emergency rescue equipment promptly amid sudden cardiac incidents.



Epidemic Prevention and Control and Safety

To continuously elevate overall employee health standards, the Group optimises its institutional frameworks for disease prevention, infectious disease surveillance and regular medical management. In the financial year 2025, workplaces face recurring public health risks driven by prevalent seasonal pathogens, including H3N2 influenza strains, Norovirus gastroenteritis and common summer mosquito-borne diseases. In strict compliance with latest governmental epidemic prevention guidelines, the Group enforces rigorous workplace sanitation and regular disinfection across all office and operational premises. The Group organises targeted health education seminars covering occupational disease prevention, workplace stress management and female employee career wellness adjustment. It continuously improves staff rest zones and fitness facilities, encouraging healthy work-life balance and regular physical exercise to safeguard employees' holistic physical and mental wellbeing.

The Group launches a seasonal epidemic early-warning mechanism, conducts regular indoor pathogen risk assessments, and distributes seasonal health protection kits, delivering proactive, tiered epidemic prevention and personalised health protection for all staff.

7.3 Development and Training

The Group regards talent cultivation as a core strategic initiative to support long-term business sustainability and organisational growth. Adhering to a full-lifecycle human resource development model encompassing recruitment, appointment, training, promotion and talent retention, the Group has established a systematic, tiered employee training and career development system aligned with business transformation and industry competency upgrade trends. By virtue of diversified training systems, scientific incentive mechanisms and clear hierarchical career progression paths, the Group effectively attracts, motivates and retains professional talents, consolidates its high-calibre workforce and continuously enhances overall organisational operational capabilities and core competitiveness.

To maximise training inclusiveness and practical effectiveness, the Group adopts a hybrid online-offline integrated training system that breaks temporal and geographical limitations. The Group integrates internal senior management mentoring, external industry expert lectures, professional certification courses and on-site practical workshops to build a flexible, multi-dimensional and sustainable learning ecosystem for all employees. A standardised closed-loop training assessment mechanism is fully implemented, covering post-course evaluation, professional competency assessment, on-the-job performance tracking and staff feedback collection. This complete supervision workflow ensures that training outcomes can be fully converted into practical work capabilities and deliver tangible value to daily operations.

The Human Resources Department conducts annual competency gap analysis and strategic review, dynamically optimising the Group's annual training roadmap and curriculum system in response to corporate development priorities and post-specific capability requirements. Tailored graded training courses are designed for frontline operational staff, functional back-office personnel, professional technical talents and management teams respectively. The Group also launches a structured echelon talent development programme, delivering differentiated cultivation plans for grassroots employees, core backbones and high-potential reserve managers. Supported by internal mentorship schemes, job rotation arrangements and cross-departmental secondment opportunities, the Group improves its internal talent succession system, enabling synchronous personal growth of employees and high-quality sustainable development of the enterprise.

Training includes:

- New recruit induction training: The Group provides structured onboarding programmes covering corporate culture, internal policies and senior management sharing. Tailored growth plans help new employees understand the Group's values and code of conduct, accelerating role adaptation and workplace integration.

- On-the-job training: Regular professional skill and qualification training is delivered to in-service staff to continuously improve their job proficiency and operational competency.

- Promotion training: The Group offers targeted courses in management, digital skills and quality improvement to help high-potential employees build advanced capabilities and meet the requirements of higher-level roles.

- Senior management training: Specialised training is arranged for middle and senior management to strengthen their comprehensive leadership and strategic capabilities, fostering a robust management talent pipeline.

- Mid-to-senior seminars: The Group holds regular thematic seminars on strategy transformation, compliance risk management, innovation and team motivation, enabling core management and key staff to exchange experience and optimise business and governance practices.

- Special training: The Group introduces scenario-based practical training and closed-loop training assessment mechanisms to strengthen training effectiveness and align staff competency development with the Group's business growth needs.

The Group organised internal training courses. The human resources department arranged courses based on the follow five objectives:

- Align training targets with corporate development goals
- Deliver practical, outcome-focused training programmes
- Distribute training resources to designated staff groups
- Fund all training via dedicated special budgets
- Conduct training reviews to drive continuous quality improvement

Case:

Qingdao Weida Property Management Co., Limited delivered systematic first-aid training programmes covering CPR and AED) operation in partnership with the Red Cross Society. By imparting professional emergency rescue expertise, the Company enhances the comprehensive emergency response proficiency of its frontline property teams, and executes its human resources development strategy that underpins secure operations and customer-centric service delivery through full-lifecycle talent cultivation.

During the Reporting Period, the Group has achieved an approximately 63.67% overall training rate[8], total training hours of approximately 9,318 hours and total average training hours of approximately 18.20 hours. The average training hours of employees[9] are shown in the table below. The table below shows the training data by age and employee category:

Employee training data	The percentage of employees trained (%)[8]			
Statistical period	As of 31 March 2026	As of 31 March 2025	2023	2022
Employee gender				
Male	22%	20%	21%	58%
Female	78%	80%	79%	42%
Employee category				
Directors	1.32%	0.83%	0.63%	2.92%
Accounting and finance team	11.87%	9.97%	9.89%	12.87%
Company secretary	0.68%	0.55%	0.63%	0.00%
Administration	4.31%	5.26%	8.42%	47.37%
Construction and operation	6.82%	14.68%	13.26%	33.33%
Sales staff	75.00%	68.7%	67.16%	3.51%

Employee training data	Average training hours of employees[9]			
Statistical period	As of 31 March 2026	As of 31 March 2025	2023	2022
Employee gender				
Male	8.12	7.64	3.89	17.38
Female	21.0	23.2	8.74	8.69

8 Calculation method of training rate of employees = Number of employees trained during the Reporting Period / total number of employees within the Reporting Scope x 100%

Training rate of employees by respec tive categories = Number of employees trained in specific categories / number of employees trained during the Reporting Period x 100%

9 Average training hours of employees = Total training hours during the Reporting Period/total number of employees within the Reporting Scope

Average training hours of employees by respective categories = Total training hours of employees of specific categories / number of employees of specific categories

7.4 Talent Attraction, Career Development, Corporate Culture and Innovation Incentives

The Group adopts a strategic talent management framework focused on precision recruitment, potential cultivation and long-term talent retention. Aligned with latest HKEX human capital disclosure requirements, the Group plans to establish a multi-dimensional employee assessment framework that reviews both on-the-job performance and development potential on an ongoing basis. By offering market-aligned remuneration packages, performance-linked incentives and comprehensive employee welfare benefits, the Group establishes a highly competitive talent retention system that stabilises the professional workforce and underpins sustainable business growth amid industry transformation.

To support diversified employee growth, the Group intends to develop a dual-track career progression pathways covering professional specialist streams and management promotion streams, breaking single-dimensional promotion limitations and providing personalised development platforms for employees at all levels. Comprehensive training resources, rotational job exposure and cross-functional project participation opportunities are offered to empower staff to unleash professional strengths and creative capabilities. The Group conducts systematic periodic performance appraisals, recognising outstanding employees with merit-based promotions, performance bonuses and honorary acknowledgements, effectively enhancing staff motivation, engagement and organisational sense of belonging.

The Group fosters an open, inclusive and collaborative corporate culture. Leveraging digital communication platforms and regular staff engagement sessions, the Group actively collects employee opinions and frontline suggestions, systematically integrating staff insights into operational optimisation and policy iteration. Complementary with robust occupational health support mechanisms, diversified wellness activities and team-building programmes are organised continuously to enrich staff work-life balance and build a positive, harmonious workplace ecosystem.

During ongoing business upgrading and strategic transformation, the Group continuously revitalises its corporate culture system. Structured onboarding induction, institutional policy workshops, monthly strategic briefings and corporate communal activities enable employees to fully understand the Group's development positioning, operational strategies and compliance requirements, strengthening staff recognition of corporate core values and consolidating overall team cohesion and loyalty. Meanwhile, the Group plans to nurture an innovation-driven workplace atmosphere by exploring professional exchange platforms and innovation incentive arrangements to encourage staff to propose operational optimisation proposals and improvement initiatives, unlocking the team's creative potential.

To build a sustainable talent pipeline and management succession framework, the Group intends to design cross-functional staff mobility arrangements and high-potential employee development frameworks. Drawing on experience sharing from senior internal management, structured competency training and external industry exchange resources, the Group will systematically nurture core backbones and future management successors to lift long-term talent retention and achieve mutual value creation through parallel individual career advancement and high-quality corporate growth.

Case:

The Group hosted the 2025 “BOYA Cup” Staff Wellness Sports Meet to foster an inclusive, harmonious corporate culture via team sports activities. Such human-centric initiatives stimulate employees' innovative vitality, consolidate cohesive internal momentum and underpin sustained high-quality business growth.

7.5 Labour Standards

Elimination of Child Labour and Forced Labour

The Group strictly adheres to international ILO labour conventions, Hong Kong ESG Listing Rule B4 labour standards and PRC labour regulatory frameworks, including the Labour Law, Labour Contract Law and child labour prohibition provisions, implementing zero-tolerance governance against child labour, forced labour, bonded labour and involuntary workplace exploitation. The Group enforces a rigid pre-employment due diligence mechanism, requiring full identity verification, age validation and eligibility screening for all new recruits to ensure no personnel under the legal working age are employed. All formal employment contracts clearly define standard working hours, job responsibilities, workplace location and voluntary overtime principles, prohibiting mandatory overtime arrangements entirely. Any overtime work arranged for operational needs is voluntary and fully compensated in accordance with statutory remuneration standards to safeguard employees' legitimate labour rights and benefits.

The Group upholds the principle of voluntary employment for all staff and strictly bans all forms of forced labour, debt bondage and coercive workplace arrangements. To strengthen full-cycle risk prevention, the Group has established a standardized compliance review mechanism covering recruitment management, daily attendance supervision and labour practice audits. Regular labour standard compliance training is delivered to supervisory and management teams to reinforce frontline risk awareness and regulatory execution. The Group maintains an independent, anonymous reporting channel for employees to report suspected violations of child labour or forced labour practices. In the event of any non-compliance incident, the Group conducts immediate root-cause investigation, imposes corresponding disciplinary accountability, optimises internal management workflows and closes institutional loopholes, ensuring continuous improvement of the Group's labour standard governance system.

No material incidents or significant breaches related to child labour or forced labour were recorded within the reporting period.

7.6 Supply Chain Management

Full-cycle Standardised Supplier Governance System

To secure product quality and align with tightened HKEX sustainability disclosure requirements for upstream environmental, social and governance risk oversight, the Group plans to build a full-lifecycle management framework covering supplier onboarding screening, comprehensive evaluation and tiered follow-up, and intends to deploy digital tools to streamline supplier information administration.

Prior to admission into the qualified supplier pool, all potential partners complete full due diligence workflows. The Procurement Team conducts holistic reviews covering product qualifications, production capacity, operational infrastructure, factory facilities, alongside ESG dimensions including carbon emission management, pollutant control, occupational safety & health and labour practices, supplemented by site visits and partnership communication sessions. Qualification vetting for key suppliers adopts a cross-functional joint review model to uphold objectivity and transparency throughout assessment workflows. Supplier qualification documents, annual evaluation records and cooperation agreements are properly archived with tiered access permission controls; only partners passing comprehensive qualification reviews are admitted into the Group's supply chain ecosystem.

All contracted suppliers are required to comply with PRC laws and regulations on environmental protection, occupational safety and labour standards to mitigate secondary ESG risks across the supply chain. Post-onboarding, the Group carries out ongoing quality sampling inspections, regular operational communications and annual qualification reviews to maintain an upstream ecosystem operating to high standards.

ESG-oriented Tiered Supplier Evaluation Mechanism

The Group embeds sustainable development principles within annual supplier review frameworks, conducting tiered assessments based on two core dimensions: operational performance and long-term sustainability development. Reference evaluation criteria cover eco-friendly attributes of raw materials, low-carbon production infrastructure, factory pollution abatement facilities, environmental performance of finished goods and long-term sustainability commitments.

The Group gives priority consideration to suppliers holding ISO9001 quality, ISO14001 environmental and ISO45001 OHS management system certifications, as well as national green factory accreditations. A refined sustainability scoring framework is planned to track performance metrics including carbon management across production processes, energy-saving equipment deployment, pollutant discharge control and incoming raw material inspection regimes, guiding suppliers to upgrade green operations. Partners with robust environmental management systems and authoritative sustainability certifications receive preferential weighting during procurement tender evaluations, with procurement benchmarks continuously refined against national green supply chain specifications.

Tiered Dynamic Full-lifecycle Supplier Management

The Group periodically reviews supplier management workflows and information management tools, implementing tiered risk oversight segmented by supplier category and annual comprehensive performance results. Core governance pillars include qualification onboarding review, annual performance assessments, tiered performance tracking and regular ESG engagement communication.

The Group reviews supplier cooperation eligibility based on yearly integrated performance, prioritising qualified Tier 1 authorised partners during procurement tender selection. All admitted suppliers are required to sign binding commitments covering product quality and sustainable operations. Ongoing oversight is delivered via order allocation management, periodic operational reviews and consolidated quality data tracking to sustain stable delivery, consistent product quality and balanced comprehensive service levels across the supply chain.

Sustainable Procurement Implementation Framework

Guided by national Dual Carbon policies and HKEX climate-related disclosure guidelines, sustainable development considerations are embedded into all procurement decision-making. The Group collaborates with industrial partners to jointly develop a low-carbon upstream industrial ecosystem. Long-term cooperative relationships are maintained with high-quality suppliers to guide partners to fulfil environmental protection responsibilities, sharing the Group's internal green operational experience to lift sustainability governance standards across the value chain. Additional sustainability performance review dimensions are planned for annual supplier reassessments to quantitatively track environmental and social compliance outcomes, guiding upstream operations to align with industry green standards and reduce the overall environmental footprint of the supply chain.

In response to national Dual Carbon strategies and to cut greenhouse gas emissions and energy consumption generated by material transportation, the Group plans to optimise localised procurement layouts to shorten long-distance logistics routes, lower Scope 3 carbon emissions and support regional industrial development and local employment. During supplier qualification reviews, eco-friendly raw material certifications and factory energy-saving & pollution treatment infrastructure are incorporated into comprehensive evaluation criteria. Partners aligned with the Group's sustainability philosophy and holding complete ISO management system certifications receive priority consideration during tender evaluations to ensure goods and services comply with national pollution prevention, occupational safety and green manufacturing regulations.

Beyond environmental oversight, the Group strengthens compliance management for social standards across upstream suppliers, referencing PRC labour laws and international social accountability benchmarks to standardise supplier employment conditions. Suppliers are required to establish formal factory safety operation mechanisms to safeguard staff occupational health and minimise workplace injury risks. The Group maintains a zero-tolerance stance on child labour and forced labour, and plans to conduct periodic labour compliance reviews across upstream facilities to mitigate non-compliant employment risks. The full suite of supplier screening, review and tiered management frameworks enables proactive mitigation of material environmental and social risks across the end-to-end supply chain.

In the financial year 2025, the Group has a list of 559 suppliers, all from Mainland China, with 162 suppliers eliminated.

7.7 Product Responsibility

Group fully complies with applicable regulatory laws and standards, including the Civil Code of the PRC, Consumer Rights Protection Law and its implementing regulations, Drug Administration Law, the 2026 Compliance Guidelines for Online Retail of Prescription Drugs, Measures for the Supervision and Administration of Online Transactions, national full-chain drug traceability rules, as well as the 2025 revised Regulations on Property Management. The pharmaceutical and e-commerce retail segments strictly implement regulatory requirements for online drug sales. All online pharmacies enforce real-name drug purchase rules, and all prescription reviews are completed in person by resident licensed pharmacists. In line with regulatory guidance, artificial intelligence is not used to replace manual prescription audits. All online and offline sales channels clearly label prescription (Rx) and over-the-counter (OTC) medicines with prominent medication risk warnings, with safety reminder mechanisms applied for minor purchasers to mitigate improper medication risks. The property management business complies with regulations covering residential safety, public facility maintenance, transparency of property charges and management of community public income. Standardised workflows are maintained for daily fire watch, security patrols, equipment maintenance and public area sanitation services to safeguard the legal rights and interests of property owners and residents.

To boost customer and resident satisfaction and fulfil ESG stakeholder communication disclosure obligations, the Group establishes diversified feedback channels covering all three business lines, including online e-commerce stores, offline pharmacy chains, customer service hotlines, offline customer satisfaction surveys, online review collection modules, property service counters, owner communities and dedicated property manager complaint channels. Standardised complaint handling workflows applicable to all business segments are maintained to ensure timely case intake, factual verification, targeted remedial solutions and follow-up customer return visits within prescribed timeframes. The Group consolidates service feedback data across segments on a regular basis to identify recurring service pain points and continuously refine frontline standard operating procedures, strengthening service credibility and trust among consumers and residents.

The Group continuously optimises internal operational standards across all links, covering product access screening, online customer service guidelines, offline Chinese medicine consultation workflows, multi-tier after-sales support mechanisms, alongside property operation standards for community safety management, facility maintenance and wellness support services. The Group is committed to delivering safe, traceable, convenient and compliant pharmaceutical health retail and community property services. In response to national full-chain drug traceability regulatory mandates, the Group plans to develop a unified digital drug traceability tool covering offline pharmacies and online e-commerce channels to enable traceable enquiry of batch numbers, expiry dates and source information for all sold medicines. Real-time online service quality monitoring mechanisms will be enhanced, supported by value-added services including professional pharmacist consultation and chronic disease health follow-up. On property management, standard emergency response procedures are formulated for incidents including fires, water leakage and public equipment breakdowns. Regular community safety inspections and resident wellness science popularisation seminars are held to further standardise retail and community operations and strengthen safety safeguards for all service recipients.

During the Reporting Period, the Group has not received any serious complaints regarding products and services and had no products that need to be recalled for safety or health reasons. It has responded to and resolved 100% of minor consumer enquiries, pharmacy complaints, e-commerce feedback and residential property service disputes received via official channels were resolved in a timely manner. All case handling and follow-up records are fully archived in compliance with dual filing requirements for market supervision and property service complaints.

7.8 Anti-corruption and Integrity Management

The Group adopts a zero-tolerance stance against all forms of corruption, commercial bribery and fraud arising from its e-commerce and pharmaceutical retail operations, fully complying with Hong Kong's Prevention of Bribery Ordinance (Cap. 201), the PRC Anti-Corruption Law and all local applicable regulatory requirements governing commercial integrity and compliance.

The Legal & Compliance team oversees end-to-end anti-corruption risk monitoring across the Group. The Group plans to develop a comprehensive internal integrity guidance framework covering daily operations, tender & procurement, expense reimbursement and project administration. Specialised compliance operational standards will be formulated for high-risk segments including pharmaceutical retail and online e-commerce transactions, with standardised clauses to regulate conduct across all departments and staff and mitigate compliance loopholes.

The Group delivers tiered integrity and compliance awareness training, integrated into new joiner induction, senior management competency development and dedicated compliance seminars. Training materials cover anti-commercial bribery, clean operations and professional codes of conduct to continuously reinforce staff awareness of lawful and ethical business practices and cultivate a workplace culture of integrity.

The Group upholds transparent, compliant and ethical operations to maintain a credible corporate reputation. Regular corruption risk reviews are conducted for high-risk links including online merchant cooperation, pharmaceutical procurement, retail sales rebates and platform operations. An anonymous integrity whistleblowing channel is maintained for reporting misconduct. The Group intends to conduct periodic targeted compliance reviews across high-risk business chains and build a comprehensive anti-corruption governance framework with embedded risk identification and early warning functions covering both core business segments.

During the reporting period, no concluded litigation cases related to corruption involving the Group or its employees were recorded. No material non-compliance incidents concerning bribery, extortion, fraud, money laundering or other corrupt practices occurred within the Group.

Anti-corruption Policy and Integrity Management

The Group prioritises commercial integrity as the foundational principle of all operations, adhering to stringent ethical standards and maintaining zero tolerance for all acts of corruption and commercial bribery. It complies fully with all anti-corruption laws and regulations applicable to pharmaceutical retail and e-commerce, reviewing and refining internal anti-corruption policies on an annual basis. Internal governance systems are iterated to align with operational characteristics of the two core business segments, embedding integrity and compliance requirements into daily administration and all commercial activities.

Beyond internal employee governance, the Group conducts integrity risk screening and ongoing monitoring for all third-party partners including upstream pharmaceutical manufacturers, suppliers and e-commerce merchants. Full due diligence is completed prior to commencing commercial partnerships; cooperation will be suspended or terminated if a third party is implicated in material corruption misconduct. The Group plans to establish a tiered integrity assessment framework for business partners, incorporating anti-corruption compliance performance as a review dimension within annual evaluations of suppliers and platform merchants. Regular anti-fraud and anti-bribery compliance briefings are delivered to pharmaceutical procurement and platform management teams to build a preventive, standardised integrity management mechanism spanning the full value chain of both core businesses.

Throughout the reporting period, there were no confirmed corruption incidents, relevant public litigations or disciplinary cases involving the Group or its employees. No material breaches of laws and regulations pertaining to bribery, extortion, fraud or money laundering were identified across the Group's business operations.

Anti-corruption Training

Mandatory anti-corruption learning has been rolled out Group-wide since 2020, the Group provides systematic business ethics and anti-corruption compliance education for staff at all levels and departments. Training curricula cover financial compliance, confidential information management, standard operational codes of conduct and commercial integrity norms, clearly outlining non-negotiable compliance red lines to foster a transparent workplace culture tailored to pharmaceutical retail and e-commerce operations.

The Group plans to refine a permanent anti-corruption training framework. All new joiners are required to complete dedicated integrity induction courses, while internal digital learning resources will be enhanced with compliance modules developed with reference to Hong Kong listed company anti-bribery guidelines to align with Hong Kong listing compliance standards and strengthen awareness of ethical operations. The Group intends to host regular group-wide ethics exchange sessions to recap the corporate code of conduct. Customised anti-corruption workshops will be organised for teams in high-risk roles including pharmaceutical procurement, platform merchant management, marketing rebate administration and financial settlement, incorporating industry-specific compliance case studies from offline retail and online trading to strengthen risk identification and prevention capabilities for frontline staff and management.

Reporting and Complaint Mechanism and Process

The Group has established a standardised, confidential reporting and complaint handling mechanism with clear operational procedures and dedicated reporting channels. The Group strictly protects the privacy and legitimate rights of whistleblowers and handles all reported cases in a timely, impartial and highly confidential manner. Staff may submit real-name or anonymous reports regarding suspected violations of internal policies and regulatory requirements. Real-name reporting is encouraged to facilitate accurate investigation, efficient case follow-up and formal progress feedback.

All suspected irregularities and integrity violations are handled in accordance with the Group's internal reporting and reward & penalty management policies. Whistleblowers may submit reports via designated hotline, email and dedicated offline channels. All complaints are properly recorded and filed. Upon receipt, an independent investigation team conducts fair, objective and evidence-based inquiries with strict confidentiality of the reporter's identity and report details throughout the whole process. The Group upgrades its whistleblower system by launching a dedicated online reporting portal, enabling 24/7 intelligent case categorisation, real-time progress tracking and closed-loop case supervision, further enhancing the efficiency, transparency and security of the Group's complaint and investigation governance framework.

7.9 Charity

For years, the Group has anchored its philanthropic strategy on the tenet of "Deriving value from society, delivering value back to society", building a structured, recurring corporate social responsibility framework spanning three core pillars: inclusive education, primary healthcare access and low-carbon environmental stewardship. Across our regional subsidiaries specialising in real estate, healthcare, industrial science parks and property management, customised local charitable programmes are rolled out in respective operating jurisdictions. The Group discharges its corporate citizenship obligations via a multi-pronged approach comprising venue sponsorship, targeted capital contributions, specialist professional outreach and coordinated volunteer cohorts, driving tangible improvements to community well-being and sustainable urban development over the 2025–2026 reporting cycle.

Foshan Peking University Resources Real Estate, delivers a full spectrum of community welfare initiatives embedded within Sanshui's Xinan Subdistrict. Within the education pillar, the entity partnered with the Wenfengxi Community Youth Development Committee to stage the Chess & Reading for Youth Growth book drive, gifting over 300 reading volumes to children from under-resourced households. It maintains permanent operation of the PKU Academy and Foshan Joint Library Experience Hub, hosting 20 complimentary parent-child and science education seminars each year, while funding the construction of a public, affordable kindergarten to bolster local early-years infrastructure. On healthcare outreach, the project's sales gallery was repurposed to host large-scale free medical clinics in collaboration with regional hospitals, supporting more than 400 local residents. Recurring wellness sessions focused on geriatric chronic disease management are held year-round, alongside volunteer home visits to isolated and disabled households with complimentary health provisions. For environmental stewardship, the subsidiary organises riverside reforestation drives and community-wide waste sorting advocacy. Low-carbon infrastructure including rainwater harvesting circuits and energy-efficient lighting has been integrated across the development, with routine litter clearance operations conducted along the Beijiang riparian zone to protect the local aquatic ecosystem.

Parallel cross-regional philanthropic activity is delivered by the Group's divisional subsidiaries:

Yekaitai ResoHealth, the Group's healthcare arm, leverages its traditional Chinese medicine expertise to deliver complimentary AI health screenings and wellness workshops across Mainland China and Dubai.

Chongqing Peking University Resources Real Estate provides ongoing donations of educational hardware to rural primary schools and spearheads plastic-neutral community retrofits.

The Group's national network of PKU Science Parks opens public-access science laboratories and offers rental relief for vulnerable early-stage start-up ventures.

The commercial property division makes retail mall spaces available pro bono for charitable events, while rolling out group-wide plastic reduction and circular waste recovery protocols.

Looking ahead, the Group will broaden the geographical and thematic scope of its philanthropic portfolio, formalising sustained programming spanning educational outreach, accessible primary healthcare and ecological conservation. Drawing on the diversified strengths of our industrial ecosystem, we will maintain consistent community reinvestment, embodying the enduring social accountability incumbent upon a publicly listed enterprise.

Case:

Nurturing Young Minds with Books, Fulfilling Corporate Social Responsibility: In the year, the company partnered with the Working Committee for the Care of the Next Generation of Wenfengxi Community, Xinan Subdistrict, Sanshui District, to launch a charitable book donation activity themed “Chess & Reading for Youth Growth”.

8. LIST OF LAWS AND REGULATIONS

In the financial year 2025, the Company is not aware of any incidents of legal violation that had a significant impact on the Company. Laws and regulations that have a significant impact on the Group's operations in Mainland China and Hong Kong are as follows:

ESG Aspects	Mainland China Applicable Laws & Regulations	Hong Kong Applicable Ordinances & Regulatory Documents
Environmental	– 1. Environmental Protection Law of the PRC – 2. Law of the PRC on Environmental Impact Assessment – 3. Environmental Protection Tax Law of the PRC – 4. Regulation on the Implementation of the Environmental Protection Tax Law of the PRC – 5. Atmospheric Pollution Prevention and Control Law of the PRC – 6. Water Pollution Prevention and Control Law of the PRC – 7. Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes – 8. Law of the PRC on Prevention and Control of Environmental Noise Pollution – 9. Energy Conservation Law of the People's Republic of China – 10. Regulations on the Administration of Medical Wastes – 11. Measures for the Administration of Volatile Organic Compounds Pollution Prevention and Control – 12. National Catalogue of Hazardous Waste (2025 Revised Version) – 13. GB 16297-1996 Integrated Emission Standard of Air Pollutants – 14. GB 18352.6-2016 China 6b Motor Vehicle Emission Standard – 15. GB 18918-2002 Sewage Discharge Standard (2026 Amendment) – 16. National Dual Carbon Strategic Policies & Circular Economy Promotion Policies – 17. Announcement on Release of 2024 Power Grid Carbon Footprint Factor Data	– 1. Air Pollution Control Ordinance (Cap. 311) – 2. Waste Disposal Ordinance (Cap. 354, 2025 Amendment) – 3. Noise Control Ordinance (Cap. 400) – 4. Waste Electrical and Electronic Equipment (WEEE) Regulation (Cap. 311A) – 5. Hongkong Electric 2025 Sustainability Report (emission factor reference) – 6. Hong Kong's Climate Action Plan 2050 – 7. HKEX Listing Rules Appendix C2 ESG Reporting Guide (2025 Mandatory Climate Disclosure Regime) – 8. WRI/WBCSD Greenhouse Gas Protocol – 9. HKFRS S1 & HKFRS S2 (ISSB-aligned Sustainability Standards) – 10. TCFD Recommendations

ESG Aspects	Mainland China Applicable Laws & Regulations	Hong Kong Applicable Ordinances & Regulatory Documents
Employment & Labour Standards	– 1. Labour Law of the PRC – 2. Labour Contract Law of the PRC – 3. Social Insurance Law of the PRC – 4. Law of the PRC on the Protection of Minors – 5. Provisions on the Prohibition of Using Child Labour – 6. Regulations on Minimum Wages – 7. Law of the PRC on the Protection of Women's Rights and Interests – 8. Provisions on Labour Protection for Female Employees – 9. ILO Core Labour Conventions (adopted for supply chain governance)	– 1. Employment Ordinance (Cap. 57) – 2. Sex Discrimination Ordinance (Cap. 480) – 3. Disability Discrimination Ordinance (Cap. 487) – 4. Race Discrimination Ordinance (Cap. 602) – 5. Minimum Wage Ordinance (Cap. 608) – 6. Mandatory Provident Fund Schemes Ordinance (Cap. 485) – 7. ISO30415 Diversity & Inclusion Standard
Occupational Health & Safety	– 1. Production Safety Law of the PRC – 2. Law of the PRC on the Prevention and Control of Occupational Diseases – 3. Fire Protection Regulation of the PRC – 4. Regulation on the Safety Management of Hazardous Chemicals – 5. Special Equipment Safety Supervision Regulations	– 1. Occupational Safety and Health Ordinance (Cap. 509) – 2. Employees' Compensation Ordinance (Cap. 282) – 3. Dangerous Goods Ordinance (Cap. 295) – 4. ISO45001 Occupational Health & Safety Management Standard

ESG Aspects	Mainland China Applicable Laws & Regulations	Hong Kong Applicable Ordinances & Regulatory Documents
Product Responsibility & Data Privacy	– 1. Civil Code of the PRC – 2. Consumer Rights Protection Law of the PRC & Its Implementing Regulations – 3. Drug Administration Law of the PRC – 4. 2026 Compliance Guidelines for Online Retail of Prescription Drugs – 5. Measures for the Supervision and Administration of Online Transactions – 6. E-Commerce Law of the PRC – 7. Advertising Law of the PRC – 8. Patent Law of the PRC – 9. Copyright Law of the PRC – 10. Trademark Law of the PRC – 11. Data Security Law of the PRC – 12. Personal Information Protection Law of the PRC – 13. Network Security Law of the PRC – 14. Anti-Unfair Competition Law of the PRC – 15. Regulations on Property Management (PRC)	– 1. Trade Descriptions Ordinance (Cap. 362) – 2. Personal Data (Privacy) Ordinance (Cap. 486) – 3. Trade Marks Ordinance (Cap. 559) – 4. Securities and Futures Ordinance (Cap. 571) – 5. HKEX Issuer Disclosure Requirements for Product Risk Governance

ESG Aspects	Mainland China Applicable Laws & Regulations	Hong Kong Applicable Ordinances & Regulatory Documents
Anti-Corruption & Commercial Integrity	– 1. Anti-Corruption Law of the PRC – 2. Anti-Unfair Competition Law of the PRC – 3. Interim Provisions on Banning Commercial Bribery by State Administration for Industry and Commerce – 4. Anti-Money Laundering Law of the PRC	– 1. Prevention of Bribery Ordinance (Cap. 201) – 2. Independent Commission Against Corruption Ordinance (Cap. 204) – 3. Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) – 4. Companies Ordinance (Cap. 622) – 5. ICAC Listed Company Anti-Corruption Guidance
Corporate & Climate Disclosure (Cross-Cutting)	– National Dual-Carbon Policies; National TCM Standardisation Action Plan (2024–2026); National Healthcare Security Administration Online Pharmaceutical Supervision Policies	– 1. HKEX Main Board Listing Rules – 2. Appendix C2 ESG Reporting Guide (2025 Updated) – 3. HKFRS S1/HKFRS S2 – 4. ISSB Sustainability Disclosure Standards – 5. TCFD Four-Pillar Climate Disclosure Framework – 6. United Nations SDGs (11 material SDGs adopted) – 7. UN PRI (Principles for Responsible Investment)

9. ESG REPORTING GUIDE CONTENT INDEX

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect A1: Emissions		
General Disclosure	Disclosures of policies and compliance status with relevant laws and regulations that have a material impact on the issuer in relation to air emissions, greenhouse gas emissions, water and land discharges, and generation of hazardous and non-hazardous waste	6.1 Emission
KPI A1.1	The types of emissions and respective emissions data.	6.1 Emission
KPI A1.2 (Repealed 1 January 2025)	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	6.4 (to be included in the Cliamte Change section as a whole)
KPI A1.3	Total hazardous waste produced (in tonnes) and relecant intenstity indicators	6.1 Emission
KPI A1.4	Total non-hazardous waste produced (in tonnes) and relevant intensity indicators	6.1 Emission
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	6.1 Emission
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	6.1 Emission
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption (in thousand kWh), segmented by type, and energy consumption intensity	6.2 Use of Resources
KPI A2.2	Water consumption in total and intensity	6.2 Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	6.2 Use of Resources
KPI A2.4	Water supply stability assessment, water conservation targets and supporting operational measures	6.2 Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	6.2 Use of Resources

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	6.3 The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3 The Environment and Natural Resources
Aspect A4: Climate Change (Repealed 1 January 2025)		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	6.4 Climate Change
KPI A4.1	Description of material climate-related risks, potential operational impacts and supporting management measures	6.4 Cliamte Change
Aspect B1: Employment		
General Disclosure	Policies relating to remuneration, dismissal, recruitment and promotion, working hours and leave, equal opportunities, diversity and inclusion, anti-discrimination and employee benefits, and compliance with material laws and regulations applicable to the Group	7.1 Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	7.1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	7.1 Employment
Aspect B2: Health and Safety		
General Disclosure	Policies relating to the provision of a safe working environment and protection of employees from occupational hazards, and compliance with relevant material laws and regulations	7.2 Occupational Health & Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	7.2 Occupational Health & Safety
KPI B2.2	Total working days lost due to work-related accidents	7.2 Occupational Health & Safety
KPI B2.3	Description of occupational health and safety governance framework, implementation and monitoring mechanisms	7.2 Occupational Health & Safety

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills and description of various training activities	7.3 Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category	7.3 Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	7.3 Development and Training
Aspect B4: Labour Standards		
General Disclosure	Policies relating to the elimination of child labour and forced labour and compliance with relevant material regulatory requirements	7.5 Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	7.5 Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	7.5 Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7.6 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	7.6 Supply Chain Management
KPI B5.2	Supplier engagement, management and ongoing oversight mechanisms	7.6 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.6 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.6 Supply Chain Management

General Disclosures and KPIs	Description	Relevant Sections in this Report
Aspect B6: Product Responsibility		
General Disclosure	Policies relating to product and service safety, advertising and labelling, consumer privacy, complaint redress, and compliance with relevant material laws and regulations	2.6 Robust Operation , 7.7 Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	7.7 Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	7.7 Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.6 Robust Operation
KPI B6.4	Description of quality assurance process and recall procedures.	7.7 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.6 Steady Operation
Aspect B7: Anti-corruption		
General Disclosure	Policies relating to bribery, extortion, fraud and money laundering and compliance with relevant material laws and regulations	7.8 Anti-corruption and Integrity Management
KPI B7.1	Number and outcomes of completed corruption-related legal proceedings during the reporting period	7.8 Anti-corruption and Integrity Management
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	7.8 Anti-corruption and Integrity Management
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7.8 Anti-corruption and Integrity Management
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	7.9 Charity
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, environmental).	7.9 Charity
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	7.9 Charity

EXECUTIVE DIRECTORS

Mr Wong Kai Ho ("Mr Wong"), aged 46, is an executive Director and Chairman of the Company since 8 October 2021. He is also a director of a number of subsidiaries of the Company.

Mr Wong has more than 19 years of experience in financial and business management. Mr Wong worked as a finance analyst of Carter Holt Harvey New Zealand from November 2005 to December 2006 and as a senior auditor of the audit and assurance sector of Ernst & Young from February 2007 to February 2009. From March 2009 to June 2013, he was a senior associate of EHM International Ltd (London). From July 2013 to March 2014, he was a director of Katch Investment (Asia-Pacific) Limited. Mr Wong has experiences in the advisory and asset management industry since March 2014 where he currently is the director and responsible officer of advisory and asset management of Nebula Asset Management Limited. Mr Wong has also been the vice president and assistant chairman of Guoce Geoinformation Technology Industry Park Group Co., Ltd. (國測地理信息科技產業園有限公司) since March 2018.

Mr Wong obtained the Bachelor of Commerce & Administration in Accounting and Commercial Law and Information Systems from Victoria University of Wellington New Zealand in December 2002. He also obtained his professional qualification as a chartered accountant from the New Zealand Institute of Chartered Accountants and a certified public accountant from the Hong Kong Institute of Certified Public Accountants in February 2008 and January 2011, respectively.

As at the date of this annual report, Mr Wong directly holds 6,604,039 shares (long position) of the Company (representing approximately 0.24% of the Company's issued share capital) and is deemed to be interested in 604,500,000 shares (long position) and 125,000,000 shares (short position) of the Company (representing approximately 22.32% and 4.57%, respectively, of the Company's issued share capital) under the Securities and Futures Ordinance (the "SFO") by virtue of his interest in ULTRA FOUNDER INTERNATIONAL LTD and Eagle Wings Limited Partnership Fund.

Mr Huang Zhuguang ("Mr Huang"), aged 63, is an executive Director of the Company since 1 December 2021.

Mr Huang has over 32 years of experience in the cultural industry. Mr Huang is the chairman of GuangDong First Union Animation Technology Co., Ltd., a company engaging in production of intelligent electronic toys which he founded in 1998. Mr Huang also founded Firstunion Animation Technology (HK) Co., Limited in 2016 and Shunlian Animation Technology Vietnam Co., Ltd in 2019, respectively. In 2016, Mr Huang founded Guangdong Guancheng Industrial Investment Co., Ltd., a company which principally engages in industrial investments, equity investments and venture capital investments.

Mr Huang obtained a bachelor's degree in business administration from the Communication University of China.

As at the date of this annual report, Mr Huang is deemed to be interested in 319,203,743 shares (long position) of the Company (representing approximately 11.66% of the Company's issued share capital) under the SFO by virtue of his interest in Guangdong Guancheng Industrial Investment Co., Ltd.. Guangdong Guancheng Industrial Investment Co., Ltd holds entire the equity interest in GuangDong First Union Animation Technology Co., Ltd., and Guangdong First Union Animation Technology Co., Ltd. holds the entire equity interest in Firstunion Animation Technology (HK) Co., Limited.

* *For identification purposes only*

Mr Hou Ruilin ("Mr Hou"), aged 64, is an executive Director of the Company since 28 August 2023. He has over 27 years of experience in corporate management.

Mr Hou worked at Chinese People's Armed Police Force Gold Command* (中國人民武裝警察部隊黃金指揮部) from August 1984 to May 1997, and his last position was the director of computer centre of Gold Research Institute* (黃金研究所). He joined Beijing Xinlei Mining Company* (北京鑫磊礦業公司) as the deputy general manager in May 1997 and left the company in October 2002 with his last position as the chairman. He worked as the secretary of the board and office manager of CITIC Guoan Mengguli Power Co., Ltd.* (中信國安盟固利電源公司) from January to October 2000. Mr Hou served as the director and deputy general manager of Shandong Guoan Information Industry Co., Ltd.* (山東國安信息產業有限公司) from October 2000 to October 2002, and as the director and general manager of the company from November 2002 until March 2022. He was also the deputy general manager of CITIC Guoan Technology Co., Ltd.* (中信國安科技有限公司) from August 2007 to March 2012, and the deputy general manager of Beijing Honglian Nine Five Information Industry Co., Ltd.* (北京鴻聯九五信息產業有限公司) from May 2015 to March 2022.

Mr Hou obtained a bachelor's degree in mechanization from the College of Mining Engineering of Taiyuan University of Technology (太原理工大學) in 1984.

As at the date of this annual report, Mr Hou is deemed to be interested in 290,307,782 shares (long position) of the Company (representing approximately 10.61% of the Company's issued share capital) under the SFO by virtue of his interest in Wealth Elite Group Investment Limited.

Mr Xia Ding ("Mr Xia"), aged 57, is an executive Director of the Company since 30 August 2024. He is the co-chief executive officer of the Company since 4 July 2023, the executive vice president of the Company since 8 October 2021 and the president of Chongqing Peking University Resources Investment Company Limited* (重慶北大資源投資有限公司). He possesses 33 years of knowledge and experience in real estate development, operation and investment.

He obtained a bachelor degree in Industrial and Civil Construction from Chongqing Construction Engineering University (now merged into Chongqing University) in July 1989.

As at the date of this annual report, Mr Xia is interested in 9,500,000 shares (long position) of the Company (representing approximately 0.35% of the Company's issued share capital).

* *For identification purposes only*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Chin Chi Ho, Stanley ("Mr Chin"), aged 43, is an independent non-executive Director of the Company since 8 October 2021.

Mr Chin has over 17 years of experience in the areas of audit, financial management, corporate governance and operations in capital markets. Mr Chin served as an audit specialist in PricewaterhouseCoopers and KPMG for 7 years. Mr Chin has extensive experience serving as senior management for multiple Hong Kong listed companies. Mr Chin is currently the independent non-executive director of Champion Alliance International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1629).

Mr Chin has obtained a Master of Business Administration degree from the University of Hong Kong. He was admitted as a Certified Public Accountant (CPA) in 2009. He has also been awarded the qualification of Financial Risk Manager (FRM) in 2009 and Chartered Financial Analyst (CFA) in 2010.

Ms Xu Nan ("Ms Xu"), aged 51, is an independent non-executive Director of the Company since 30 August 2024. She has over 25 years in corporate management.

Ms Xu worked from April 1996 to September 2009 as director of overseas planning department at Sanseido Bookstore Ltd., Japan. She was the general manager of Marco Polo (Tianjin) International Trading Co., Ltd.* (馬可波羅(天津)國際貿易有限公司) from January 2011 to November 2015. Since December 2015, she is the chief representative and legal representative of the Japan liaison office of Beijing Poly International Auction Co. Ltd.* (北京保利國際拍賣有限公司).

Ms Xu obtained a bachelor's degree in Japanese and Japanese literature from Gakushuin University, Japan in 1996. She obtained a master's degree in business administration from the Tasmac London School of Business in 2011.

* *For identification purposes only*

Professor Cheung Ka Yue ("Prof. Cheung"), aged 54, is an independent non-executive Director of the Company since 30 September 2024.

Prof. Cheung has over three decades of business and professional experience in public accounting firms and across different industries in the commercial sector. He is a seasoned executive with international experience. He serves on the boards of various local and overseas business entities. He provides global perspectives and international networks, drawing upon experience and insights gained from regulatory, corporate finance, compliance, corporate governance and academic fields.

Prof. Cheung is conferred with the Knight Commander of Rizal of the Republic of the Philippines. He is actively involved in public and social services, with tremendous contributions to economic development and education development of the society. He makes dedicated and exemplary service to the society and contributions to philanthropic causes over the years.

Prof. Cheung is a postdoctoral researcher and an honorary professor. He holds a doctoral degree in business administration, a master's degree in education, a master's degree in laws, a master's degree in professional accountancy, and a bachelor's degree in accounting. He is an adjunct professor at Southwest Petroleum University in China. He is a practising accountant in Hong Kong.

Prof. Cheung is currently an independent non-executive director of Success Dragon International Holdings Limited (stock code: 1182, shares of which are listed on the Main Board of the Stock Exchange), China Hongbao Holdings Limited (stock code: 8316, shares of which are listed on the GEM of the Stock Exchange), and MaxWin International Holdings Limited (stock code: 8513, shares of which are listed on the GEM of the Stock Exchange). He is currently an executive director of Huiyuan Cowins Technology Group Limited (stock code: 1116, shares of which are listed on the Main Board of the Stock Exchange). He was an independent non-executive director of Crown International Corporation Limited (stock code: 727, shares of which are listed on the Main Board of the Stock Exchange) from December 2022 to July 2023 and Ganglong China Property Group Limited (stock code: 6968, shares of which are listed on the Main Board of the Stock Exchange) from June 2025 to October 2025. He was an independent director of Primega Group Holdings Limited (stock code: PGHL, shares of which are listed on the NASDAQ) from September 2024 to April 2025.

SENIOR MANAGEMENT

Mr Shi Lei ("Mr Shi"), aged 52, was appointed as the chief executive officer of the Company on 8 October 2021 and re-designated as the co-chief executive officer of the Company on 4 July 2023. Mr Shi obtained a bachelor's degree in electrical engineering and a bachelor's degree in industrial engineering from Tsinghua University in 1997. In 2000, he obtained a master's degree in electrical engineering from Tsinghua University. Mr Shi was the elected president of Tsinghua University Student Union in 1996, and was the chairman of Tsinghua University Graduate Association in 1997. Before joining the Company, he worked in a number of companies, including A. T. Kearney, Bohai Industrial Investment Fund (渤海產業投資基金), Hunan Caixin Financial Holding Group (湖南財信金融控股集團) and Guoce Geoinformation Technology Industry Park Group Co., Ltd. (國測地理信息科技產業園有限公司), and was a director of NanHua Bio-medicine Co., Ltd. (南華生物醫藥股份有限公司) (stock code: 000504), a company listed on the Shenzhen Stock Exchange. Mr Shi has over 23 years of experience in business management and the finance industry.

Mr Jiang Xiaoping ("Mr Jiang"), aged 62, has served as the deputy chief executive officer of the Company since 8 October 2021 and the president of several subsidiaries of the Company in Wuhan since 2010, and is responsible for the overall operation of the Group's business in Wuhan. Mr Jiang obtained a bachelor's degree in law from Southwest University of Political Science & Law in 1986 and is qualified as a practising lawyer in the PRC. From 1996 to 2010, Mr Jiang worked for various law firms and companies in the financial industry, and held the posts of manager of the legal department, the assistant president of the general office and the vice president of the general office, responsible for equity investment, corporate restructuring and mergers and acquisitions of various companies. Mr Jiang has over 26 years of work experience in the fields of finance and real estate development.

As at the date of this annual report, Mr Jiang is interested in 8,500,000 shares (long position) of the Company (representing approximately 0.31% of the Company's issued share capital).

* *For identification purposes only*

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company and the Group for the Reporting Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 1 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's profit for the Reporting Year and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 149 to 277 of this annual report.

The Directors do not recommend the payment of any dividend in respect of the Reporting Year.

BUSINESS REVIEW

A review of the business of the Group during the Reporting Year and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are set out in the section headed "Management Discussion and Analysis" on pages 6 to 24 of this annual report.

The financial risk management objectives and policies of the Group are set out in note 50 to the consolidated financial statements.

An analysis of Group's performance during the Reporting Year using financial key performance indicators is set out in the sections headed "Management Discussion and Analysis" on pages 6 to 24 and "Financial Highlights" on page 280 of this annual report.

Discussions on the Group's environmental policies, relationships with its employees, customers, suppliers and other key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the section headed "Environmental, Social and Governance Report" on pages 38 to 126 of this annual report.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 279 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group during the Reporting Year are set out in notes 15 and 16 to the consolidated financial statements, respectively. Further details of the Group's investment properties are set out on 278 of this annual report.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the Reporting Year are set out in notes 36 and 37 to the consolidated financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief or exemption available to its shareholders by reason of their holding of the Company's securities.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting ("2026 AGM") will be held on Friday, 18 September 2026. The notice of the 2026 AGM will be published and dispatched to shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 15 September 2026 to Friday, 18 September 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2026 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, TRICOR INVESTOR SERVICES LIMITED at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 14 September 2026. The record date for the purpose of determining the eligibility of the shareholders to attend and vote at the AGM is therefore Friday, 18 September 2026.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY AND USE OF PROCEEDS

There has been no purchase, redemption or sale of any of its listed securities during the Reporting Year.

CONTINUING DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

Save as disclosed in this annual report, the Company did not have any other disclosure obligations under Rules 13.20, 13.21, 13.22, 14.36B and 14A.63 of the Listing Rules.

MANAGEMENT CONTRACT

No contracts in respect of the management or administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the Reporting Year.

DONATIONS

During the Reporting Year, the Group did not make charitable donations and other contributions.

DISTRIBUTABLE RESERVES

In accordance with the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution or payment of dividends to shareholders provided that, immediately following such distribution or payment, the Company is able to pay off its debts as and when they fall due. As at 31 March 2026, the Company's reserves available for distribution comprised contributed surplus of approximately RMB1,306,591,000. The Company's share premium account, with a balance of approximately RMB11,754,000 as at 31 March 2026, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the Reporting Year, sales to the Group's five largest customers accounted for 20.7% of the total sales for the Reporting Year and sales to the largest customer included therein amounted to 9.3%. Purchases from the Group's five largest suppliers accounted for 50.3% of the total purchase for the Reporting Year and purchase from the largest supplier included therein amounted to 19.0%.

None of the Directors of the Company or any of their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest suppliers and customers.

DIRECTORS

The Directors of the Company during the Reporting Year and up to the date of this Directors' report were:

Executive Directors

Mr Wong Kai Ho *(Chairman)*
Mr Huang Zhuguang
Mr Hou Ruilin
Mr Xia Ding

Independent non-executive Directors

Mr Chin Chi Ho, Stanley
Ms Xu Nan
Prof Cheung Ka Yue

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmations of independence from each of its independent non-executive Directors as at 31 March 2026, and still considers them to be independent as at 31 March 2026.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the current Directors of the Company and the senior management of the Group are set out on pages 127 to 131 of this annual report.

CHANGE IN DIRECTORS' INFORMATION

During the Reporting Year and up to the date of this report, there has been no change in the Directors' information which has been disclosed or is required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company are determined by reference to the market rates, commitment, contribution and their duties and responsibilities within the Group.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Reporting Year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No Director nor an entity connected with a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of the Company's subsidiaries was a party during the Reporting Year.

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

At 31 March 2026, the interests and short positions of the Directors and the chief executive of the Company in the share capital, underlying shares and debenture of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

		Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's issued share capital
Name of Director	Notes	Directly beneficially owned	Through controlled corporation	Total	
Mr Wong Kai Ho	1	6,604,039 (long position)	604,500,000 (long position) 125,000,000 (short position)	611,104,039 (long position) 125,000,000 (short position)	22.32 (long position) 4.57 (short position)
Mr Huang Zhuguang	2	–	319,203,743 (long position)	319,203,743 (long position)	11.66
Mr Hou Ruilin	3	–	290,307,782 (long position)	290,307,782 (long position)	10.61
Mr Xia Ding	4	9,500,000 (long position)	–	9,500,000 (long position)	0.35
Mr Jiang Xiaoping	5	8,500,000 (long position)	–	8,500,000 (long position)	0.31

Notes:

1. Mr Wong Kai Ho is interested in 611,104,039 shares (long position) and 125,000,000 shares (short position) comprising 6,604,039 shares (long position) directly owned by him, 604,500,000 shares (long position) through his interest in ULTRA FOUNDER INTERNATIONAL LTD and Eagle Wings Limited Partnership Fund, and 125,000,000 shares (short position) through his interest in Eagle Wings Limited Partnership Fund.

2. Mr Huang Zhuguang is interested in 319,203,743 shares through his interest in Firstunion Animation Technology (HK) Co., Limited.

3. Mr Hou Ruilin is interested in 290,307,782 shares (long position) through his interest in Wealth Elite Group Investment Limited.

4. Mr Xia Ding directly owns 9,500,000 shares.

5. Mr Jiang Xiaoping directly owns 8,500,000 shares.

Save as disclosed above, as at 31 March 2026, none of the Directors nor the chief executive of the Company had registered an interest or short position in the shares or underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Year, none of the Directors of the Company had any interest in a business (other than those businesses where the Directors of the Company were appointed as directors to represent the interests of the Company and/or any member of the Group) which is considered to compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 March 2026, so far it is known to the Directors of the Company, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

			Long positions		Short positions	
Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr Wong Kai Ho	1	Through controlled corporations	604,500,000	22.08	125,000,000	4.57
		Directly beneficially owned	6,604,039	0.24	–	–
ULTRA FOUNDER INTERNATIONAL LTD	2	Directly beneficially owned	479,500,000	17.52	–	–
Firstunion Animation Technology (HK) Co., Limited ("Firstunion")	3	Directly beneficially owned	319,203,743	11.66	–	–

Name	Notes	Capacity and nature of interest	Long positions: Number of ordinary shares held	Long positions: Percentage of the Company's issued share capital	Short positions: Number of ordinary shares held	Short positions: Percentage of the Company's issued share capital
廣東順聯動漫科技有限公司 (Guangdong First Union Animation Technology Co., Ltd.*) ("Guangdong Firstunion")	4	Through a controlled corporation	319,203,743	11.66	–	–
廣東貫成實業投資有限公司 (Guangdong Guancheng Industrial Investment Co., Ltd*) ("Guangdong Guancheng")	5	Through a controlled corporation	319,203,743	11.66	–	–
Mr Huang Zhuguang	6	Through a controlled corporation	319,203,743	11.66	–	–
Wealth Elite Group Investment Limited	7	Directly beneficially owned	290,307,782	10.61	–	–
Mr Hou Ruilin	8	Through a controlled corporation	290,307,782	10.61	–	–
Sea Ray Investment Group Pte. Ltd.	9	Directly beneficially owned	175,000,000	6.39	–	–
Rainbow Sail Investment Group Limited	10	Through a controlled corporation	175,000,000	6.39	–	–
Mr Wu Wenbo	11	Through controlled corporations	175,000,000	6.39	–	–
Sleek Charm Pte. Ltd.	12	Directly beneficially owned	175,000,000	6.39	–	–
Sleek Charm Limited	13	Through a controlled corporation	175,000,000	6.39	–	–
Ms Chen Mengyi	14	Through controlled corporations	175,000,000	6.39	–	–

* *For identification purposes only*

Notes:

1. Mr Wong Kai Ho directly holds 6,604,039 shares of the Company and is deemed to be interested in 604,500,000 shares of the Company under the SFO by virtue of his interest in ULTRA FOUNDER INTERNATIONAL LTD and Eagle Wings Limited Partnership Fund. He is deemed to have a short position in 125,000,000 shares of the Company under the SFO by virtue of his interest in Eagle Wings Limited Partnership Fund.

2. ULTRA FOUNDER INTERNATIONAL LTD is interested in 479,500,000 shares of the Company.

3. Firstunion is interested in 319,203,743 shares of the Company.

4. Guangdong Firstunion is deemed to be interested in 319,203,743 shares of the Company under the SFO by virtue of its interest in Firstunion.

5. Guangdong Guancheng is deemed to be interested in 319,203,743 shares of the Company under the SFO by virtue of its interest in Guangdong Firstunion.

6. Mr Huang Zhuguang is deemed to be interested in 319,203,743 shares of the Company under the SFO by virtue of his interest in Guangdong Guancheng.

7. Wealth Elite Group Investment Limited is interested in 290,307,782 shares of the Company.

8. Mr Hou Ruilin is deemed to be interested in 290,307,782 shares of the Company under the SFO by virtue of his interest in Wealth Elite Group Investment Limited.

9. Sea Ray Investment Group Pte. Ltd. is interested in 175,000,000 shares of the Company.

10. Rainbow Sail Investment Group Limited is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of its interest in Sea Ray Investment Group Pte. Ltd..

11. Mr Wu Wenbo is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of his interest in Sea Ray Investment Group Pte. Ltd. and Rainbow Sail Investment Group Limited.

12. Sleek Charm Pte. Ltd. is interested in 175,000,000 shares of the Company.

13. Sleek Charm Limited is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of its interest in Sleek Charm Pte. Ltd..

14. Ms Chen Mengyi is deemed to be interested in 175,000,000 shares of the Company under the SFO by virtue of her interest in Sleek Charm Pte. Ltd. and Sleek Charm Limited.

Save as disclosed above, so far it is known to the Directors of the Company, as at 31 March 2026, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Year, the Group did not enter into any connected transaction or continuing connected transaction which is required to comply with any of the reporting, announcement or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Certain related party transactions, as disclosed in note 45 to the consolidated financial statements in this report, also constituted connected transactions or continuing connected transactions of the Company but these transactions are fully exempt from the requirements under Chapter 14A of the Listing Rules pursuant to Rules 14A.76 and 14A.95 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this annual report.

AUDITORS

With effect from 1 March 2022, CCTH CPA Limited has been appointed as the auditor of the Company following the retirement of Ernest & Young. There has been no change in the auditors of the Company in the preceding three years.

The consolidated financial statements for the year ended 31 March 2026 of the Company have been audited by CCTH CPA Limited. CCTH CPA Limited will retire at the 2026 AGM and, being eligible, will offer itself for re-appointment at the 2026 AGM.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the annual report, consolidated financial statements and results of the Group for the year ended 31 March 2026.

ON BEHALF OF THE BOARD

Wong Kai Ho
Chairman

Hong Kong
30 June 2026

CCTH CPA LIMITED
中正天恆會計師有限公司

To the shareholders of Peking University Resources (Holdings) Company Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Peking University Resources (Holdings) Company Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 149 to 277, which comprise the consolidated statement of financial position as at 31 March 2026, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (continued)

Assessment of net realisable value of properties for sale – completed

Refer to note 24 to the consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group had properties for sale – completed amounted to approximately RMB925,960,000 as at 31 March 2026. The carrying amounts of properties for sale – completed are stated at the lower of cost and net realisable value ("NRV"). Determination of NRV of properties for sale – completed involved critical accounting estimates on the selling price and variable selling expenses. The judgements and estimations are subject to high degree of estimation uncertainty. The inherent risk in relation to the assessment of NRV of properties for sale – completed is considered relatively higher due to uncertainty of significant assumptions used. We focused on this area due to NRV assessment of properties for sale – completed involved significant management judgements and estimates.	Our procedures in relation to the assessment of NRV of properties for sale – completed included: – We obtained an understanding of management's assessment process of NRV of properties for sale – completed and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty, complexity, subjectivity and other inherent risk factors; – We understood, evaluated and tested the internal controls over the assessment of NRV of properties for sale – completed; – We compared the relevant properties for sale – completed balances as at 31 March 2026, on a sample basis, against the result of management's NRV assessment made in the prior year to reconsider the accuracy of management's historical NRV assessment and reliability and appropriateness of the NRV assessment methodology; and – We evaluated the valuation methodology adopted by management for assessing the net realisable value of inventories and comparing the key estimates and assumptions adopted in the valuations, including those relating to average net selling prices, with market available data and the sales budget plans maintained by the Group.

KEY AUDIT MATTERS (continued)

Fair value of investment properties

Refer to note 16 to the consolidated financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group's investment properties is stated at fair value of RMB810,769,000 as at 31 March 2026. All of the Group's investment properties are carried at fair value. The fair value valuations, which were carried out by an external professional valuer (the "Valuer"), are based on direct comparison method that involve management's significant judgement of unobservable inputs. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 16 to the consolidated financial statements. We focused on the fair value of investment properties as a key audit matter due to the significance of the carrying amount to the consolidated financial statements as a whole, combined with the significant judgements associated in the determination of the fair value.	Our procedures in relation to the fair value of investment properties included: – We understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining the fair value; – We evaluated the competence, capabilities and objectivity of the Valuer and obtained an understanding of the Valuer's scope of work; – We obtained an understanding of the valuation process and techniques adopted by the Valuer to assess if they are consistent with industry norms; and – We assessed the reasonableness of the significant unobservable inputs and validating the accuracy of the source data adopted by the management and the Valuer by comparing them, on a sample basis, to where relevant, publicly available information of similar comparable properties and our understanding of the real estate industry.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of Bermuda Companies Act and our terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats and safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CCTH CPA Limited
Certified Public Accountants
Hong Kong, 30 June 2026

Shek Man Hei Kimmy
Practising Certificate Number P07274

Unit 1510–1517, 15/F, Tower 2
Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung, New Territories
Hong Kong

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Notes	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
REVENUE	7	**1,551,533**	1,618,544
Cost of sales		**(1,436,395)**	(1,671,550)
Gross profit/(loss)		**115,138**	(53,006)
Other gains and losses, net	7	**2,163,278**	326,874
Selling and distribution expenses		**(122,877)**	(121,756)
Administrative expenses		**(136,624)**	(233,687)
Impairment of right-of-use assets recognised, net		**(369)**	–
Impairment of other intangible assets recognised, net		**(604)**	–
Impairment of goodwill recognised, net		**(38,597)**	–
Impairment of inventories recognised, net		**(8,662)**	(7,459)
Impairment of properties for sale recognised, net			
– under development		**–**	(208,125)
– completed		**(17,819)**	(412,352)
Impairment of investment in an associate recognised, net		**(30,000)**	–
Fair value loss on financial assets at fair value through profit or loss		**(22,400)**	(5,500)
Other expenses	8	**(173,915)**	(1,614,239)
Share of results of a joint venture and an associate		**(4,200)**	(537)
Finance costs	9	**(78,510)**	(126,749)
PROFIT/(LOSS) BEFORE TAXATION	8	**1,643,839**	(2,456,536)
Taxation	12	**1,171**	(63,076)
PROFIT/(LOSS) FOR THE YEAR		**1,645,010**	(2,519,612)
Profit/(loss) attributable to:			
Owners of the Company		**1,783,484**	(2,339,899)
Non-controlling interests		**(138,474)**	(179,713)
		1,645,010	(2,519,612)
		RMB cents	RMB cents
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	14	**65.15**	(85.99)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
PROFIT/(LOSS) FOR THE YEAR	**1,645,010**	(2,519,612)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of non-Mainland China entities' operations	**41,545**	20,146
Reclassification of exchange fluctuation reserve upon disposal of foreign operations	**114,258**	–
	155,803	20,146
Item that will not be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of the Company	**(101,882)**	41,936
	(101,882)	41,936
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAXATION	**53,921**	62,082
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**1,698,931**	(2,457,530)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**1,837,405**	(2,277,817)
Non-controlling interests	**(138,474)**	(179,713)
	1,698,931	(2,457,530)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	**31 March 2026**	31 March 2025
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**45,709**	57,382
Investment properties	16	**810,769**	1,423,234
Right-of-use assets	17(a)	**13,256**	19,967
Other intangible assets	18	**15,331**	15,364
Investment in a joint venture	19	**145,264**	149,463
Investment in an associate	20	**–**	–
Financial assets at fair value through profit or loss	21	**67,300**	89,700
Goodwill	22	**–**	38,597
Prepayments, other receivables and other assets	27	**173,418**	70,192
Deferred tax assets	35	**70,606**	69,405
Total non-current assets		**1,341,653**	1,933,304
CURRENT ASSETS			
Properties for sale			
– under development	23	**–**	3,298,197
– completed	24	**925,960**	2,577,405
Inventories	25	**199,684**	141,984
Trade and bills receivables	26	**186,110**	190,656
Prepayments, other receivables and other assets	27	**889,463**	1,410,164
Restricted cash	28	**4,500**	59,736
Cash and cash equivalents	29	**301,993**	601,400
Total current assets		**2,507,710**	8,279,542
CURRENT LIABILITIES			
Trade and bills payables	30	**482,956**	938,115
Other payables and accruals	31	**979,663**	2,188,408
Provisions	32	**–**	2,835,817
Contract liabilities	33	**54,389**	858,830
Interest-bearing bank and other borrowings	34	**51,661**	1,566,119
Lease liabilities	17(b)	**7,904**	12,124
Tax payable		**308,712**	1,010,576
Total current liabilities		**1,885,285**	9,409,989
NET CURRENT ASSETS/(LIABILITIES)		**622,425**	(1,130,447)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,964,078**	802,857

continued/...

	Notes	31 March 2026	31 March 2025
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	34	**77,398**	201,140
Lease liabilities	17(b)	**5,379**	8,314
Deferred tax liabilities	35	**106,106**	196,301
Total non-current liabilities		**188,883**	405,755
Net assets		**1,775,195**	397,102
EQUITY			
Share capital	36	**24,853**	24,853
Reserves	38	**564,830**	(1,281,059)
Equity/(loss) attributable to owners of the Company		**589,683**	(1,256,206)
Non-controlling interests		**1,185,512**	1,653,308
Total equity		**1,775,195**	397,102

The consolidated financial statements on pages 149 to 277 were approved and authorised for issue by the board of directors on 30 June 2026 and were signed on its behalf by:

Wong Kai Ho
Director

Huang Zhuguang
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2026

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Merger reserve RMB'000	Contributed surplus RMB'000	Non-controlling interest reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	General reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 April 2024	898,647	11,754*	5,466*	(238,675)*	1,297,299*	(18,065)*	57,102*	588,246*	620,035*	(2,187,305)*	1,034,504	1,473,238	2,507,742
Loss for the year	–	–	–	–	–	–	–	–	–	(2,339,899)	(2,339,899)	(179,713)	(2,519,612)
Other comprehensive income for the year:													
Exchange differences arising on translation of non-Mainland China entities' operations	–	–	–	–	–	–	20,146	–	–	–	20,146	–	20,146
Exchange differences arising on translation of financial statements of the Company	–	–	–	–	–	–	41,936	–	–	–	41,936	–	41,936
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	62,082	–	–	(2,339,899)	(2,277,817)	(179,713)	(2,457,530)
Recognition of equity settled share based payment	–	–	19,012	–	–	–	–	–	–	–	19,012	–	19,012
Capital reduction	(875,156)	–	–	–	–	–	–	–	875,156	–	–	–	–
Share subscription	1,362	–	–	–	–	–	–	–	(1,362)	–	–	–	–
Disposal of subsidiaries (note 46)	–	–	–	–	–	–	–	–	–	–	–	10,015	10,015
Disposal of interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	313,915	313,915
Transfer	–	–	–	–	–	(32,293)	–	–	–	–	(32,293)	36,203	3,910
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(350)	(350)
Appropriations to statutory surplus reserve	–	–	–	–	388	–	–	–	–	–	388	–	388
At 31 March 2025	24,853	11,754*	24,478*	(238,675)*	1,297,687*	(50,358)*	119,184*	588,246*	1,493,829*	(4,527,204)*	(1,256,206)	1,653,308	397,102

Consolidated Statement of Changes in Equity

For the year ended 31 March 2026

	Attributable to owners of the Company												
	Share capital RMB'000	Share premium account RMB'000	Share option reserve RMB'000	Merger reserve RMB'000	Contributed surplus RMB'000	Non-controlling interest reserve RMB'000	Exchange fluctuation reserve RMB'000	Other reserve RMB'000	General reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 April 2025	24,853	11,754*	24,478*	(238,675)*	1,297,687*	(50,358)*	119,184*	588,246*	1,493,829*	(4,527,204)*	(1,256,206)	1,653,308	397,102
Profit for the year	–	–	–	–	–	–	–	–	–	1,783,484	1,783,484	(138,474)	1,645,010
Other comprehensive income for the year:													
Exchange differences arising on translation of non-Mainland China entities' operations	–	–	–	–	–	–	41,545	–	–	–	41,545	–	41,545
Reclassification of exchange fluctuation reserve upon disposal of foreign operation	–	–	–	–	–	–	114,258	–	–	–	114,258	–	114,258
Exchange differences arising on translation of financial statements of the Company	–	–	–	–	–	–	(101,882)	–	–	–	(101,882)	–	(101,882)
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	53,921	–	–	1,783,484	1,837,405	(138,474)	1,698,931
Recognition of equity settled share based payment	–	–	8,484	–	–	–	–	–	–	–	8,484	–	8,484
Disposal of subsidiaries (note 46)	–	–	–	–	–	–	–	–	–	–	–	(329,322)	(329,322)
At 31 March 2026	24,853	11,754*	32,962*	(238,675)*	1,297,687*	(50,358)*	173,105*	588,246*	1,493,829*	(2,743,720)*	589,683	1,185,512	1,775,195

* The consolidated reserve surplus amounted to RMB564,830,000 (31 March 2025: deficit of RMB1,281,059,000) presented in the consolidated statement of financial position is the aggregate of the above reserves with asterisk (*).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2026

	Notes	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		**1,643,839**	(2,456,536)
Adjustments for:			
Finance costs	9	**78,510**	126,749
Bank interest income	7	**(2,780)**	(5,234)
Fair value loss on investment properties, net	7	**206,617**	71,068
Fair value loss on financial assets at fair value through profit or loss		**22,400**	5,500
Fair value gain on transfers from properties for sale – completed to investment properties	7	**–**	(81,782)
Gain on disposal of subsidiaries	7	**(2,265,688)**	(65,194)
Gain on waiver of other payables	7	**(230)**	(175,784)
Depreciation of property, plant and equipment	8	**10,768**	7,892
Depreciation of right-of-use assets	8	**13,041**	15,090
Amortisation of other intangible assets	8	**318**	63
(Gain)/loss on disposal of property, plant and equipment	7	**(40)**	507
Gain on disposal of investment properties	7	**(99,961)**	(59,141)
Loss/(gain) on lease modification		**21**	(2)
Impairment of trade and bills receivables (reversed)/recognised, net	7	**(1,081)**	1,309
Impairment of financial assets included in prepayments, other receivables and other assets recognised, net	7	**8,495**	11,027
Impairment of right-of-use assets recognised, net		**369**	–
Impairment of other intangible assets recognised, net		**604**	–
Impairment of goodwill recognised, net		**38,597**	–
Impairment of inventories recognised, net		**8,662**	7,459
Impairment of properties for sale – under development recognised, net		**–**	208,125
Impairment of properties for sale – completed recognised, net		**17,819**	412,352
Impairment of investment in an associate recognised, net		**30,000**	–
Share of results of a joint venture and an associate		**4,200**	537
Share-based payment expense		**8,484**	19,012
		(277,036)	(1,956,983)
Decrease/(increase) in properties for sale			
– under development		**–**	(135,226)
– completed		**433,721**	796,434
Increase in inventories		**(66,362)**	(58,418)
(Increase)/decrease in trade and bills receivables		**(199)**	93,142
Increase in prepayments, other receivables and other assets		**(1,048,715)**	(723,952)
Decrease/(increase) in restricted cash		**16,143**	(45,880)
Decrease in trade and bills payables		**(164,811)**	(22,329)
Increase in other payables and accruals		**1,272,060**	870,580
Increase in provisions		**152,581**	1,507,479
Decrease in contract liabilities		**(29,718)**	(30,330)
Effect of foreign exchange rate changes, net		**(60,227)**	62,080
Cash generated from operations		**227,437**	356,597
Interest received		**2,780**	5,234
Interest paid		**(1,177)**	(297,211)
Mainland China corporate income tax paid		**(8,767)**	(19,585)
Land appreciation tax paid		**(4,867)**	(76,052)
Net cash flows generated from/(used in) operating activities		**215,406**	(31,017)

continued/...

Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Notes	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	15	**(6,101)**	(17,191)
Purchase of investment properties	16	**(16,044)**	(24,802)
Purchase of other intangible assets	18	**(889)**	(1,588)
Proceeds from disposal of property, plant and equipment and investment properties		**78,146**	17,083
Capital injection on interest in a joint venture		**–**	(150,000)
Cash inflow from acquisition of subsidiaries	46	**–**	292
Cash outflow from disposal of subsidiaries	47	**(104,180)**	(625)
Net cash flows used in investing activities		**(49,068)**	(176,831)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new bank and other borrowings		**123,280**	242,345
Repayments of bank and other borrowings		**(567,870)**	(306,746)
Principal portion of lease payments		**(13,696)**	(15,073)
Dividends paid to non-controlling shareholders		**–**	(350)
Net cash flows used in financing activities		**(458,286)**	(79,824)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(291,948)**	(287,672)
Cash and cash equivalents at beginning of the year		**601,400**	890,197
Effect of foreign exchange rate changes, net		**(7,459)**	(1,125)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**301,993**	601,400
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	29	**301,993**	601,400
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows		**301,993**	601,400

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

Basis of preparation

The Group continues to adopt the going concern basis in preparing its consolidated financial statements. In order to improve the Group's financial positions, liquidity and cash flows, the Directors have adopted the following measures:

(a) the Group will continue to actively market and sell its completed properties held for sale and is expected to realise a substantial portion of such properties within the forecast period;

(b) the Group will continue to generate positive operating cash flows from its existing businesses, including the medical and pharmaceutical retail, e-commerce and related operations;

(c) the Group will continue to implement measures to strengthen working capital management, including accelerating the collection of outstanding receivables and controlling operating expenditures; and

(d) the Group will continue to negotiate with relevant lenders, where necessary, for the repayment or renewal of existing borrowings, including the defaulted borrowings.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the assets of the Group to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Basis of preparation (continued)

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and financial assets which are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurement in its entirety) at the end of each reporting period.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	*Lack of Exchangeability*

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

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

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7.

Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income/consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

Optional concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

Business combinations or asset acquisitions (continued)

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisition of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 or HK(IFRIC)-Int 21, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

Business combinations or asset acquisitions (continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

4.3 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3 Investments in associates and joint ventures (continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers (continued)

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised.

(b) Sale of properties

Revenue from the sale of properties is recognised on delivery of the properties. For a contract for which the period between the time the customer pays for the goods or property and when the Group transfers that promised goods or property to the customer is at least more than one year will be considered for the effects of a financing component. Contract liabilities will be accrued on the long-term advances received based on the length of time between the customer's payment and the delivery of property to the customer and the prevailing interest rates in the market.

(c) Property management services

Revenue from rendering of property management services are recognised in the accounting period in which the related services are rendered and there are rights to invoice.

(d) Medical services and pharmaceutical retail

Revenue from providing medical services are recognised overtime when the services are rendered and there are rights to invoice. Revenue from sales of pharmaceuticals are recognised at point in time when the relevant pharmaceuticals are delivered to customers.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers (continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for as interest arising from revenue contracts on the same basis as other borrowing costs.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Refund liabilities

The Group recognises a refund liability if the Group expects to refund some or all of the consideration received from customers.

Sale with a right of return

For a sale of products with a right of return for dissimilar products, the Group recognises all of the following:

(a) revenue for the transferred products in the amount of consideration to which the Group expects to be entitled (therefore, revenue would not be recognised for the products expected to be returned);

(b) a refund liability; and

(c) an asset (and corresponding adjustment to cost of sales) for its right to recover products from customers and are presented as right to returned goods asset.

4.6 Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered. The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of HKFRS 16 or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessee (continued)

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the Group uses the revised discount rate that reflects change in the interest rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Leases (continued)

The Group as a lessor (continued)

Lease modification (continued)

Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For rent concession under which the Group legally releases the lessee from its obligation to make specifically identified lease payment, of which some of these lease payments are contractually due but not paid and some of them are not yet contractually due, the Group accounts for the portions which have been recognised as operating lease receivables (i.e. the lease payments which are contractually due but not paid) by applying the ECL and derecognition requirements under HKFRS 9 and applies lease modification requirements for the forgiven lease payments that the Group has not recognised (i.e. the lease payments which are not yet contractually due) as at the effective date of modification.

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform for a finance lease that is not accounted for as a separate lease, the Group applies the same accounting policies as those applicable to financial instruments (note 4.20).

4.8 Foreign currencies

These financial statements are presented in RMB, which is the Group's presentation currency. The functional currency of the Company is Hong Kong dollars while RMB is used as the presentation currency of the financial statements of the Company for the purpose of aligning with the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.8 Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange fluctuation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.10 Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees in Hong Kong who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully within the employees when contributed into the MPF Scheme.

Retirement benefits to employees in the PRC are provided through a defined contribution plan. The Group is required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11 Share-based payments

The Company operates a share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 37 to the consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Taxation (continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4.13 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than freehold lands and properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.13 Property, plant and equipment (continued)

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost or valuation of assets other than freehold land and properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis, as follows:

Buildings	4¾%
Furniture, fixtures and office equipment	12½% to 33⅓%
Motor vehicles	10% to 25%
Leasehold improvements	Over the shorter of the lease terms or 33⅓%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.14 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.15 Intangible assets (other than goodwill)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses/revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Brand name

Brand name acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Computer software

Purchased computer software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of two to five years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

4.18 Properties for sale – under development/completed

Properties for sale – under development which are intended to be sold upon completion of development and properties for sale – completed are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties for sale – under development/completed are carried at lower of cost and net realisable value. Cost is determined on a specific identification basis including allocation of the related development expenditure incurred and where appropriate, borrowing costs capitalised. Net realisable value presents the estimated selling price for the properties less estimated cost to completion and costs necessary to make the sales. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Properties for sale – under development are transferred to properties for sale – completed upon completion.

The Group transfers a property from inventories to investment property when there is a change in use to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

4.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income which are derived from the Group's ordinary course of business are included in other income.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and bills receivables, other receivables and other assets, restricted cash, cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-months ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and bills receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Written-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables is considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial assets (continued)

Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities (including trade and bills payables, other payables and accruals, interest-bearing bank and other borrowings and lease liabilities) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortised cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate, such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

For other changes made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first applies the practical expedient to the changes required by interest rate benchmark reform by updating the effective interest rate. The Group then applies the applicable requirements in HKFRS 9 on modification of a financial asset or a financial liability to the additional changes to which the practical expedient does not apply.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation or both. Judgement is made by management in determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties for sale – under development if the properties are intended for sale after completion. Upon completion of construction, properties for sale – under development are transferred to properties for sale – completed and are stated at cost. Properties under construction are accounted for as investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation after completion.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; and

(b) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 March 2026 was RMB810,769,000 (31 March 2025: RMB1,423,234,000). Further details, including the key assumptions used for the fair value measurement and a sensitivity analysis, are disclosed in note 16 to the consolidated financial statements.

Net realisable value of properties for sale – under development and completed

The Group writes down properties for sale – under development and completed to net realisable value based on assessment of the realisability of properties for sale – under development and completed which takes into account cost to completion based on past experience and net sales value based on prevailing market conditions. If there is an increase in cost to completion or a decrease in net sales value, the net realisable value will decrease which may result in writing down properties under development and properties held for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties for sale – under development and completed is adjusted in the period in which such estimate is changed.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables (continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the expected credit losses on the Group's trade receivables is disclosed in note 26 to the consolidated financial statements.

Fair value of financial assets at fair value through profit or loss

As at 31 March 2026, the carrying amount of the Group's unlisted equity interests, classified under financial assets at fair value through profit or loss of approximately RMB67,300,000 (31 March 2025: RMB89,700,000) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. Details of which are set out in note 21 to the consolidated financial statements.

Estimated impairment of goodwill and intangible assets with indefinite useful lives

Determining whether the goodwill and intangible assets with indefinite useful lives are impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill and intangible assets with indefinite useful lives have been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 March 2026, the carrying amount of goodwill and other intangible assets are RMBNil (31 March 2025: RMB38,597,000) and RMB15,331,000 (31 March 2025: RMB15,364,000), respectively. Details of the recoverable amount calculation are disclosed in notes 22 and 18 to the consolidated financial statements.

PRC land appreciation tax

The Group is subject to land appreciation tax ("LAT") in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the local tax authorities upon the completion of the Group's property development projects. The Group has not finalised its LAT tax returns and payments with the local tax authorities for its property development projects. When the final outcome is determined, it may be different from the amounts that were initially recorded, and any differences will affect the current income tax expense and LAT provision in the period which LAT is ascertained.

6. OPERATING SEGMENT INFORMATION

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

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

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

(b) the e-commerce and distribution segment sells consumer electronics, health food products online and distributes relevant products;

(c) the property development segment sells properties; and

(d) the property investment and management segment leases properties and provides property management services.

The Executive Directors monitor 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 taxation. The adjusted profit/(loss) before taxation is measured consistently with the Group's profit/(loss) before taxation except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

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

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

6. OPERATING SEGMENT INFORMATION (continued)

For the year ended 31 March 2026

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Segment revenue, other gains and losses, net (note 7)					
Revenue from external customers*	155,066	936,092	377,345	83,030	1,551,533
Other gains and losses, net	701	8,703	2,112,443	38,651	2,160,498
	155,767	944,795	2,489,788	121,681	3,712,031
Segment (loss)/profit	(54,661)	29,562	2,211,757	(440,588)	1,746,070
Bank interest income					2,780
Corporate and unallocated expenses					(26,501)
Finance costs					(78,510)
Profit before taxation					1,643,839
Segment assets	273,313	583,518	3,290,957	1,626,360	5,774,148
Elimination of inter-segment receivables					(2,369,185)
Corporate and other unallocated assets					444,400
Total assets					3,849,363
Segment liabilities	83,424	159,423	3,154,928	501,700	3,899,475
Elimination of inter-segment payables					(2,369,185)
Corporate and other unallocated liabilities					543,878
Total liabilities					2,074,168

6. OPERATING SEGMENT INFORMATION (continued)

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Other segment information					
Impairment of trade and bills receivables reversed/(recognised), net	246	912	–	(77)	1,081
Impairment of financial assets included in prepayments, other receivables and other assets reversed/(recognised), net	488	(4,694)	3,045	(7,334)	(8,495)
Impairment of right-of-use assets recognised, net	(369)	–	–	–	(369)
Impairment of other intangible assets recognised, net	(604)	–	–	–	(604)
Impairment of goodwill recognised, net	(38,597)	–	–	–	(38,597)
Impairment of inventories recognised, net	–	(8,662)	–	–	(8,662)
Impairment of properties for sale recognised, net					
– under development	–	–	–	–	–
– completed	–	–	(17,819)	–	(17,819)
Impairment of investment in an associate recognised, net	–	–	(30,000)	–	(30,000)
Gain on disposal of property, plant and equipment	–	–	–	40	40
Fair value loss on investment properties, net	–	–	–	(206,617)	(206,617)
Depreciation	11,240	1,903	2,174	8,492	23,809
Amortisation	318	–	–	–	318
Capital expenditure#	4,579	132	5	17,429	22,145
Other expenses					
– Penalty on loan defaults	–	–	7,694	–	7,694
– Tax overdue charge	–	–	9,134	–	9,134
– Provision for litigation	–	–	152,581	–	152,581

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

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

6. OPERATING SEGMENT INFORMATION (continued)

For the year ended 31 March 2025

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Segment revenue, other gains and losses, net (note 7)					
Revenue from external customers*	190,761	711,857	605,232	110,694	1,618,544
Other gains and losses, net	330	38	356,555	(35,283)	321,640
	191,091	711,895	961,787	75,411	1,940,184
Segment (loss)/profit	(122)	13,521	(2,184,256)	(132,979)	(2,303,836)
Bank interest income					5,234
Corporate and unallocated expenses					(31,185)
Finance costs					(126,749)
Loss before taxation					(2,456,536)
Segment assets	312,370	1,919,430	5,649,597	5,974,499	13,855,896
Elimination of inter-segment receivables					(4,463,289)
Corporate and other unallocated assets					820,239
Total assets					10,212,846
Segment liabilities	453,371	963,998	5,890,254	3,997,274	11,304,897
Elimination of inter-segment payables					(4,463,289)
Corporate and other unallocated liabilities					2,974,136
Total liabilities					9,815,744

6. OPERATING SEGMENT INFORMATION (continued)

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Other segment information					
Impairment of trade and bills receivables (recognised)/reversed, net	(701)	(1,547)	–	939	(1,309)
Impairment of financial assets included in prepayments, other receivables and other assets recognised, net	(2,835)	(44)	(2,986)	(5,162)	(11,027)
Impairment of inventories recognised, net	–	(7,459)	–	–	(7,459)
Impairment of properties for sale recognised, net					
– under development	–	–	(208,125)	–	(208,125)
– completed	–	–	(412,352)	–	(412,352)
Loss on disposal of property, plant and equipment	–	–	–	(507)	(507)
Fair value loss on investment properties, net	–	–	(14)	(71,054)	(71,068)
Fair value gain on transfers from properties for sale – completed to investment properties	–	–	–	81,782	81,782
Depreciation	12,480	1,288	3,752	5,462	22,982
Amortisation	63	–	–	–	63
Capital expenditure#	6,079	11	10	35,893	41,993
Other expenses					
– Penalty on loan defaults	–	–	42,087	–	42,087
– Tax overdue charge	–	–	37,760	–	37,760
– Provision for expected guarantee liability	–	–	1,675,687	–	1,675,687
– Provision for litigation	–	–	(168,208)	–	(168,208)

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

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

6. OPERATING SEGMENT INFORMATION (continued)

Geographic information

(a) Revenue from external customers

	Medical and pharmaceutical retail RMB'000	E-commerce and distribution RMB'000	Property development RMB'000	Property investment and management RMB'000	Total RMB'000
Year ended 31 March 2026					
Mainland China	**139,413**	**936,092**	**377,345**	**83,030**	**1,535,880**
Singapore	**15,653**	**–**	**–**	**–**	**15,653**
	155,066	**936,092**	**377,345**	**83,030**	**1,551,533**
Year ended 31 March 2025					
Mainland China	177,097	711,857	605,232	110,694	1,604,880
Singapore	13,664	–	–	–	13,664
	190,761	711,857	605,232	110,694	1,618,544

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

(b) Non-current assets

	31 March 2026 RMB'000	31 March 2025 RMB'000
Mainland China	**1,182,983**	1,717,487
Hong Kong	**2,219**	1,424
Singapore	**3,214**	1,327
	1,188,416	1,720,238

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

6. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

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

	2026 **RMB'000**	2025 RMB'000
Customer A – Revenue from e-commerce and distribution	**311,259**	290,483
Customer B – Revenue from e-commerce and distribution	**268,062**	N/A (Note)

Note: This customer did not contribute over 10% of total revenue of the Group for the year ended 31 March 2025.

7. REVENUE, OTHER GAINS AND LOSSES, NET

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

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Revenue from contracts with customers		
Medical and consultation services	**19,976**	15,774
Pharmaceutical retail income	**135,090**	174,987
Sale of properties	**377,345**	605,232
Sale of appliances and information products	**936,092**	711,857
Property management services	**13,314**	21,207
	1,481,817	1,529,057
Revenue from other sources		
Gross rental income	**69,716**	89,487
	1,551,533	1,618,544
Timing of revenue recognition		
At point in time	**1,448,527**	1,492,076
Over time	**33,290**	36,981
	1,481,817	1,529,057

7. REVENUE, OTHER GAINS AND LOSSES, NET (continued)

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

Sale of properties

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

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 and 31 March 2025 are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Amounts expected to be recognised as revenue		
Within one year	**24,624**	87,043
In the second year	**–**	671,287
	24,624	758,330

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

Sale of appliances and information products

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

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2026 and 31 March 2025 are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Amounts expected to be recognised as revenue		
Within one year	**27,454**	27,152
In the second year	**2,310**	383
	29,764	27,535

7. REVENUE, OTHER GAINS AND LOSSES, NET (continued)

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

	Notes	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Other income			
Management and consultancy service fee income		**23,092**	21,266
Bank interest income		**2,780**	5,234
Government grants (note (i))		**715**	337
Others		**281**	2,515
		26,868	29,352
Gains and losses			
Gain on disposal of subsidiaries	47	**2,265,688**	65,194
Gain on waiver of other payables	41	**230**	175,784
Gain/(loss) on disposal of property, plant and equipment	15	**40**	(507)
Gain on disposal of investment properties	16	**99,961**	59,141
Impairment of trade and bills receivables reversed/(recognised), net	26	**1,081**	(1,309)
Impairment of financial assets included in prepayments, other receivables and other assets recognised, net	27	**(8,495)**	(11,027)
Fair value gain on transfers from properties for sale – completed to investment properties	16	**–**	81,782
Fair value loss on investment properties, net	16	**(206,617)**	(71,068)
Others		**(15,478)**	(468)
		2,136,410	297,522
		2,163,278	326,874

Note:

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

8. PROFIT/(LOSS) BEFORE TAXATION

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

	Notes	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Cost of inventories sold		**953,542**	775,972
Cost of properties sold		**482,853**	895,578
Cost of sales		**1,436,395**	1,671,550
Auditor's remuneration		**1,907**	2,538
Depreciation of property, plant and equipment	15	**10,768**	7,892
Depreciation of right-of-use assets	17(a)	**13,041**	15,090
Amortisation of other intangible assets	18	**318**	63
Other expenses (note (i))			
– Penalty on loan defaults		**7,694**	42,087
– Tax overdue charge		**9,134**	37,760
– Provision for expected guarantee liability	32	**–**	1,675,687
– Provision for litigation	32	**152,581**	(168,208)
– Others		**4,506**	26,913
		173,915	1,614,239
Lease payments not included in the measurement of lease liabilities	17(c)	**2,548**	1,051
Employee benefit expenses (including the directors' remuneration) (note (iii)):			
Wages and salaries		**89,676**	91,947
Share-based payment		**8,484**	19,012
Pension scheme contributions (note (ii))		**9,648**	13,129
		107,808	124,088

Notes:

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

(ii) At 31 March 2026 and 31 March 2025, the Group had not forfeited contributions available to reduce its contributions to the pension schemes in future years.

(iii) The employee benefit expenses shown above did not include employees' wages and salaries and employees' pension scheme contributions that were included in properties for sale – under development amounted to approximately RMB248,000 (2025: RMB1,118,000) and RMB41,000 (2025: RMB172,000) respectively.

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Interest on interest-bearing bank and other borrowings	**77,784**	126,888
Interest expense arising from lease contracts	**726**	1,296
Total interest expense	**78,510**	128,184
Less: Interest capitalised	**–**	(1,435)
	78,510	126,749

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Year ended 31 March 2026

	Fees RMB'000	**Salaries, allowance and benefits in kind RMB'000**	**Performance related bonuses RMB'000**	**Pension scheme contribution RMB'000**	**Equity-settled share based payments RMB'000**	**Total RMB'000**
Executive directors and chief executive	**–***	**1,748**	**–**	**32**	**667**	**2,447**
Independent non-executive directors	**432**	**–**	**–**	**–**	**–**	**432**
	432	**1,748**	**–**	**32**	**667**	**2,879**

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

Year ended 31 March 2025

	Fees RMB'000	Salaries, allowance and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contribution RMB'000	Equity-settled share based payments RMB'000	Total RMB'000
Executive directors and chief executive	–*	1,771	–	–	676	2,447
Independent non-executive directors	408	–	–	–	–	408
	408	1,771	–	–	676	2,855

* Less than RMB1,000.

(a) Executive directors and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity-settled share based payments RMB'000	Total remuneration RMB'000
Year ended 31 March 2026						
Executive directors:						
Mr Wong Kai Ho	–*	999	–	16	206	1,221
Mr Wang Guiwu (note (i))	–	–	–	–	–	–
Mr Huang Zhuguang	–*	–	–	–	–	–*
Mr Hou Ruilin	–*	–	–	–	–	–*
Mr Xia Ding (note (ii))	–*	749	–	16	461	1,226
	–*	1,748	–	32	667	2,447
Co-chief executive:						
Mr Shi Lei	–	–	–	–	–	–
	–	–	–	–	–	–
	–*	1,748	–	32	667	2,447

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Executive directors and the chief executive (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Equity-settled share based payments RMB'000	Total remuneration RMB'000
Year ended 31 March 2025						
Executive directors:						
Mr Wong Kai Ho	–*	1,012	–	–	209	1,221
Mr Wang Guiwu (note (i))	–*	–	–	–	–	–*
Mr Huang Zhuguang	–*	–	–	–	–	–*
Mr Hou Ruilin	–*	–	–	–	–	–*
Mr Xia Ding (note (ii))	–	759	–	–	467	1,226
	–*	1,771	–	–	676	2,447
Co-chief executive:						
Mr Shi Lei	–	–	–	–	–	–
	–	–	–	–	–	–
	–*	1,771	–	–	676	2,447

* Less than RMB1,000.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Independent non-executive directors

The fees paid to independent non-executive directors were as follows:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Mr Chin Chi Ho, Stanley	**144**	133
Mr Chung Wai Man (note (iii))	**–**	66
Mr Hua Yichun (note (iv))	**–**	66
Ms Xu Nan (note (v))	**144**	77
Prof Cheung Ka Yue (note (vi))	**144**	66
	432	408

There were no other emoluments payable to the independent non-executive directors for the reporting period.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the reporting period (2025: Nil).

Notes:

(i) Mr Wang Guiwu resigned as executive director on 30 August 2024.

(ii) Mr Xia Ding was appointed as executive director on 30 August 2024.

(iii) Mr Chung Wai Man resigned as independent non-executive director on 30 September 2024.

(iv) Mr Hua Yichun resigned as independent non-executive director on 30 August 2024.

(v) Ms Xu Nan was appointed as independent non-executive director on 30 August 2024.

(vi) Prof Cheung Ka Yue was appointed as independent non-executive director on 30 September 2024.

11. FIVE HIGHEST PAID EMPLOYEES

During the year, the five highest remuneration employees did not include director and chief executive (2025: did not include director and chief executive), whose remuneration has been disclosed in note 10 to the consolidated financial statement. The remuneration of the five individuals (2025: all five individuals), who are neither directors nor the chief executive of the Company, is as follows:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Salaries, allowances and benefits in kind	**1,899**	3,349
Performance related bonuses	**5,540**	4,929
Pension scheme contributions	**123**	167
Equity-settled share based payments	**1,822**	2,038
	9,384	10,483

The number of the highest-paid employees, who are neither directors nor the chief executive of the Company, whose remuneration fell within the following bands, is as follows:

	Number of employees	
	Year ended 31 March 2026	Year ended 31 March 2025
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**1**	1
HK$2,000,001 to HK$2,500,000	**1**	2
HK$2,500,001 to HK$3,000,000	**2**	2
HK$3,000,001 to HK$3,500,000	**–**	–
HK$3,500,001 to HK$4,000,000	**–**	–
HK$4,000,001 to HK$4,500,000	**–**	–
HK$4,500,001 to HK$5,000,000	**–**	–
HK$5,000,001 to HK$5,500,000	**–**	–
	5	5

12. TAXATION

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Current tax:		
Hong Kong profits tax	**88**	–
PRC corporate income tax	**35,455**	2,492
Singapore corporate income tax	**135**	–
PRC LAT	**10,087**	72,325
	45,765	74,817
Under-provision in prior years:		
PRC corporate income tax	**–**	24,702
Deferred tax credit (note 35)	**(46,936)**	(36,443)
	(1,171)	63,076

Hong Kong profits tax

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong dollar ("HK$") 2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Singapore corporate income tax

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

PRC corporate income tax

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

PRC LAT

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

12. TAXATION (continued)

A reconciliation of the tax expense applicable to loss before taxation at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates are as follows:

Year ended 31 March 2026

	Hong Kong and Singapore		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Profit before taxation	(650,516)		2,294,355		1,643,839	
Tax at the statutory tax rate	(107,300)	16.5	573,590	25.0	466,290	28.4
Income not subject to tax	(788)	0.1	(864,243)	(37.7)	(865,031)	(52.6)
Expenses not deductible for tax	104,747	(16.1)	77,393	3.4	182,140	11.1
Utilisation of tax losses previously not recognised	(256)	–	(26,030)	(1.1)	(26,286)	(1.6)
Tax losses not recognised	3,802	(0.6)	123,379	5.4	127,181	7.7
Temporary differences not recognised	–	–	109,328	4.8	109,328	6.7
Under-provision in prior year	–	–	–	–	–	–
LAT	–	–	10,087	0.4	10,087	0.6
Tax effect of LAT	–	–	(2,522)	(0.1)	(2,522)	(0.2)
Others	(16)	–	–	–	(16)	–
Tax credit at the Group's effective rate	189	–	982	–	1,171	0.1

Year ended 31 March 2025

	Hong Kong and Singapore		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss before taxation	(31,822)		(2,424,714)		(2,456,536)	
Tax at the statutory tax rate	(5,263)	16.5	(606,178)	25.0	(611,441)	24.9
Income not subject to tax	(588)	1.8	(2,493)	0.1	(3,081)	0.1
Expenses not deductible for tax	271	(0.8)	21,783	(0.9)	22,054	(0.9)
Utilisation of tax losses previously not recognised	–	–	(1,325)	0.1	(1,325)	0.1
Tax losses not recognised	5,581	(17.5)	314,357	(13.0)	319,938	(13.0)
Temporary differences not recognised	–	–	131,834	(5.4)	131,834	(5.4)
Under-provision in prior year	–	–	24,702	(1.0)	24,702	(1.0)
LAT	–	–	72,325	(3.0)	72,325	(2.9)
Tax effect of LAT	–	–	(18,081)	0.7	(18,081)	0.7
Others	(1)	–	–	–	(1)	–
Tax charge at the Group's effective rate	–	–	(63,076)	2.6	(63,076)	2.6

13. DIVIDENDS

No dividends have been declared and paid by the Company during the year ended 31 March 2026 (For the year ended 31 March 2025: Nil).

14. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

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

	Year ended 31 March 2026	Year ended 31 March 2025
Earnings/(loss) for the purpose of basic earnings/(loss) per share		
Profit/(loss) for the year attributable to owners of the Company (RMB'000)	**1,783,484**	(2,339,899)
Number of shares for the purpose of basic earnings/(loss) per share		
Weighted average number of ordinary shares during the year ('000)	**2,737,417**	2,720,979

14. EARNINGS/(LOSS) PER SHARE (continued)

(b) Diluted earnings/(loss) per share

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

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

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Profit/(loss) for the year attributable to owners of the Company for the purpose of calculating basic and diluted earnings/(loss) per share	**1,783,484**	(2,339,899)

(ii) Weighted average number of ordinary shares

	Year ended 31 March 2026 '000	Year ended 31 March 2025 '000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**2,737,417**	2,720,979
Effect of dilution – share option (note)	**–**	350,727
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**2,737,417**	3,071,706

Note: For 2026, the exercisable price of the share options exceeded the average market price of the shares during the year, and, the Company's outstanding share options were antidilutive and excluded from the calculation of diluted loss per share. For 2025, the assumed exercise of the share options would have resulted in a decrease in loss per share.

15. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2026

	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 April 2025					
Cost	48,652	15,741	12,913	34,477	111,783
Accumulated depreciation	(21,414)	(12,942)	(11,803)	(8,242)	(54,401)
Net carrying amount	27,238	2,799	1,110	26,235	57,382
Net carrying amount at 1 April 2025	27,238	2,799	1,110	26,235	57,382
Additions, at cost	–	1,263	30	4,808	6,101
Disposals	–	(302)	–	–	(302)
Disposal of subsidiaries (note 47)	(5,539)	(331)	(231)	(600)	(6,701)
Depreciation charged for the year	(2,246)	(872)	(425)	(7,225)	(10,768)
Exchange realignments	–	(4)	–	1	(3)
Net carrying amount at 31 March 2026	19,453	2,553	484	23,219	45,709
At 31 March 2026					
Cost	42,137	14,255	7,889	37,655	101,936
Accumulated depreciation	(22,684)	(11,702)	(7,405)	(14,436)	(56,227)
Net carrying amount	19,453	2,553	484	23,219	45,709

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Year ended 31 March 2025

	Buildings RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 1 April 2024					
Cost	55,472	14,147	13,363	18,243	101,225
Accumulated depreciation	(19,438)	(11,424)	(11,977)	(4,668)	(47,507)
Net carrying amount	36,034	2,723	1,386	13,575	53,718
Net carrying amount at 1 April 2024	36,034	2,723	1,386	13,575	53,718
Additions, at cost	–	1,261	353	15,577	17,191
Disposals	(6,199)	(56)	(55)	–	(6,310)
Acquisition of subsidiaries (note 46)	–	32	5	657	694
Disposal of subsidiaries (note 47)	–	(23)	–	–	(23)
Depreciation charged for the year	(2,597)	(1,142)	(579)	(3,574)	(7,892)
Exchange realignments	–	4	–	–	4
Net carrying amount at 31 March 2025	27,238	2,799	1,110	26,235	57,382
At 31 March 2025					
Cost	48,652	15,741	12,913	34,477	111,783
Accumulated depreciation	(21,414)	(12,942)	(11,803)	(8,242)	(54,401)
Net carrying amount	27,238	2,799	1,110	26,235	57,382

As at 31 March 2026, the building ownership certificates of one of the Group's buildings (with an aggregate carrying amount of approximately RMB19,453,000 (31 March 2025: RMB21,454,000)) registered under the name of the respective subsidiaries of the Group were not yet issued.

During the reporting period, the Group disposed of certain of its property, plant and equipment for an aggregate consideration of RMB342,000 in cash (31 March 2025: consideration of RMB5,803,000, which RMB15,000 in cash and RMB5,788,000 of consideration receivable), which gave rise to a gain on disposal amounted to RMB40,000 (31 March 2025: loss RMB507,000) recognised in profit or loss in respect of the year.

15. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment assessment

During the year end 31 March 2026, as the Group is making loss and the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment, right-of-use assets and other intangible assets with finite useful lives, with total carrying amounts after impairment of approximately RMB11,158,000, RMB8,579,000 and RMB14,056,000 (31 March 2025: RMB12,825,000, RMB10,815,000 and RMB142,000) respectively, by the relevant cash-generating unit ("CGU"), Wuhan Yekaitai Pharmaceutical Chain Co., Limited ("Yekaitai Pharmaceutical") within medical segment. Based on the value in use calculation and the allocation, impairment loss of RMB38,597,000, RMBNil, RMB369,000 and RMB604,000 (2025: RMBNil, RMBNil, RMBNil and RMBNil) has been recognised against the carrying amount of goodwill, property, plant and equipment, right-of-use assets and other intangible assets respectively. The recoverable amount of owned properties with carrying amount of approximately RMB19,731,000 (31 March 2025: RMB21,740,000) within property development segment are estimated individually.

The recoverable amount of CGU, Yekaitai Pharmaceutical, has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a discount rate of 14.1% (2025: 12.0%) as at 31 March 2026. The annual growth rate used is 10.0%–23.0% (2025: 10.0%), which is based on the industry growth forecasts and does not exceed the long-term average growth rate for the relevant industry. The cash flows beyond the 5-year period are extrapolated using 3.0% (2025: 3.0%) growth rate. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the CGUs' past performance and management expectations for the market development.

The Group estimates the recoverable amounts of owned properties based on higher of fair value less costs of disposal and value in use. The carrying amount of the relevant assets does not exceed the recoverable amount based on fair value less costs of disposal or value in use and no impairment has been recognised.

16. INVESTMENT PROPERTIES

	Notes	**31 March 2026** **RMB'000**	31 March 2025 RMB'000
Fair value at the beginning of the year		**1,423,234**	1,387,261
Transfer from properties for sale – completed	24	**18,480**	167,372
Addition during the year		**16,044**	24,802
Disposal during the year		**(104,207)**	(53,209)
Disposal of subsidiaries	47	**(336,165)**	(113,706)
Net (loss)/gain from fair value change of investment properties	7	**(206,617)**	10,714
Fair value at end of the year		**810,769**	1,423,234

16. INVESTMENT PROPERTIES (continued)

The Group's investment properties consist of commercial properties located in Mainland China. The Group's investment properties with the fair value of approximately RMB810,769,000 at 31 March 2026 (31 March 2025: RMB1,423,234,000) was estimated by reference to the valuations performed by Ravia Global Appraisal Advisory Limited, independent professionally qualified valuers. Each year, the Group's management decides to appoint external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the valuer selected on the valuation assumptions and valuation results when the valuation is performed for annual financial reporting.

During the year ended 31 March 2026, certain of the Group's properties held for sale – completed with an aggregate carrying amount of RMB18,480,000 (2025: RMB167,372,000) were transferred to investment properties. For the properties transferred to investment properties, tenancy agreements were entered by the Group as lessor during both years with the lease terms between 3 and 15 years.

During the year, the Group disposed certain of its investment properties with total carrying amount of RMB104,207,000 (2025: RMB53,209,000) for an aggregate consideration of RMB204,168,000 (2025: RMB112,350,000), which RMB77,804,000 (2025: RMB17,068,000) in cash and RMB126,364,000 (2025: RMB95,282,000) of consideration receivables, which give rise to a gain on disposal of investment properties amounted to RMB99,961,000 (2025: gain RMB59,141,000) recognised in profit or loss in respect of the year.

The investment properties are leased to third parties under operating leases, further details of which are included in note 17 to the consolidated financial statements.

Further particulars of the Group's investment properties are included on page 278.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 March 2026			
Recurring fair value measurement for:	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Commercial properties	–	–	810,769	810,769

16. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

	Fair value measurement as at 31 March 2025			
Recurring fair value measurement for:	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Commercial properties	–	–	1,423,234	1,423,234

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (31 March 2025: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties RMB'000
Carrying amount at 1 April 2024	1,387,261
Transfer from properties for sale – completed	167,372
Addition	24,802
Disposal	(53,209)
Disposal of subsidiaries (note 47)	(113,706)
Net gain from fair value change recognised in other gains and losses, net in profit or loss	10,714
Carrying amount at 31 March 2025 and 1 April 2025	1,423,234
Transfer from properties for sale – completed	18,480
Addition	16,044
Disposal	(104,207)
Disposal of subsidiaries (note 47)	(336,165)
Net loss from fair value change recognised in other gains and losses, net in profit or loss	(206,617)
Carrying amount at 31 March 2026	810,769

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	**Significant unobservable inputs**	**Range** **Year ended 31 March 2026**	Year ended 31 March 2025
Commercial properties	Market approach	Adjustment on market unit price (per sq.m.)	**-30% to 10%**	-35% to 20%

16. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

Under the market approach, fair value is estimated based on the unit prices of comparable properties with certain adjustments made to reflect the differences in location, neighbourhood, environment, facilities, etc. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values. Physical location and economic characteristics are important criteria to be analysed when comparing such comparable properties against the subject property.

The adjustment on market unit prices is determined by referring to the differences of the subject property against the comparable properties in terms of building facilities, size and age of the comparable properties.

A significant increase (decrease) in the unit prices of comparable properties in isolation would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the adjustment to reduce the unit price would result in a significant decrease (increase) in the fair value of the investment properties.

17. LEASES

The Group as a lessee

The Group has lease contracts for various buildings and retail shops used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 35 to 42 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings and retail shops generally have lease terms between 1 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings and retail shops RMB'000
As at 1 April 2024	17,814
Additions	16,917
Acquisition of subsidiaries (note 46)	395
Depreciation charged for the year	(15,090)
Modification of lease term	(86)
Exchange realignments	17
As at 31 March 2025 and 1 April 2025	19,967
Additions	9,295
Disposal of subsidiaries (note 47)	(1,607)
Depreciation charged for the year	(13,041)
Modification of lease term	(869)
Exchange realignments	(120)
Impairment recognised for the year	(369)
As at 31 March 2026	13,256

17. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Carrying amount at beginning of the year	**20,438**	18,385
Lease liabilities arising from new leases	**9,076**	16,810
Acquisition of subsidiaries (note 46)	**–**	385
Disposal of subsidiaries (note 47)	**(1,674)**	–
Accretion of interest recognised during the year	**726**	1,296
Payments	**(14,422)**	(16,369)
Modification of lease term	**(848)**	(88)
Exchange realignments	**(13)**	19
Carrying amount at end of the year	**13,283**	20,438
Lease liabilities payable		
– within one year	**7,904**	12,124
– more than one year	**5,379**	8,314
	13,283	20,438
Analysed into:		
Current portion	**7,904**	12,124
Non-current portion	**5,379**	8,314
	13,283	20,438

The weighted average incremental borrowing rates applied to lease liabilities ranged from 2.50% to 10.00% (31 March 2025: 2.50% to 10.00%) per annum and lease liabilities are denominated in Hong Kong dollars, Singapore dollars and RMB.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Interest on lease liabilities	**726**	1,296
Depreciation charge of right-of-use assets	**13,041**	15,090
Loss/(gain) on lease modification	**21**	(2)
Expense relating to short-term leases and other leases with remaining lease terms ended on or before year end (included in administrative expenses)	**2,548**	1,051
Total amount recognised in profit or loss	**16,336**	17,435

(d) The total cash outflow for leases is disclosed in note 41(c) to the consolidated financial statements.

17. LEASES (continued)

The Group as a lessor

The Group leases its investment properties (note 16) consisting commercial properties located in Mainland China under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group for the year was RMB69,716,000 (2025: RMB89,487,000), details of which are included in note 7 to the consolidated financial statements.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Within one year	**58,962**	84,697
After one year but within two years	**50,756**	76,261
After two years but within three years	**42,303**	65,098
After three years but within four years	**38,845**	55,783
After four years but within five years	**37,104**	47,844
After five years	**432,806**	439,149
	660,776	768,832

18. OTHER INTANGIBLE ASSETS

	Brand name RMB'000	Computer software RMB'000	Total RMB'000
31 March 2026			
At 1 April 2025	**13,839**	**1,588**	**15,427**
Accumulated amortisation	**–**	**(63)**	**(63)**
Net carrying amount	**13,839**	**1,525**	**15,364**
Net carrying amount at 1 April 2025	**13,839**	**1,525**	**15,364**
Addition	**–**	**889**	**889**
Amortisation provided for the year	**–**	**(318)**	**(318)**
Impairment recognised for the year	**(544)**	**(60)**	**(604)**
Net carrying amount at 31 March 2026	**13,295**	**2,036**	**15,331**
At 31 March 2026:			
Cost	**13,839**	**2,477**	**16,316**
Accumulated amortisation	**–**	**(381)**	**(381)**
Accumulated impairment	**(544)**	**(60)**	**(604)**
Net carrying amount	**13,295**	**2,036**	**15,331**
31 March 2025			
At 1 April 2024	13,839	–	13,839
Accumulated amortisation	–	–	–
Net carrying amount	13,839	–	13,839
Net carrying amount at 1 April 2024	13,839	–	13,839
Addition	–	1,588	1,588
Amortisation provided for the year	–	(63)	(63)
Net carrying amount at 31 March 2025	13,839	1,525	15,364
At 31 March 2025:			
Cost	13,839	1,588	15,427
Accumulated amortisation	–	(63)	(63)
Net carrying amount	13,839	1,525	15,364

Note: The intangible asset, brand name, arose from the acquisition of subsidiaries with indefinite useful life. All of the Group's computer software were acquired from third parties with three to five years of useful life.

19. INVESTMENT IN A JOINT VENTURE

	31 March 2026 RMB'000	31 March 2025 RMB'000
Share of net assets	**145,264**	149,463

Particulars of the Group's joint venture are as follows:

Name	Place of incorporation/ registration and business	Percentage of ownership interest As at 31 March 2026	ownership interest As at 31 March 2025	voting power As at 31 March 2026	voting power As at 31 March 2025	profit sharing As at 31 March 2026	profit sharing As at 31 March 2025	Principal activities
Suzhou Aoze No.1 Investment Partnership (Limited Partnership) ("Suzhou Aoze No.1 Partnership")	Mainland China	**99.99%** (note)	75% (note)	**50%** (note)	33.33% (note)	**99.99%** (note)	75% (note)	Invest in real estate industry and medical industry

Note: On 8 August 2024, an indirect wholly owned subsidiary of the Company and Suzhou Aoze entered into the Joint Venture Agreement in relation to the formation of the Joint Venture. Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture is RMB150,010,000, which was initially contributed RMB150,000,000 in cash and held as to approximately 99.99% by the Group and contributed RMB10,000 in cash and held as to approximately 0.01% by Suzhou Aoze. The Group and Suzhou Aoze then entered into a supplementary agreement with another independent third party ("Wuhan Qianhe") on 15 August 2024, which will contribute approximately RMB50,000,000 in cash. Under the agreements, the Group, Suzhou Aoze, and Wuhan Qianhe established an operations committee to jointly manage Suzhou Aoze No. 1 Partnership, with the Group's equity interest updated to approximately 75%. On 2 July 2025, Wuhan Qianhe withdrew from the Joint Venture, resulting in a change in the Group's ownership from approximately 75% to approximately 99.99%, and its voting rights from 33.3% to 50%. After the Joint Venture is established, its financial results will not be consolidated into the Company's financial statements. Details of the formation and subsequent change in ownership of the Joint Venture are set out in the announcements of the Company dated 8 August 2024 and 2 July 2025. By considering that the Group neither has sufficiently dominant voting rights to direct the relevant activities of Suzhou Aoze No. 1 Partnership unilaterally, nor has significant influence over Suzhou Aoze No.1 Partnership and therefore it is classified as a joint venture of the Group.

Financial information of joint venture

Financial information in respect of the joint venture is set out below. The financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRS Accounting Standards.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

19. INVESTMENT IN A JOINT VENTURE (continued)

Financial information of joint venture (continued)

Suzhou Aoze No.1 Partnership

	31 March 2026 **RMB'000**	31 March 2025 RMB'000
Current assets	**49,583**	154,294
Non-current assets	**140,000**	–
Current liabilities	**(44,550)**	–
Non-current liabilities	**–**	–
The above amounts of assets and liabilities include the following: Cash and cash equivalents	**11,043**	2,125
Current financial liabilities (excluding trade and bills payables, other payables and accruals and provisions)	**–**	–
Non-current financial liabilities (excluding trade and bills payables, other payables and accruals and provisions)	**–**	–

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Revenue	**–**	–
Loss and other comprehensive loss for the year	**(4,261)**	(716)
The above loss for the year include the following: Depreciation and amortisation	**–**	–
Interest income	**4**	9
Interest expense	**–**	–
Taxation	**–**	–

19. INVESTMENT IN A JOINT VENTURE (continued)

Financial information of joint venture (continued)

Suzhou Aoze No.1 Partnership (continued)

Reconciliation of the above summarised financial information to the carrying amount of the investment in Suzhou Aoze No.1 Partnership recognised in the consolidated financial statements:

	Year ended 31 March 2026 RMB'000
Net assets of Suzhou Aoze No.1 Partnership	**145,033**
Proportion of the Group's ownership interest in Suzhou Aoze No.1 Partnership	**99.99%**
	145,018
Goodwill	**246**
Carrying amount of the Group's interest in Suzhou Aoze No.1 Partnership	**145,264**
Share of loss of a joint venture	**(4,199)**

20. INVESTMENT IN AN ASSOCIATE

	31 March 2026 RMB'000	31 March 2025 RMB'000
Share of net assets	**–**	–

Particulars of the Group's associate are as follows:

Name	Place of incorporation/ registration and business	Percentage of ownership interest As at 31 March 2026	Percentage of ownership interest As at 31 March 2025	Percentage of voting power As at 31 March 2026	Percentage of voting power As at 31 March 2025	Percentage of profit sharing As at 31 March 2026	Percentage of profit sharing As at 31 March 2025	Principal activities
Suzhou Aoze No.2 Investment Partnership (Limited Partnership) ("Suzhou Aoze No.2 Partnership")	Mainland China	**30% (note)**	–	**30% (note)**	–	**30% (note)**	–	Invest in real estate industry and medical industry

Note: On 7 May 2025, the Company (as subordinated limited partner) entered into the Partnership Agreement with Suzhou Aoze (as general partner) and Chongqing Jingjiahui (as preferred limited partner) in relation to the establishment of the Partnership. Pursuant to the terms of the Partnership Agreement, the aggregate capital commitment of the Partnership is RMB100,010,000, which shall be contributed as to RMB10,000 by Suzhou Aoze, RMB30,000,000 by the Company and RMB70,000,000 by Chongqing Jingjiahui. The capital contributions by Suzhou Aoze and Chongqing Jingjiahui shall be made in cash, while the Company shall contribute by injecting the entire shareholding interest in the Disposal Company into the Partnership. The Disposal Group, comprising the Disposal Company and sixteen subsidiaries held by the Disposal Company (of which six carry on substantive business), is principally engaged in property development in Mainland China. Following the Company's contribution, the Disposal Group will cease to be subsidiaries of the Company and its financial results, assets and liabilities will no longer be consolidated into the Group's consolidated financial statements. The transaction was completed on 11 August 2025. Details of the Partnership are set out in the circular of the Company dated 26 June 2025.

20. INVESTMENT IN AN ASSOCIATE (continued)

Financial information of associate

Financial information in respect of the associate is set out below. The financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

The associates are accounted for using the equity method in these consolidated financial statements.

Suzhou Aoze No.2 Partnership

	31 March 2026 RMB'000
Current assets	45
Non-current assets	30,000
Current liabilities	(46,050)
Non-current liabilities	–
The above amounts of assets and liabilities include the following: Cash and cash equivalents	45
Current financial liabilities (excluding trade and bills payables, other payables and accruals and provisions)	–
Non-current financial liabilities (excluding trade and bills payables, other payables and accruals and provisions)	–

	Year ended 31 March 2026 RMB'000
Revenue	–
Loss and other comprehensive loss for the year	(5)
The above loss for the year include the following: Depreciation and amortisation	–
Interest income	–*
Interest expense	(1)
Taxation	–

* Less than RMB1,000.

20. INVESTMENT IN AN ASSOCIATE (continued)

Financial information of joint venture (continued)

Suzhou Aoze No.2 Partnership (continued)

Reconciliation of the above summarised financial information to the carrying amount of the investment in Suzhou Aoze No.2 Partnership recognised in the consolidated financial statements:

	Year ended 31 March 2026 RMB'000
Net liabilities of Suzhou Aoze No.2 Partnership	**(16,005)**
Proportion of the Group's ownership interest in Suzhou Aoze No.2 Partnership	**30%**
	(4,801)
Carrying amount of the Group's interest in Suzhou Aoze No.2 Partnership	**–**
Share of loss of an associate	**(1)**
Impairment recognised for the year	**(29,999)**

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 March 2026 RMB'000	31 March 2025 RMB'000
Unlisted equity investment		
Equity investment in Chongqing Fangyuan Yingrun Property Co., Limited ("Fangyuan Yingrun") (note (i))	**67,300**	89,700
Equity interest in Ezhou Jinfeng Property Development Limited ("Ezhou Jinfeng") (note (ii))	**–**	–
	67,300	89,700

Notes:

(i) The unlisted equity investment as at 31 March 2026 and 31 March 2025 represents the Group's approximately 14.49% equity interest in Fangyuan Yingrun, an entity which was incorporated and is principally engaged in property development in Mainland China.

(ii) The unlisted equity investment as at 31 March 2026 and 31 March 2025 represents the Group's approximately 10% equity interest in Ezhou Jinfeng, an entity which was incorporated and is principally engaged in property development in Mainland China. Ezhou Jinfeng was originally a subsidiary of the Group, on 16 May 2024, the Group disposed 90% equity interest to an independent third party. Upon the completion of the disposal, Ezhou Jinfeng ceased to be subsidiary of the Company and the remaining equity interest amounted to RMB1,000,000 was considered as financial assets at fair value through profit or loss on the same day. Details refer to note 47 to the consolidated financial statements,

The fair value of the Group's unlisted equity investment as at 31 March 2026 was estimated to be RMB67,300,000 (31 March 2025: RMB89,700,000), which was measured based on estimated market value of Fangyuan Yingrun's and Ezhou Jinfeng's assets as at that date. Loss on fair value change of the Group's investment in 14.49% equity interest in Fangyuan Yingrun and Ezhou Jinfeng amounted to approximately RMB22,400,000 (31 March 2025: RMB4,500,000) and RMBNil (31 March 2025: RMB1,000,000) were charged to profit or loss correspondingly.

Details regarding the fair value measurement are set out in note 49 to the consolidated financial statements.

22. GOODWILL

	2026 RMB'000	2025 RMB'000
At 1 April		
Cost	**38,597**	38,597
Accumulated impairment loss	**–**	–
Net carrying amount	**38,597**	38,597
Net carrying amount at 1 April	**38,597**	38,597
Impairment loss recognised during the year	**(38,597)**	–
Net carrying amount at 31 March	**–**	38,597
At 31 March		
Cost	**38,597**	38,597
Accumulated impairment losses	**(38,597)**	–
Net carrying amount	**–**	38,597

Impairment testing of goodwill and other intangible assets with indefinite useful lives

For the purpose of impairment testing, goodwill and other intangible assets with indefinite useful lives set out in notes 22 and 18 to the consolidated financial statements have been allocated to medical and pharmaceutical retail cash generating unit ("CGU").

The recoverable amount of medical and pharmaceutical retail CGU has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 14.1% (2025: 12.0%). This growth rate of 10.0%–23.0% (2025: 10.0%) is based on the relevant industry growth forecast and does not exceed the average long-term growth rate for medical and pharmaceutical retail's industry. Other key assumptions for the value in use calculations related to estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on past performance and management expectations for the market development. Based on the value in use calculation and the allocation, impairment loss of RMB38,597,000 (2025: RMBNil) has been recognised against the carrying amount of the goodwill.

23. PROPERTIES FOR SALE – UNDER DEVELOPMENT

	31 March 2026 RMB'000	31 March 2025 RMB'000
Properties in Mainland China		
– At cost less impairment	–	3,298,197

Movements during the year are as follows:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
At beginning of the year	**3,298,197**	3,689,574
Additions, at cost	–	136,661
Transfer to completed properties held for sale	–	(256,466)
Impairment loss recognised	–	(208,125)
Disposal of subsidiaries (note 47)	**(3,298,197)**	(63,447)
At end of the year	–	3,298,197
Properties under development expected to be completed within normal operating cycle:		
– Within one year	–	1,004,000
– After one year	–	2,294,197
	–	3,298,197

All of the Group's properties under development are situated in Mainland China.

24. PROPERTIES FOR SALE – COMPLETED

All of the Group's properties for sale – completed are situated in Mainland China and are stated at cost less impairment, if any.

As at 31 March 2026, certain of the Group's properties for sale – completed with an aggregate carrying amount of approximately RMB263,309,000 (31 March 2025: RMB634,501,000) were pledged to banks and other institutions to secure loans granted to the Group (note 34).

25. INVENTORIES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Appliances and information products	**176,918**	107,786
Medical products	**22,766**	34,198
	199,684	141,984

26. TRADE AND BILLS RECEIVABLES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Trade and bills receivables	**189,629**	195,496
Impairment loss recognised	**(3,519)**	(4,840)
	186,110	190,656

As at 31 March 2026, certain trade receivables with aggregate carrying amount of RMB52,678,000 (31 March 2025: RMB48,697,000) were pledged to other institutions to secured loan granted to the Group (note 34).

26. TRADE AND BILLS RECEIVABLES (continued)

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

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

	31 March 2026 RMB'000	31 March 2025 RMB'000
Within 6 months	**115,716**	100,119
7 to 12 months	**27,500**	47,642
13 to 24 months	**42,894**	42,895
	186,110	190,656

Movements in the loss allowance for impairment of trade receivables are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
At beginning of the year	**4,840**	3,554
Impairment loss (reversed)/recognised, net (note 7)	**(1,081)**	1,309
Disposal of subsidiaries (note 47)	**(240)**	(23)
At end of the year	**3,519**	4,840

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

26. TRADE AND BILLS RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2026

		Past due		
	Current	**Less than 1 year**	**1 to 2 years**	**Total**
Expected credit loss rate	**1.47%**	**2.23%**	**2.64%**	**1.86%**
Gross carrying amount (RMB'000)	**117,445**	**28,128**	**44,056**	**189,629**
Expected credit losses (RMB'000)	**1,730**	**628**	**1,161**	**3,519**

As at 31 March 2025

		Past due		
	Current	Less than 1 year	1 to 2 years	Total
Expected credit loss rate	2.16%	2.38%	3.32%	2.48%
Gross carrying amount (RMB'000)	102,325	48,803	44,368	195,496
Expected credit losses (RMB'000)	2,205	1,161	1,474	4,840

27. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	31 March 2026 RMB'000	31 March 2025 RMB'000
Prepayments for inventories		**142,262**	148,467
Other prepayments	(a)	**146,404**	206,622
Deposits and other receivables		**150,886**	312,488
Maintenance fund receivables		**3,917**	16,659
Amount due from non-controlling shareholder	(b)	**193,429**	196,337
Amounts due from former group companies	(c)	**446,020**	635,394
		1,082,918	1,515,967
Less: impairment loss recognised	(d)	**(20,037)**	(35,611)
		1,062,881	1,480,356
Analysed into:			
Current portion		**889,463**	1,410,164
Non-current portion		**173,418**	70,192
		1,062,881	1,480,356

Notes:

(a) The other prepayments include the partial payment made for acquisition of investment properties from the former subsidiaries amounted to RMBNil (31 March 2025: RMB68,720,000) and control of the properties not yet transferred.

(b) The amount due from non-controlling shareholder is unsecured, interest free and repayable on demand.

(c) The amounts due from former group companies are unsecured, interest free and repayable on demand.

(d) Movements in the loss allowance for impairment loss recognised on deposits and other receivables, are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
At beginning of the year	**35,611**	27,748
Impairment loss recognised, net (note 7)	**8,495**	11,027
Disposal of subsidiaries (note 47)	**(24,069)**	(3,164)
At end of the year	**20,037**	35,611

28. RESTRICTED CASH

The Group's bank deposits at 31 March 2026 with aggregate amounts of RMB4,500,000 (31 March 2025: RMB59,678,000) and RMBNil (31 March 2025: RMB58,000) were pledged to banks to secure the Group's borrowings and as guarantee deposits for certain mortgage loans granted by banks to purchasers of the Group's properties, respectively. The restricted cash is deposited with creditworthy banks with no recent history of default.

29. CASH AND CASH EQUIVALENTS

	31 March 2026 RMB'000	31 March 2025 RMB'000
Cash and bank balances	**301,993**	601,400

At 31 March 2026, certain of bank accounts amounted to RMBNil (31 March 2025: RMB35,107,000) has been frozen, as a result of the Group involvement in litigation cases. These bank accounts have been frozen as a result of step taken by the plaintiffs to preserve assets for the purpose of enforcement, and there exists the possibility that compulsory transfer will be order by the courts.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately RMB150,847,000 (31 March 2025: RMB509,021,000). The RMB is not freely convertible into other currencies, however, under Mainland China'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.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for three months and earn interest at the short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

30. TRADE AND BILLS PAYABLES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Trade and bills payables	**482,956**	938,115

An ageing analysis of the trade and bills payables as at 31 March 2026 and 31 March 2025, based on the invoice date is as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Within 6 months	**40,470**	103,716
Over 6 months	**442,486**	834,399
	482,956	938,115

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

31. OTHER PAYABLES AND ACCRUALS

	31 March 2026 RMB'000	31 March 2025 RMB'000
Other payables	**942,474**	1,529,008
Other tax and VAT payables	**20,260**	20,887
Accruals	**752**	1,120
Accrued staff costs	**4,754**	20,186
Provisions for penalties (note (i))	**43**	75,771
Amount due to non-controlling shareholder (note (ii))	**9,098**	539,051
Dividend payable to a non-controlling shareholder	**2,282**	2,385
	979,663	2,188,408

Notes:

(i) The provisions related to the borrowing overdue penalty and overdue tax penalty.

(ii) The balance is non-interest-bearing and repayable within one year.

Other payables have an average term of less than one year.

32. PROVISIONS

	31 March 2026 RMB'000	31 March 2025 RMB'000
At beginning of the year	**2,835,817**	1,328,338
Provision for the year (notes (i), (ii) and (iii))	**152,581**	1,507,479
Disposal of subsidiaries (note 47)	**(2,988,398)**	–
At end of the year	**–**	2,835,817

Notes:

(i) In May 2018, a subsidiary of the Company, Yuxi Runya Property Company Limited ("Yuxi Runya"), executed a guarantee, under which Yuxi Runya has given a guarantee in favour of Minmetals International Trust Company Limited ("Minmetals International"), a PRC financial institution, for loans granted by Minmetals International to a former subsidiary, Dongguan Yihui Property Co., Limited ("Dongguan Yihui"), which is a subsidiary of Hong Kong Huzi Limited ("HK Huzi"), amounted to RMB1,458.5 million. In prior years, this guarantee was regarded transactions occurred within the Group and was not accounted for in the Group's consolidated financial statements.

During the period from 1 January 2021 to 31 March 2022, the Group disposed all its equity interest on HK Huzi and completion of the disposal took place on 25 March 2022.

As a result of the disposal of subsidiaries as disclosed in note 47 to the consolidated financial statements, the Group derecognised all related payables and provisions during the year. Accordingly, the management of the Group estimated that the total payables to be approximately RMBNil as at 31 March 2026 (31 March 2025: RMB2,135,083,000), after having considered the fair value of the assets and liabilities of Dongguan Yihui, including its property development project located in the PRC and based on the final court order. Provision of expected guarantee liabilities amounted to RMBNil (2025: RMB1,769,029,000) and reversal of provision of litigation amounted to RMB123,936,000 (2025: provision of RMB373,855,000) were recognised in the Group's consolidated financial statements for the year ended 31 March 2026.

(ii) In April 2019, Kaifeng Boyuan, pledged of certain land parcels, under which Kaifeng Boyuan has given a guarantee in favour of Huaneng Guicheng Trust Corp., Ltd ("Huaneng Guicheng Trust"), a PRC financial institution and the loans transferred to Beijing Deyu Yuantong Technology Co., Ltd. subsequently, for loans granted by the lender to a former subsidiary, Kaifeng Boming Real Estate Development Co., Ltd. ("Kaifeng Boming"), which is a subsidiary of Hong Kong Huzi Limited ("HK Huzi"), amounted to RMB1,000 million. In prior years, this guarantee was regarded transactions occurred within the Group and was not accounted for in the Group's consolidated financial statements.

During the period from 1 January 2021 to 31 March 2022, the Group disposed all its equity interest on HK Huzi and completion of the disposal took place on 25 March 2022.

As a result of the disposal of subsidiaries as disclosed in note 47 to the consolidated financial statements, the Group derecognised all related payables and provisions during the year. Accordingly, the management of the Group estimated that the total payables to be approximately RMBNil as at 31 March 2026 (31 March 2025: RMB624,807,000), after having considered the fair value of the assets and liabilities of Kaifeng Boming, including its property development project located in the PRC and based on the final court order. Reversal of provision of expected guarantee liabilities amounted to RMBNil (2025: RMB52,757,000) and provision of litigation amounted to RMB28,645,000 (2025: RMB89,135,000) were recognised in the Group's consolidated financial statements for the year ended 31 March 2026.

(iii) In September 2019, Chongqing Yingfeng, pledged of certain properties, under which Chongqing Yingfeng has given a guarantee in favour of China Huarong Asset Management Co., Ltd. (Beijing Branch), a PRC financial institution, for the loans granted by the lender to a former subsidiary, Dongguan Yida Real Estate Co., Ltd. ("Dongguan Yida"), which is a subsidiary of Hong Kong Huzi Limited ("HK Huzi"), amounted to RMB118 million. In prior years, this guarantee was regarded transactions occurred within the Group and was not accounted for in the Group's consolidated financial statements.

During the period from 1 January 2021 to 31 March 2022, the Group disposed all its equity interest on HK Huzi and completion of the disposal took place on 25 March 2022.

As a result of the disposal of subsidiaries as disclosed in note 47 to the consolidated financial statements, the Group derecognised all related payables and provisions during the year. Accordingly, the management of the Group estimated that the total payables to be approximately RMBNil as at 31 March 2026 (31 March 2025: RMB75,927,000), after having considered the fair value of the assets and liabilities of Dongguan Yida and another guarantor, Kunshan Hi-Tech Electronic Art Creative Industry Development Co., Ltd. ("Kunshan Hi-Tech"), including its property development project located in the PRC and based on the final court order. Reversal of provision of expected guarantee liabilities amounted to RMBNil (2025: RMB40,585,000) and provision of litigation amounted to RMBNil (2025: RMB116,512,000) were recognised in the Group's consolidated financial statements for the year ended 31 March 2026.

33. CONTRACT LIABILITIES

	31 March 2026 RMB'000	31 March 2025 RMB'000
Advance from customers	**54,389**	858,830

Note:

Movements of contract liabilities are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
At beginning of the year	**858,830**	896,949
Increase in advance from customers during the year	**359,282**	727,958
Acquisition of subsidiaries (note 46)	**–**	20
Disposal of subsidiaries (note 47)	**(774,723)**	(7,809)
Revenue recognised that was included in the contract liabilities balance at beginning of the year	**(94,378)**	(150,853)
Revenue recognised from performance obligations satisfied during the year	**(294,382)**	(606,386)
Refund to customers	**(240)**	(1,049)
At end of the year	**54,389**	858,830

Details of contract liabilities are as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Advance from customers from:		
Sale of products	**29,981**	31,663
Sale of properties	**21,962**	795,495
Lease of properties	**2,446**	31,672
Total contract liabilities	**54,389**	858,830

Contract liabilities include advances received to deliver information products and properties, and significant financing components for the contract where the period between the advance received from customers and the transfer of the promised property or service exceeds one year.

34. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 March 2026 RMB'000	31 March 2025 RMB'000
Bank borrowings repayable:		
Within one year or on demand	**18,000**	44,000
Other borrowings repayable:		
Within one year or on demand	**33,661**	1,522,119
Within a period more than one year	**77,398**	201,140
	111,059	1,723,259
Total bank and other borrowings	**129,059**	1,767,259
Less: Bank and other borrowings due within one year and included in current liabilities	**(51,661)**	(1,566,119)
Bank and other borrowings not due within one year and included in non-current liabilities	**77,398**	201,140

Notes:

(a) Details of the bank and other borrowings are as follows:

	Outstanding at 31 March 2026			Outstanding at 31 March 2025		
	Effective interest rate %	**Maturity**	**RMB'000**	Effective interest rate %	Maturity	RMB'000
Bank loans – secured	**3.5**	**2026**	**13,000**	3.4–3.9	2025	44,000
Bank loans – unsecured	**3.0**	**2026–2027**	**5,000**	–	–	–
			18,000			44,000
Other loans – secured#, ##	**5.0**	**2028**	**77,398**	9.7–11.0	2025–2026	933,720
Other loans – secured#	**–**	**–**	**–**	10.4	On demand	436,573
Other loans – secured#	**4.3**	**2026**	**5,000**	–	–	–
Other loans – secured#^	**–**	**–**	**–**	7.8	On demand	14,510
Other loans – secured#^	**–**	**–**	**–**	7.8	2026	201,140
Other loans – unsecured#	**10.0**	**On demand**	**3,280**	10.0	On demand	3,280
Other loans – unsecured*	**–**	**–**	**–**	4.7	On demand	55,991
Other loans – unsecured#	**–**	**–**	**–**	2.8	2026	49,700
Other loans – unsecured#	**3.5–5.0**	**2026**	**25,381**	3.4–5.0	2025–2026	28,345
			111,059			1,723,259
			129,059			1,767,259

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

(a) Details of the bank and other borrowings are as follows: (continued)

These other borrowings were obtained from financial institutions.

The other borrowing amounted to RMB77,398,000 at 31 March 2026 (31 March 2025: RMBNil) was secured by share charges in respect of the equity interests in certain subsidiaries of the Group.

* These borrowings amounted to RMBNil at 31 March 2026 (31 March 2025: RMB55,991,000) was obtained from former shareholder, 北大方正集團有限公司 (Peking University Founder Group Company Limited) ("Peking Founder").

^ The balance includes the principal of RMBNil (31 March 2025: RMB201,140,000) due on 13 December 2026 and default interest of approximately RMBNil (31 March 2025: RMB14,510,000) which was repayable on demand.

As at 31 March 2026, default and other interests on bank and other borrowings amounted to approximately RMB3,280,000 (31 March 2025: RMB403,177,000) were accrued.

(b) The Group's bank and other borrowings are denominated in Renminbi.

(c) As at the end of the reporting period, certain of the Group's bank and other borrowings are secured by the pledge of the following assets of the Group:

	Notes	31 March 2026 RMB'000	31 March 2025 RMB'000
Properties for sale — completed	24	**263,309**	634,501
Trade receivables	26	**52,678**	48,697
Restricted cash	28	**4,500**	59,678
		320,487	742,876

In addition, (i) at 31 March 2026 and 31 March 2025, certain of the Group's bank and other borrowings are secured by the pledge of equity interests of certain subsidiaries and former fellow subsidiaries of the Group, and the assignment of returns arising from certain properties under development for sale and completed properties for sale of the Group; (ii) former shareholders, Peking Founder, 北大資源集團有限公司 (Peking University Resources Group Co., Ltd.*) ("Resources Group") and Founder Information (Hong Kong) Limited ("Founder Information") have provided corporate guarantees for loans amounting to RMBNil (31 March 2025: RMB850,508,000); and (iii) certain of the former subsidiaries, which were disposed during the year ended 31 March 2026, are secured by the pledge of the properties for sale-completed of the Group, such assets amounted to RMB263,309,000 at 31 March 2026 (31 March 2025: RMBNil).

* *For identification purposes only*

34. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

(d) During the year, in respect of the other borrowings with a carrying amount of approximately RMB3,280,000 as at 31 March 2026 (2025: RMB510,354,000) was defaulted. The directors of the Company informed the lender and commenced a renegotiation of the terms of the borrowing with the relevant lenders. On 31 March 2026, those negotiations had not been concluded. Since the lenders has yet to agree to waive its right to demand immediate payment as at the end of the reporting period, the borrowing has been classified as a current liability as at 31 March 2026. Up to the date of approval of these consolidated financial statements, the negotiations are still in progress. The directors of the Company are confident that their negotiations with the lender will ultimately reach a successful conclusion. In any event, should the lender call for immediate repayment of the borrowing, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

35. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Revaluation of properties RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Total RMB'000
At 1 April 2024	336,961	(118,574)	218,387
Deferred tax credited to profit or loss (note 12)	(22,086)	–	(22,086)
At 31 March 2025 and 1 April 2025	314,875	(118,574)	196,301
Deferred tax credited to profit or loss (note 12)	(34,162)	–	(34,162)
Disposal of subsidiaries (note 47)	(56,033)	–	(56,033)
At 31 March 2026	224,680	(118,574)	106,106

35. DEFERRED TAX (continued)

Deferred tax assets

	Impairment RMB'000	Provision for LAT RMB'000	Significant financing component from receipt in advance RMB'000	Unrealised profit arising from intra-group transactions RMB'000	Total RMB'000
At 1 April 2024	(14,473)	35,335	(5,667)	39,853	55,048
Deferred tax credited to profit or loss (note 12)	7,583	6,769	–	5	14,357
At 31 March 2025 and 1 April 2025	(6,890)	42,104	(5,667)	39,858	69,405
Deferred tax credited to profit or loss (note 12)	12,809	(30)	–	(5)	12,774
Disposal of subsidiaries (note 47)	–	–	–	(11,573)	(11,573)
At 31 March 2026	5,919	42,074	(5,667)	28,280	70,606

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**70,606**	69,405
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(106,106)**	(196,301)
	(35,500)	(126,896)

35. DEFERRED TAX (continued)

Deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of the following items:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Tax losses	**585,186**	1,227,319
Deductible temporary differences	**7,294**	7,459
	592,480	1,234,778

The Group has tax losses arising in Hong Kong of RMB89,509,000 (31 March 2025: RMB67,974,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in Mainland China of RMB495,677,000 (31 March 2025: RMB1,159,345,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 March 2026, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, as the Group is able to control on the declaration of dividend and it is not probable that these subsidiaries will distribute such earnings to oversea shareholders in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB49,563,000 at 31 March 2026 (31 March 2025: RMB2,543,946,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

36. SHARE CAPITAL

Ordinary shares of HK$0.01 (2025: HK$0.01 each)	Number of shares 31 March 2026 '000	Number of shares 31 March 2025 '000	Share capital 31 March 2026 HK$'000	Share capital 31 March 2025 HK$'000
Authorised				
At beginning of the year	**150,000,000**	15,000,000	**1,500,000**	1,500,000
Capital Reorganisation (notes (i), (ii), (iii))	**–**	135,000,000	**–**	–
At end of the year	**150,000,000**	150,000,000	**1,500,000**	1,500,000

	Number of shares 31 March 2026	Number of shares 31 March 2025	Share capital 31 March 2026 HK$'000	Share capital 31 March 2026 RMB'000 (Equivalent)	Share capital 31 March 2025 HK$'000	Share capital 31 March 2025 RMB'000 (Equivalent)
Issued and fully paid						
At beginning of the year	**2,737,417,279**	10,349,669,116	**27,374**	**24,853**	1,034,967	898,647
Share Consolidation (note (i))	**–**	(7,762,251,837)	**–**	**–**	–	–
Capital Reduction (note (ii))	**–**	–	**–**	**–**	(1,009,093)	(875,156)
Share Subscription (note (iii))	**–**	150,000,000	**–**	**–**	1,500	1,362
At end of the year	**2,737,417,279**	2,737,417,279	**27,374**	**24,853**	27,374	24,853

Notes:

(i) On 8 May 2024, the Company consolidated every four issued and unissued shares with a par value of HK$0.10 each into one Consolidated Share with a par value of HK$0.40 each ("Share Consolidation").

(ii) On 8 May 2024, immediately after the Share Consolidation becoming effective, the issued share capital of the Company will be reduced by: (a) eliminating any fraction of a Consolidated Share in the issued share capital of the Company arising from the Share Consolidation in order to round down the total number of the Consolidated Shares to a whole number; and (b) cancelling HK$0.39 of the paid-up capital of the Company on each issued Consolidated Share, such that the par value of each issued New Share will be reduced from HK$0.40 to HK$0.01 immediately following the Capital Reduction and the credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act.

(iii) On 10 May 2024, the Company has issued and allotted an aggregate of 150,000,000 New Shares with a par value of HK$0.01 each to the General Mandate Subscribers in accordance with the General Mandate Subscription Agreement ("Share Subscription").

37. SHARE SCHEME

(a) 2023 Share Scheme

On 28 August 2023, the Group adopted a new share scheme (the "2023 Share Scheme"), which is valid and effective for a period of ten (10) years from the date of adoption. Eligible participants of the Scheme include (i) any director (whether executive or non-executive, including any independent non-executive director), chief executive and employees (full-time or part-time) of the Company or any of its subsidiaries; (ii) any one or entity who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group; and (iii) the directors, chief executive and employees of the holding companies, fellow subsidiaries or associated companies of the Company.

According to the 2023 Share Scheme, all awards to be granted that involve the issuance of Shares of the Company shall not exceed 10% of the total number of Shares in issue as at the adoption date, being 912,966,911 Shares. As disclosed in the announcement of the Company dated 7 May 2024, as a result of the capital reorganisation as disclosed in the announcement and circular of the Company dated 5 February 2024 and 28 March 2024, respectively (the "Capital Reorganisation"), the total number of Shares available for future grants under the 2023 Share Scheme was adjusted from 312,966,911 to 78,241,727 pursuant to the terms of the 2023 Share Scheme, representing approximately 2.86% of the issued Shares of the Company as at the date of this report. The maximum number of Shares in respect of which awards may be granted to a single eligible participant in any 12-month period up to and including the date of such grant shall not exceed 1% of the Shares in issue. A Share Option may be exercised during such period as the Board may determine, save that such period shall not be more than 10 years from the offer date. The vesting period for awards under the 2023 Share Scheme shall generally not be less than 12 months, subject to a shorter vesting period for awards granted under the specific circumstances as stipulated in the 2023 Share Scheme.

On 29 December 2023, the Company granted an aggregate of 600,000,000 Share Options to subscribe for 600,000,000 Shares to certain employees of the Group in accordance with the terms of the 2023 Share Scheme.

The offer of a grant of share options is deemed to have been accepted when the duplicate offer letter comprising the acceptance of the option is signed and upon payment of a nominal consideration of HK$1 in total by the grantee.

The exercise price of the share options is determinable by the directors, but should be the highest of (i) the closing price of the shares of the Company as stated on the daily quotation sheet of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of the shares of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The exercise price of HK$0.101 per share and subject to the following vesting terms: (i) one-third of the Share Options shall be vested and become exercisable on 31 December 2024; (ii) one-third of the Share Options shall be vested and become exercisable on 31 December 2025; and (iii) one-third of the Share Options shall be vested and become exercisable on 31 December 2026. As disclosed in the announcement of the Company dated 7 May 2024, as a result of the Capital Reorganisation, the exercise price per Share was adjusted to HK$0.404 per Share.

37. SHARE SCHEME (continued)

(a) 2023 Share Scheme (continued)

As a result of the Capital Reorganisation effective on 8 May 2024, the exercise price of outstanding share options under the 2023 Share Scheme is adjusted to HK$0.404 per share, with the number of new shares upon exercise set at 150,000,000. The total number of new shares available for future grants is adjusted to 78,241,727, with a limit of 22,824,172 shares for any service provider participant. For further details, please refer to the circular and notice of special general meeting dated 28 March 2024, and the announcements dated 7 May 2024 and 28 August 2024.

The fair value of the share options at the date of grant is estimated to be HK$39,712,000 (equivalent to RMB36,003,000) using the binominal option pricing model, which was partially recognised as equity settled share option expenses for the both years based on the vesting period.

The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Inputs into the model	Options granted on 29 December 2023
Risk-free rate	3.46%
Expected volatility	100.1%
Dividend yield	0%
Expected life of options (year)	4
Share price of the Company's shares (HK$ per share)	0.1

38. RESERVES

The amounts of the Group's reserves and the movements therein for the current period and the prior year are presented in the consolidated statement of changes in equity of the consolidated financial statements.

The contributed surplus represents the excess of nominal value of the shares of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefore.

The merger reserve comprises the excess of the Company's share of the nominal value of the paid-in capital of the subsidiaries acquired, over the Company's cost of acquisition of the subsidiary under common control; and the deemed distributions to companies controlled by the ultimate holding company.

The non-controlling interest reserve arose from changes in the ownership interests of subsidiaries, without a loss of control.

In accordance with the relevant PRC regulations, each of the Group's PRC subsidiaries is required to transfer not less than 10% of its profit after tax, as determined in accordance with PRC accounting standards and regulations, to the general reserve, which are restricted as to use, until such reserve reaches 50% of its registered capital. The respective amounts of the annual transfer are subject to the approval of the boards of directors of the PRC subsidiaries in accordance with their articles of association.

39. SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
			Direct		Indirect		
			As at 31 March 2026 %	As at 31 March 2025 %	As at 31 March 2026 %	As at 31 March 2025 %	
Yongqin Limited ("Yongqin")	British Virgin Islands/ Hong Kong	HK$2	**100**	100	**–**	–	Property investment
Beijing Defang Century Information Technology Co., Ltd.@	PRC/Mainland China	USD18,180,000	**–**	–	**55**	55	Distribution of information products
Chongqing Yayuan Henghui Information Technology Co., Limited ("Yayuan Henghui")#*	PRC/Mainland China	RMB2,000,000,000	**–**	–	**–**	100	Intragroup funding
Chongqing Yingfeng Property Co., Limited#*	PRC/Mainland China	RMB80,000,000	**–**	–	**–**	100	Property development
Chongqing Yingpu Investment Co., Limited^ (note (i))	PRC/Mainland China	RMB50,000,000	**–**	–	**43**	43	Property investment
Chongqing Yuefeng Property Co., Limited^* (note (i))	PRC/Mainland China	RMB50,000,000	**–**	–	**–**	43	Property development
Foshan Peking University Resources Property Co., Limited@	PRC/Mainland China	RMB100,000,000	**–**	–	**51**	51	Property development
Kaifeng Boyuan Property Development Co., Limited*	PRC/Mainland China	RMB20,000,000	**–**	–	**–**	100	Property development
Zhejiang Peking University Resources Property Co., Limited ("Zhejiang Resources")#*	PRC/Mainland China	RMB1,114,558,000	**–**	–	**–**	94	Property development
Chengdu Founder Yuancheng Information Technology Co., Limited ("Founder Yuancheng") (note (i))	PRC/Mainland China	RMB100,000,000	**–**	–	**25**	25	Property development
Wuhan Jinyuexiang Trading Co., Limited#	PRC/Mainland China	RMB1,000,000	**–**	–	**100**	100	Business management
Wuhan Heliang Investment Development Co., Limited^	PRC/Mainland China	RMB2,000,000	**–**	–	**100**	100	Capital management

39. SUBSIDIARIES (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
			Direct		Indirect		
			As at 31 March 2026 %	As at 31 March 2025 %	As at 31 March 2026 %	As at 31 March 2025 %	
Wuhan Tianhe Jincheng Property Development Co., Limited^*	PRC/Mainland China	RMB50,000,000	–	–	–	70	Property development
Beijing Ruihe Century Information Technology Co., Limited#	PRC/Mainland China	RMB100,000,000	–	–	100	100	Distribution of information products
Yuxi Runya Property Company Limited^*	PRC/Mainland China	RMB10,000,000	–	–	–	100	Property development
Wuhan Yekaitai Pharmaceutical Chain Co., Ltd. ("Yekaitai Pharmaceutical")	PRC/Mainland China	RMB72,321,000	–	–	94	100	Medical and pharmaceutical retail
Hubei Central Pharmaceutical Co., Ltd. ("Hubei Central")	PRC/Mainland China	RMB10,000,000	–	–	73	100	Medical and pharmaceutical retail

\# Registered as a wholly-foreign-owned enterprise under PRC law

^ Registered as a limited liability company under PRC law

@ Registered as a Sino-foreign joint venture under PRC law

* Disposed during the year 2026

Note (i): Although the Group has less than 50% ownership in these subsidiaries, the directors of the Company concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of these subsidiaries on the basis of the Group's absolute size of shareholding and the relative size of and dispersion of the shareholdings owned by other shareholders.

The English names of the above companies were translated from their respective Chinese names by reference only as no English names of these entities have been registered.

None of the subsidiaries had issued any debt securities at the end of the reporting period.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

40. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that has material non-controlling interests are set out below:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
		31/3/2026	31/3/2025	**Year ended 31/3/2026**	Year ended 31/3/2025	**31/3/2026**	31/3/2025
				RMB'000	RMB'000	**RMB'000**	RMB'000
Beijing Defang Century Information Technology Co., Ltd. (Note a)	Mainland China	**45.00%**	45.00%	**(25)**	(9)	**128,456**	128,548
Chongqing Yingpu Investment Co., Limited (Note b)	Mainland China	**56.71%**	56.71%	**(11,599)**	5,122	**32,366**	85,954
Chengdu Founder Yuancheng Information Technology Co., Limited (Note c)	Mainland China	**75.01%**	75.01%	**18,634**	29,815	**410,858**	412,433
Foshan Peking University Resources Property Co., Limited (Note d)	Mainland China	**49.00%**	49.00%	**17,983**	(4,200)	**115,052**	352,402
Wuhan Tianhe Jincheng Property Development Co., Limited (Note e)	Mainland China	**–**	30.00%	**–**	(13,657)	**–**	83,160
Subsidiaries with individual immaterial non-controlling interests						**498,780**	590,811
						1,185,512	1,653,308

40. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes:

(a) Beijing Defang Century Information Technology Co., Ltd.

	31 March 2026	31 March 2025
Percentage of equity interest held by non-controlling interests (%)	**45.00**	45.00
Loss for the year allocated to non-controlling interests (RMB'000)	**(25)**	(9)
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**128,456**	128,548

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2026 RMB'000	In respect of year ended 31 March 2025 RMB'000
Revenue	**–**	–
Total cost, expenses and other income, net	**(55)**	(21)
Loss for the year and total comprehensive loss for the year	**(55)**	(21)
Loss for the year allocated to non-controlling interests	**(25)**	(9)
Current assets	**185,436**	175,662
Non-current assets	**100,022**	110,000
Net assets	**285,458**	285,662
Net assets allocated to non-controlling interests	**128,456**	128,548
Net cash flows used in operating activities	**(4,457)**	(60)
Net cash flows used in investing activities	**(28)**	–
Net decrease in cash and cash equivalents	**(4,485)**	(60)

40. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(b) Chongqing Yingpu Investment Co., Limited

	31 March 2026	31 March 2025
Percentage of equity interest held by non-controlling interests (%)	**56.71**	56.71
(Loss)/profit for the year allocated to non-controlling interests (RMB'000)	**(11,599)**	5,122
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**32,366**	85,954

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2026 RMB'000	In respect of year ended 31 March 2025 RMB'000
Revenue	**40,756**	2,722
Total cost, expenses and other income, net	**(61,210)**	6,309
(Loss)/profit for the year and total comprehensive (loss)/income for the year	**(20,454)**	9,031
(Loss)/profit for the year allocated to non-controlling interests	**(11,599)**	5,122
Current assets	**109,530**	211,005
Non-current assets	**9,998**	9,238
Current liabilities	**(62,455)**	(68,676)
Net assets	**57,073**	151,567
Net assets allocated to non-controlling interests	**32,366**	85,954
Net cash flows generated from/(used in) operating activities	**2,246**	(1,959)
Net cash flows (used in)/generated from investing activities	**(5)**	30
Net increase/(decrease) in cash and cash equivalents	**2,241**	(1,929)

40. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(c) Chengdu Founder Yuancheng Information Technology Co., Limited

	31 March 2026	31 March 2025
Percentage of equity interest held by non-controlling interests (%)	**75.01**	75.01
Profit for the year allocated to non-controlling interests (RMB'000)	**18,634**	29,815
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**410,858**	412,433

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2026 RMB'000	In respect of year ended 31 March 2025 RMB'000
Revenue	**39,055**	36,908
Total cost, expenses and other income, net	**(14,213)**	2,840
Profit for the year and total comprehensive income for the year	**24,842**	39,748
Profit for the year allocated to non-controlling interests	**18,634**	29,815
Current assets	**103,511**	28,305
Non-current assets	**657,588**	730,937
Current liabilities	**(193,367)**	(209,404)
Non-current liabilities	**(19,994)**	–
Net assets	**547,738**	549,838
Net assets allocated to non-controlling interests	**410,858**	412,433
Net cash flows generated from operating activities	**2,001**	5,337
Net cash flows generated from/(used in) financing activities	**5,806**	(9,011)
Net increase/(decrease) in cash and cash equivalents	**7,807**	(3,674)

40. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(d) Foshan Peking University Resources Property Co., Limited

	31 March 2026	31 March 2025
Percentage of equity interest held by non-controlling interests (%)	**49.00**	49.00
Profit/(loss) for the year allocated to non-controlling interests (RMB'000)	**17,983**	(4,200)
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	**115,052**	352,402

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2026 RMB'000	In respect of year ended 31 March 2025 RMB'000
Revenue	**40,707**	56,655
Total cost, expenses and other income, net	**(4,007)**	(65,226)
Profit/(loss) for the year and total comprehensive income/(loss) for the year	**36,700**	(8,571)
Profit/(loss) for the year allocated to non-controlling interests	**17,983**	(4,200)
Current assets	**797,575**	1,304,798
Non-current assets	**52,617**	54,627
Current liabilities	**(615,392)**	(640,237)
Net assets	**234,800**	719,188
Net assets allocated to non-controlling interests	**115,052**	352,402
Net cash flows generated from operating activities	**1,467**	604
Net cash flows used in investing activities	**–**	(1,014)
Net increase/(decrease) in cash and cash equivalents	**1,467**	(410)

40. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Notes: (continued)

(e) Wuhan Tianhe Jincheng Property Development Co., Limited

	31 March 2025
Percentage of equity interest held by non-controlling interests (%)	30.00
Loss for the year allocated to non-controlling interests (RMB'000)	(13,657)
Accumulated balances of non-controlling interests at the end of the reporting period (RMB'000)	83,160

The following table illustrates the summarised financial information of the subsidiary. The amounts disclosed are before any inter-company eliminations:

	In respect of year ended 31 March 2025 RMB'000
Revenue	–
Total cost, expenses and other income, net	(45,523)
Loss for the year and total comprehensive loss for the year	(45,523)
Loss for the year allocated to non-controlling interests	(13,657)
Current assets	190,991
Non-current assets	308,757
Current liabilities	(222,549)
Net assets	277,199
Net assets allocated to non-controlling interests	83,160
Net cash flows generated from operating activities	1
Net cash flows used in investing activities	(1)
Net increase in cash and cash equivalents	–

The subsidiary was disposed during the year ended 31 March 2026, details set out in note 47 to the consolidated financial statements.

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

(i) Disposal of subsidiaries

The considerations arising from the disposal of subsidiaries during the year included receivables, settlement by way of netting off existing balances, and case with no consideration. Further details of these disposals are set out in note 47 to the consolidated financial statements.

(ii) Waiver of other payables

A gain of approximately RMB230,000 (2025: RMB175,784,000) was recognised during the year, arising from the waiver of other payables in connection with the disposal of interest in a subsidiary.

(iii) Leased assets

During the reporting period, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB9,295,000 (31 March 2025: RMB16,917,000) and RMB9,076,000 (31 March 2025: RMB16,810,000), respectively, in respect of lease arrangements for buildings and retail shops.

(b) Changes in liabilities arising from financing activities

Year ended 31 March 2026

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 April 2025	1,767,259	20,438	1,787,697
Changes from financing cash flows	(444,590)	(13,696)	(458,286)
New leases	–	9,076	9,076
Disposal of subsidiaries (note 47)	(1,270,943)	(1,674)	(1,272,617)
Interest expense	77,784	726	78,510
Interest paid classified as operating cash flows	(451)	(726)	(1,177)
Modification	–	(848)	(848)
Exchange realignments	–	(13)	(13)
At 31 March 2026	129,059	13,283	142,342

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

Year ended 31 March 2025

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 April 2024	1,748,057	18,385	1,766,442
Changes from financing cash flows	(64,401)	(15,073)	(79,474)
New leases	–	16,810	16,810
Acquisition of subsidiaries (note 46)	6,000	385	6,385
Interest expense	126,888	1,296	128,184
Interest paid classified as operating cash flows	(295,915)	(1,296)	(297,211)
Modification	–	(88)	(88)
Other changes	246,630	–	246,630
Exchange realignments	–	19	19
At 31 March 2025	1,767,259	20,438	1,787,697

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Within operating activities	**3,274**	2,347
Within financing activities	**13,696**	15,073
	16,970	17,420

42. CONTINGENT LIABILITIES

Save as disclosed elsewhere in the consolidated financial statements, the Group had contingent liabilities at the end of the reporting period as follows:

(a) The Group had outstanding litigation as detailed in note 52 to the consolidated financial statements; and

(b) After the disposal of the Disposal Group, the Group did not have contingent liabilities relating to guarantees mainly in respect of mortgage facilities granted by any banks to any purchasers of the Group's properties (31 March 2025: RMB850.2 million). Pursuant to the terms of the guarantees, in the event of default in mortgage payments by these purchasers, the Group is liable for repayment of the outstanding mortgage principals owed by the defaulting purchasers together with the accrued interest and penalty to the banks, while the Group is entitled to take over the legal titles and possession of the relevant properties. The guarantees shall be discharged upon: (i) issuance of real estate ownership certificates which are generally issued within three months after the purchasers take possession of the relevant properties; and (ii) repayment of the mortgage loans by the purchasers of the properties, whichever is earlier.

The Group considers that in the event of default by the purchasers of the properties, the net realisable value of the relevant properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Therefore, no provision has been made in respect of such guarantees in the financial statements. As a result of the disposal of the Disposal Group, there are currently no such guarantees outstanding, and no provision was recognised in the audited annual consolidated financial information of the Group during the Reporting Year (31 December 2025: Nil).

43. PLEDGE OF ASSETS

Details of the Group's assets pledged for the Group's bank and other borrowings are included in note 34 to the consolidated financial statements.

44. COMMITMENTS

The Group had the following commitments for the Group's development properties at the end of the reporting period:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Contracted for:		
Properties under development	**–**	765,995

45. RELATED PARTY TRANSACTIONS

(a) In addition to the related party transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the current year:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Transactions with former fellow subsidiaries:		
Rental expenses	**145**	253

Note: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(b) Compensation of key management personnel (including the directors and chief executive of the Company) of the Group:

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000
Salaries, allowances and benefits in kind	**3,042**	3,995
Bonuses	**4,376**	3,700
Retirement benefits	**63**	82
Equity-settled share based payments	**1,989**	2,014
Total compensation paid to key management personnel	**9,470**	9,791

Further details of the directors' and chief executive's emoluments are included in note 10 to the consolidated financial statements.

46. ACQUISITION OF SUBSIDIARIES

During the reporting periods, the Group acquired certain subsidiaries, details of material acquisition as follows:

(i) For the year ended 31 March 2025

On 31 May 2024, the Group acquired 100% interest at the consideration of RMB500,000 in Hubei Central. Hubei Central provides traditional Chinese medicine diagnosis and treatment, traditional Chinese medicine health care, massage, acupuncture and other special medical services, and was acquired with the objective of expanding the Group's relevant business. The acquisition has been accounted for as acquisition of business using the acquisition method.

Assets acquired and liabilities recognised at the date of acquisition

	Hubei Central RMB'000
Assets	
Property, plant and equipment	694
Right-of-use assets	395
Inventories	1,470
Trade and bills receivables	7,419
Prepayments, other receivables and other assets	6,832
Tax recoverable	207
Cash and cash equivalents	292
Total assets	17,309
Liabilities	
Trade payables	5,227
Other payables and accruals	5,177
Contract liabilities	20
Interest-bearing bank and other borrowings	6,000
Lease liabilities	385
Total liabilities	16,809
Total identifiable net assets acquired	500

The trade and bills receivables acquired with a fair value of RMB7,419,000 at the date of acquisition had gross contractual amount of RMB7,419,000. No contractual cash flows from the receivables are expected to be irrecoverable.

46. ACQUISITION OF SUBSIDIARIES (continued)

(i) For the year ended 31 March 2025 (continued)

Goodwill arising on acquisition

	RMB'000
Consideration transferred	500
Less: recognised amounts of identifiable net assets acquired	(500)
Goodwill arising on acquisition	–

Net cash inflow in respect of the acquisition is as follows:

	Hubei Central RMB'000
Consideration paid in cash	–
Cash and bank balances acquired	292
Net cash inflow	292

No contingent arrangement entered in the acquisition.

47. DISPOSAL OF SUBSIDIARIES

During the reporting periods, the Group disposed of certain subsidiaries as follows:

(I) For the year ended 31 March 2026

(a) During the year, the Company entered into a partnership agreement with two independent third parties, pursuant to which the Company agreed to establish a partnership (the "Partnership") with such two independent third parties and to contribute RMB30,000,000 to the Partnership. Such contribution shall be settled by contributing all of the interests in the Company's direct wholly-owned subsidiary, On Tai International Investment Group (Hong Kong) Limited ("On Tai"), to the Partnership. Consequently, the formation of the Partnership and the Company's capital contribution to the Partnership resulted in the Company's disposal of its interest in On Tai and its 16 subsidiaries (collectively referred as "On Tai Group") including: (i) Beijing Deyuehe Project Management Co., Ltd.* (北京德悅合項目管理有限公司); (ii) Chongqing Shiteng Property Company Limited* (重慶世騰置業有限公司); (iii) Chongqing Yayuan Henghui Information Technology Co., Ltd.* (重慶雅源恒輝信息技術有限公司); (iv) Chongqing Yingfeng Property Co., Ltd.* (重慶盈豐地產有限公司); (v) Chongqing Yuanchuang Target Real Estate Co., Ltd.* (重慶源創目標置業有限公司); (vi) Chongqing Yueruihe Real Estate Co., Ltd.* (重慶悅睿和置業有限公司); (vii) Hong Kong Resources Yingyue Limited (香港資源盈悅有限公司); (viii) Hong Kong Yingfung Holding Limited* (香港盈豐控股有限公司); (ix) Kaifeng Boyuan Real Estate Development Co., Ltd.* (開封博元房地產開發有限公司); (x) Tung Yuen Resources (HK) Limited (東原資源(香港)有限公司); (xi) Wuhan Jinxiang Asset Management Co., Ltd.* (武漢錦祥資產管理有限公司); (xii) Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.* (武漢天合錦程房地產發展有限公司); (xiii) Wuhu Xinying Investment Partnership Enterprise (Limited Partnership)* (蕪湖信盈投資合夥企業(有限合夥)) ("Wuhu Xinying"); (xiv) Yuxi Hongyue Commercial Operational Management Co., Ltd.* (玉溪鴻悅商業運營管理有限公司); (xv) Yuxi Runya Property Company Limited* (玉溪潤雅置業有限公司); and (xvi) Zhejiang Peking University Resources Real Estate Co., Ltd.* (浙江北大資源地產有限公司). On Tai Group is primarily engaged in property development in Mainland China. This disposal was completed on 11 August 2025.

(b) During the year, the Group entered into a sale and purchase agreement with an independent third party to dispose of the Group's 100% interest in Hangzhou Linghangxing Entity Management Co., Ltd* (杭州領航星企業管理有限公司) ("Hangzhou Linghangxing"), an indirect wholly-owned subsidiary of the Company, for a consideration of approximately RMB1,000,000. Hangzhou Linghangxing is primarily engaged in property investment and management in Mainland China. The disposal was completed on 19 September 2025.

(c) During the year, the Group entered into a sale and purchase agreement with an independent third party to dispose of the Group's 70% interest in Chongqing Yuefeng Real Estate Co., Ltd.* (重慶悅豐地產有限公司) ("Chongqing Yuefeng"), an indirectly held non-wholly-owned subsidiary of the Company, for a consideration of approximately RMB430,000. Chongqing Yuefeng is primarily engaged in property development in Mainland China. The disposal was completed on 22 December 2025.

(d) During the year, the Group entered into a sale and purchase agreement with an independent third party to dispose of the Group's 100% interest in Tianjin Ruihesheng Project Management Co., Ltd.* (天津睿和升項目管理有限公司) ("Tianjin Ruihesheng"), an indirect wholly-owned subsidiary of the Company for nil consideration. Tianjin Ruihesheng is primarily engaged in property investment and management in Mainland China. The disposal was completed on 26 March 2026.

* *For identification purposes only*

47. DISPOSAL OF SUBSIDIARIES (continued)

(I) For the year ended 31 March 2026 (continued)

The assets and liabilities of the subsidiaries disposed of and the gain on disposals are analysed as follows:

Analysis of assets and liabilities of the subsidiaries over which control was lost:

	On Tai Group RMB'000	Hangzhou Linghangxing RMB'000	Chongqing Yuefeng RMB'000	Tianjin Ruihesheng RMB'000	Others RMB'000	Total RMB'000
Assets and liabilities disposed of						
Property, plant and equipment	437	–	3	79	6,182	6,701
Investment properties	11,986	202,606	2,180	–	119,393	336,165
Right-of-use assets	138	–	162	–	1,307	1,607
Deferred tax assets	11,573	–	–	–	–	11,573
Properties for sale – under development	3,298,197	–	–	–	–	3,298,197
Properties for sale – completion	912,904	–	137,459	119,778	11,284	1,181,425
Trade and bills receivables	314	–	–	–	5,512	5,826
Prepayment, other receivables and other assets	679,706	15,000	47,296	4,318	26,921	773,241
Amount due from the Group	508,921	43,950	19,345	6,888	232,974	812,078
Tax recoverable	–	4,845	–	–	–	4,845
Restricted cash	39,039	–	54	–	–	39,093
Cash and cash equivalents	28,557	1,117	3	1,663	34,277	65,617
Trade and bills payables	(289,415)	–	(882)	(51)	–	(290,348)
Other payables and accruals	(1,454,215)	(224,806)	(66,455)	(23,877)	(5,963)	(1,775,316)
Amount due to the Group	(259,472)	–	–	(125,119)	(270,070)	(654,661)
Provisions	(2,988,398)	–	–	–	–	(2,988,398)
Contract liabilities	(764,456)	–	(530)	(350)	(9,387)	(774,723)
Interest-bearing bank and other borrowings	(1,256,543)	–	(14,400)	–	–	(1,270,943)
Lease liabilities	(224)	–	(190)	–	(1,260)	(1,674)
Tax payables	(479,319)	–	(249,372)	–	–	(728,691)
Deferred tax liabilities	(39,278)	–	–	–	(16,755)	(56,033)
Net (liabilities)/assets disposed of	(2,039,548)	42,712	(125,327)	(16,671)	134,415	(2,004,419)
Gain/(loss) on disposal of subsidiaries						
Consideration for the disposal	30,000	1,000	430	–	14,775	46,205
Release of exchange reserve	(114,258)	–	–	–	–	(114,258)
Non-controlling interests	301,093	–	49,575	–	(21,346)	329,322
Net liabilities/(assets) disposed of	2,039,548	(42,712)	125,327	16,671	(134,415)	2,004,419
Gain/(loss) on disposal of subsidiaries	2,256,383	(41,712)	175,332	16,671	(140,986)	2,265,688
Cash received on disposal	–	–	430	–	100	530
Less: bank balance and cash disposed of	(67,596)	(1,117)	(57)	(1,663)	(34,277)	(104,710)
Net cash (outflow)/inflow arising on the disposal of subsidiaries	(67,596)	(1,117)	373	(1,663)	(34,177)	(104,180)

* The consideration was netting off the existing balance owe to the buyer.

47. DISPOSAL OF SUBSIDIARIES (continued)

(II) For the year ended 31 March 2025

(a) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group ("buyer") for the disposal of the Group's 90% interest in Ezhou Jinfeng, an indirect wholly-owned subsidiary of the Company at a consideration of approximately RMB900,000. Ezhou Jinfeng was principally engaged in property development in Mainland China. The disposal was completed on 16 May 2024.

(b) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group ("buyer") for the disposal of the Group's 100% interest in Guizhou Guanheng Enterprise Management Co., Ltd ("Guizhou Guanheng"), an indirect wholly-owned subsidiary of the Company at a cash consideration of approximately RMB500,000. Guizhou Guanheng was principally engaged in property development in Mainland China. The disposal was completed on 5 December 2024.

(c) During the year, the Group entered into a sale and purchase agreement with an independent third party not connected with the Group ("buyer") for the disposal of the Group's 75% interest in Chongqing Weijueli Commercial Operation Management Co., Ltd ("Chongqing Weijueli"), an indirect wholly-owned subsidiary of the Company without consideration. Chongqing Weijueli was principally engaged in property development in Mainland China. The disposal was completed on 6 March 2025.

47. DISPOSAL OF SUBSIDIARIES (continued)

(II) For the year ended 31 March 2025 (continued)

The asset and liabilities of the subsidiaries disposed of and the gain on disposals are analysed as follows:

Analysis of assets and liabilities of the subsidiaries over which control was lost:

	Ezhou Jinfeng RMB'000	Guizhou Guanheng RMB'000	Chongqing Weijueli RMB'000	Total RMB'000
Assets and liabilities disposed of				
Property, plant and equipment	23	–	–	23
Investment properties	–	66,000	47,706	113,706
Properties for sale – under development	63,447	–	–	63,447
Properties for sale – completion	35,333	–	–	35,333
Trade and bills receivables	557	715	42	1,314
Prepayment, other receivables and other assets	–	–	15,695	15,695
Amounts due from the Group	603,655	–	–	603,655
Cash and cash equivalents	543	498	84	1,125
Trade and bills payables	(330,406)	–	–	(330,406)
Other payables and accruals	(288,592)	(24,576)	(70,411)	(383,579)
Contract liabilities	(7,809)	–	–	(7,809)
Tax payables	(185,306)	(7)	–	(185,313)
Net (liabilities)/assets disposed of	(108,555)	42,630	(6,884)	(72,809)
Gain/(loss) on disposal of subsidiaries				
Consideration for the disposal	900*	500	–	1,400
Recognition of financial assets at fair value through profit or loss	1,000	–	–	1,000
Non-controlling interests	–	–	(10,015)	(10,015)
Net liabilities/(assets) disposed of	108,555	(42,630)	6,884	72,809
Gain/(loss) on disposal of subsidiaries	110,455	(42,130)	(3,131)	65,194
Cash received on disposal	–	500	–	500
Less: bank balance and cash disposed of	(543)	(498)	(84)	(1,125)
Net cash (outflow)/inflow arising on the disposal of subsidiaries	(543)	2	(84)	(625)

* The consideration was netting off the existing balance owe to the buyer.

48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

At 31 March 2026

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	**67,300**	**–**	**67,300**
Financial assets at amortised cost			
Trade and bills receivables	**–**	**186,110**	**186,110**
Financial assets included in prepayments, other receivables and other assets	**–**	**774,215**	**774,215**
Restricted cash	**–**	**4,500**	**4,500**
Cash and cash equivalents	**–**	**301,993**	**301,993**
	67,300	**1,266,818**	**1,334,118**

At 31 March 2025

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	89,700	–	89,700
Financial assets at amortised cost			
Trade and bills receivables	–	190,656	190,656
Financial assets included in prepayments, other receivables and other assets	–	1,125,267	1,125,267
Restricted cash	–	59,736	59,736
Cash and cash equivalents	–	601,400	601,400
	89,700	1,977,059	2,066,759

48. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

	Financial liabilities at amortised cost	
	31 March 2026	31 March 2025
	RMB'000	RMB'000
Trade and bills payables	**482,956**	938,115
Financial liabilities included in other payables and accruals	**979,663**	2,188,408
Lease liabilities	**13,283**	20,438
Interest-bearing bank and other borrowings	**129,059**	1,767,259
	1,604,961	4,914,220

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's financial assets measured at fair value represents the unlisted equity interest classified under financial assets at fair value through profit or loss. Details of the fair value measurements are set out in note 21 to the consolidated financial statements.

Management has assessed that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost, including cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings and lease liabilities, approximate their fair value, which either due to their short term maturities, or that they are subject to floating rates.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair values:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2)** RMB'000	**Significant unobservable inputs (Level 3)** RMB'000	**Total** RMB'000
As at 31 March 2026				
Financial assets at fair value through profit or loss	**–**	**–**	**67,300**	**67,300**
As at 31 March 2025				
Financial assets at fair value through profit or loss	–	–	89,700	89,700

Financial assets	**Fair value as at**		**Fair value hierarchy**	**Valuation technique and key inputs**	**Significant unobservable inputs**	**Range**	
	31 March 2026 **RMB'000**	31 March 2025 RMB'000				**Year ended 31 March 2026**	Year ended 31 March 2025
Financial assets at fair value through profit or loss	**67,300**	89,700	Level 3	Asset-based valuation approach – in this approach, the net asset value as at the Date of Valuation and estimated replacement cost were adopted	Adjustment on market unit price (per sq.m) for properties held by the financial assets (note)	**-30% to 5%**	-2% to 0%

Note: A slight increase in the adjustment on market unit price used in isolation would result in a increase in the fair value measurement of the financial assets at fair value through profit or loss, and vice versa. A 100 basis point of increase in the adjustment on market unit price holding all other variables constant would increase the carrying amount of the financial assets at fair value through profit or loss by RMB22,400,000 (2025: RMB1,500,000).

The Group did not have any financial liabilities measured at fair value as at 31 March 2026 and 31 March 2025.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 March 2025: Nil).

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to interest-bearing bank and other borrowings which are carried at fixed rates. The effective interest rates and terms of repayment of the interest-bearing bank and other borrowings of the Group are disclosed in note 34 to the consolidated financial statements.

Foreign currency risk

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the US dollars and HK$ exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair values of monetary assets and liabilities) and other components of the Group's equity.

	Increase/ (decrease) in exchange rate	**(Increase)/ decrease in loss before tax 31 March 2026**	(Increase)/ decrease in loss before tax 31 March 2025
	%	**RMB'000**	RMB'000
If the HK$ weakens against US dollars	5	**61,544**	138,555
If the HK$ strengthens against US dollars	(5)	**(61,544)**	(138,555)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2026

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	189,629	189,629
Financial assets included in prepayments, other receivables and other assets					
– Normal**	329,688	464,564	–	–	794,252
– Doubtful**	–	–	–	–	–
Restricted cash					
– Not yet past due	4,500	–	–	–	4,500
Cash and cash equivalents					
– Not yet past due	301,993	–	–	–	301,993
	636,181	464,564	–	189,629	1,290,374

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging (continued)

As at 31 March 2025

	12-month expected credit losses	Lifetime expected credit losses			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables*	–	–	–	195,496	195,496
Financial assets included in prepayments, other receivables and other assets					
– Normal**	376,151	784,727	–	–	1,160,878
– Doubtful**	–	–	–	–	–
Restricted cash					
– Not yet past due	59,736	–	–	–	59,736
Cash and cash equivalents					
– Not yet past due	601,400	–	–	–	601,400
	1,037,287	784,727	–	195,496	2,017,510

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 26 to the consolidated financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due, except for the amount under Stage 2 of expected credit losses, there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. The amount included in Stage 2 of expected credit losses was past due but without being credit-impaired and considered as recoverable. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

31 March 2026

	Within 1 year RMB'000	**Over 1 year RMB'000**	**Total RMB'000**	**Carrying amount RMB'000**
Trade and bills payables	**482,956**	**–**	**482,956**	**482,956**
Financial liabilities included in other payables and accruals	**979,663**	**–**	**979,663**	**979,663**
Lease liabilities	**8,218**	**5,407**	**13,625**	**13,283**
Interest-bearing bank and other borrowings	**52,858**	**82,906**	**135,764**	**129,059**
	1,523,695	**88,313**	**1,612,008**	**1,604,961**

31 March 2025

	Within 1 year RMB'000	Over 1 year RMB'000	Total RMB'000	Carrying amount RMB'000
Trade and bills payables	938,115	–	938,115	938,115
Financial liabilities included in other payables and accruals	2,188,408	–	2,188,408	2,188,408
Lease liabilities	12,516	8,518	21,034	20,438
Interest-bearing bank and other borrowings	1,643,298	228,282	1,871,580	1,767,259
	4,782,337	236,800	5,019,137	4,914,220

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026 and 31 March 2025.

The Group monitors capital using a debt to equity ratio, which is total interest-bearing bank and other borrowings divided by total equity attributable to owners of the parent. The debt to equity ratios as at the end of the reporting periods were as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
Interest-bearing bank and other borrowings	**129,059**	1,767,259
Total equity attributable to owners of the Company	**589,683**	(1,256,206)
Debt to equity ratio	**21.89%**	N/A

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 March 2026 RMB'000	31 March 2025 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**42**	85
Right-of-use assets	**1,324**	502
Total non-current assets	**1,366**	587
CURRENT ASSETS		
Prepayments, other receivables and other assets	**547**	441
Cash and cash equivalents	**1,182**	23,626
Total current assets	**1,729**	24,067
CURRENT LIABILITIES		
Other payables and accruals	**18,699**	19,691
Lease liabilities	**827**	586
Total current liabilities	**19,526**	20,277
NET CURRENT (LIABILITIES)/ASSETS	**(17,797)**	3,790
TOTAL ASSETS LESS CURRENT LIABILITIES	**(16,431)**	4,377
NON-CURRENT LIABILITIES		
Lease liabilities	**494**	–
Net (liabilities)/assets	**(16,925)**	4,377
EQUITY		
Share capital	**24,853**	24,853
Reserves (note)	**(41,778)**	(20,476)
Total equity	**(16,925)**	4,377

The Company's statement of financial position was approved and authorised for issue by the board of directors on 30 June 2026 and signed on its behalf by:

Wong Kai Ho
Director

Huang Zhuguang
Director

51. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account RMB'000	Share option reserve RMB'000	Contributed surplus RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 31 March 2024 and 1 April 2024	11,754	5,466	1,306,591	(112,634)	(2,064,534)	(853,357)
Recognition of equity settled share based payment	–	19,012	–	–	–	19,012
Profit for the year	–	–	–	–	820,754	820,754
Other comprehensive income for the year						
Exchange differences on translation of financial statements of the Company	–	–	–	(6,885)	–	(6,885)
At 31 March 2025 and 1 April 2025	11,754	24,478	1,306,591	(119,519)	(1,243,780)	(20,476)
Recognition of equity settled share based payment	–	8,484	–	–	–	8,484
Profit for the year	–	–	–	–	54,908	54,908
Other comprehensive income for the year						
Exchange differences on translation of financial statements of the Company	–	–	–	(84,694)	–	(84,694)
At 31 March 2026	11,754	32,962	1,306,591	(204,213)	(1,188,872)	(41,778)

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of the contributed surplus in certain circumstances.

52. LITIGATIONS

As at 31 March 2026, the Group has been involved in the following significant legal proceedings and has been proactively responding to such legal proceedings:

(1) In the case of unjust enrichment dispute between Ping An Huitong Investment Management Co., Ltd. (深圳平安滙通投資管理有限公司) ("Ping An Huitong") and the Group's subsidiary, Foshan PKU Resources Real Estate Co., Ltd.* (佛山北大資源地產有限公司) ("Foshan PKU"), the Guangdong Provincial High People's Court issued a civil judgment on 18 December 2023 in favor of Foshan PKU under case number of (2022) Yue Min Zhong 1901. Ping An Huitong, dissatisfied with the aforementioned judgment, has applied to the Supreme People's Court for retrial. Ping An Huitong requested the judgment be set aside and that Foshan PKU be ordered to: (1) return the final payment RMB186,996,470 for purchasing property that Foshan PKU has already received to Ping An Huitong; (2) pay interest on the aforementioned amount calculated at an annual interest rate of 8% from 9 December 2019 until the repayment date; (3) pay Ping An Huitong attorney's fees of RMB450,000 for this case; and (4) bear the litigation costs of the first and second instances of the case. On 31 March 2025, the Supreme People's Court made a ruling to retry the case (the "Retrial Case"). Currently, the case is still pending. On 9 September 2025, Ping An Huitong commenced a separate legal action (the "New Litigation") before the People's Court of Sanshui District, Foshan City, seeking an order that Foshan PKU return an additional outstanding balance of the purchase price in the amount of RMB24,358,271 together with the corresponding interest. On 14 April 2026, the People's Court of Sanshui District, Foshan City ruled to stay the New Litigation on the ground that the Retrial Case, which is related to the New Litigation, has not yet been concluded.

53. EVENTS AFTER THE REPORTING PERIOD

There is no any significant event affecting the Group after the Reporting Year and up to the date of this report.

PARTICULARS OF INVESTMENT PROPERTIES

31 March 2026

Location	Use	Tenure	Percentage of interest attributable to the Group
Various commercial units on various levels of No. 467 Boya City Plaza Located at Xinyu Road Gaoxin District Chengdu City Sichuan Province The PRC	Commercial	Long term lease	25
Various office units on various levels of No. 467 Boya City Plaza Located at Xinyu Road Gaoxin District Chengdu City Sichuan Province The PRC	Commercial	Medium term lease	49
Various commercial units on various levels of Park 1898 Located at No. 69, Section 4, Xi'an Road Shuangliu District Chengdu City Sichuan Province The PRC	Commercial	Medium term lease	62
Various office units on various levels of Yunnan International Located at No. 756, Section 2 Hangdu Avenue Shuangliu District Chengdu City Sichuan Province The PRC	Commercial	Medium term lease	62

FIVE-YEAR FINANCIAL SUMMARY

31 March 2026

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

RESULTS

	Year ended 31 March 2026 RMB'000	Year ended 31 March 2025 RMB'000	Year ended 31 March 2024 RMB'000	Year ended 31 March 2023 RMB'000	Period from 1 January 2021 to 31 March 2022 RMB'000
REVENUE	**1,551,533**	1,618,544	1,440,982	5,174,870	11,799,624
PROFIT FOR/(LOSS) THE YEAR/PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	**1,783,484**	(2,339,899)	(785,629)	966,690	1,509,499

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March 2026 RMB'000	As at 31 March 2025 RMB'000	As at 31 March 2024 RMB'000	As at 31 March 2023 RMB'000	As at 31 March 2022 RMB'000
TOTAL ASSETS	**3,849,363**	10,212,846	11,522,949	12,648,625	18,267,389
TOTAL LIABILITIES	**(2,074,168)**	(9,815,744)	(9,015,207)	(10,113,068)	(15,878,852)
NON-CONTROLLING INTERESTS	**(1,185,512)**	(1,653,308)	(1,473,238)	(1,074,063)	(2,850,618)
	589,683	(1,256,206)	1,034,504	1,461,494	(462,081)

FINANCIAL HIGHLIGHTS

31 March 2026

	Year ended 31 March 2026 RMB'million	Year ended 31 March 2025 RMB'million	**+/(-) Change**
FINANCIAL PERFORMANCE			
Revenue	**1,552**	1,619	(4.14)%
Gross profit/(loss) margin	**7.42%**	(3.27)%	
Profit/(loss) for the year	**1,645**	(2,520)	165.28%
KEY FINANCIAL INDICATORS			
Cash and cash equivalents	**302**	601	(49.75)%
Net current assets/(liabilities)	**622**	(1,130)	155.04%
Total assets	**3,849**	10,213	(62.31)%
Total liabilities	**2,074**	9,816	(78.87)%
Interest-bearing bank and other borrowings	**129**	1,767	(92.70)%
Total equity	**1,775**	397	347.10%
Current ratio (times)	**1.33**	0.88	
Gearing ratio	**0.07**	4.45	
Basic and diluted profit/(loss) per share (RMB cents)	**65.15**	(85.99)	