Boill Healthcare Holdings Limited
保集健康控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1246)

UNAUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The board of directors (the "**Board**", or the "**Director(s)**") of Boill Healthcare Holdings Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2022, together with the audited comparative figures for the previous corresponding year and the relevant explanatory notes. For the reasons as disclosed in the announcement of the Company dated 20 June 2022 and as explained in the section headed "Delay in Publication of Audited Annual Results" below, the audit process for the annual results of the Group for the year ended 31 March 2022 has not been completed as at the date of this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	**2022** ***HK$'000*** **(Unaudited)**	2021 *HK$'000* (Audited)
Revenue	*5*	**1,016,162**	216,710
Cost of sales		**(907,740)**	(197,739)
Gross profit		**108,422**	18,971
Other income and gains or (losses), net	*6*	**(1,491)**	9,854
Selling and distribution expenses		**(19,422)**	(15,693)
Administrative and other expenses	*7*	**(59,666)**	(69,702)
(Impairment loss)/reversal of impairment loss on property, plant and equipment		**(60,759)**	4,556
Fair value loss on investment properties		**(570,405)**	(3,990)
Fair value loss on equity instruments, net	*8*	**(1,850)**	(1,074)
Share of loss from an associate		**(17,721)**	(940)
Finance costs	*9*	**(121,889)**	(122,611)
LOSS BEFORE TAX	*10*	**(744,781)**	(180,629)
Income tax (expense)/credit	*11*	**(10,954)**	5,139
LOSS FOR THE YEAR		**(755,735)**	(175,490)

	Notes	2022 HK$'000 (Unaudited)	2021 HK$'000 (Audited)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss in the subsequent periods:			
Exchange differences arising on translation to presentation currency		**41,564**	117,171
Share of other comprehensive income of an associate		**(16)**	1,407
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**41,548**	118,578
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(714,187)**	(56,912)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**(517,798)**	(142,486)
Non-controlling interests		**(237,937)**	(33,004)
		(755,735)	(175,490)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		**(477,154)**	(56,494)
Non-controlling interests		**(237,033)**	(418)
		(714,187)	(56,912)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted	*13*	**HK38.13 cents**	HK12.70 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	31 March 2022 HK$'000 (Unaudited)	31 March 2021 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**465,643**	523,965
Investment properties	*14*	**1,602,793**	1,564,394
Interest in an associate		**–**	17,737
Right-of-use assets		**572**	1,336
Total non-current assets		**2,069,008**	2,107,432
CURRENT ASSETS			
Completed properties held for sale		**62,978**	402,803
Properties under development		**1,122,003**	809,147
Contract costs		**3,797**	3,348
Contract assets	*16*	**510**	602
Prepayments, deposits and other receivables		**142,103**	290,070
Equity instruments at fair value through profit or loss		**328**	2,178
Due from a related company		**31**	30
Tax recoverable		**776**	3,208
Restricted bank deposits		**46,702**	18,197
Cash and cash equivalents		**46,516**	131,344
Total current assets		**1,425,744**	1,660,927

	Notes	31 March 2022 HK$'000 (Unaudited)	31 March 2021 HK$'000 (Audited)
CURRENT LIABILITIES			
Trade payables	*15*	**292,390**	107,494
Contract liabilities	*16*	**304,307**	899,801
Other payables and accruals		**304,322**	205,040
Due to related companies		**783,934**	783,634
Due to a director		**285**	274
Borrowings	*17*	**783,022**	800,217
Tax payables		**13,538**	1,626
Lease liabilities		**673**	812
Total current liabilities		**2,482,471**	2,798,898
NET CURRENT LIABILITIES		**(1,056,727)**	(1,137,971)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,012,281**	969,461
NON-CURRENT LIABILITIES			
Borrowings	*17*	**757,984**	–
Deferred tax liabilities		**3,128**	15,765
Lease liabilities		**–**	673
Total non-current liabilities		**761,112**	16,438
Net assets		**251,169**	953,023
EQUITY			
Equity attributable to owners of the Company			
Share capital	*18*	**339,500**	339,500
Reserves		**(351,038)**	126,116
		(11,538)	465,616
Non-controlling interests		**262,707**	487,407
Total equity		**251,169**	953,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Boill Healthcare Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered address of the Company is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Unit 2101, 21/F, Wing On Centre, 111 Connaught Road, Central, Sheung Wan, Hong Kong.

2. GOING CONCERN BASIS

The consolidated financial statements have been prepared under historical cost basis, except for investment properties and financial instruments at fair value through profit or loss, which is measured at fair value as explained in the accounting policies set out below.

During the year ended 31 March 2022, the Group has incurred a loss of approximately HK$755,735,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK$1,056,727,000. Furthermore, the Group had amount due to related companies of approximately HK$783,934,000 and borrowings of approximately HK$783,022,000 that were repayable on demand. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In the opinion of the Directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering a period up to 30 June 2023 (the "**Forecasted Period**") after taking into the following considerations:

(i) entered into in June 2021 a revised loan credit facility (the "**Facility**"), that was originally entered into by the Company in June 2019 with its controlling shareholder (a then related party) and its beneficial owner regarding the provision of a loan facility amounting to RMB900,000,000, under which the beneficial owner undertakes to provide an additional source of fund for the purpose of enhancing his commitment to provide the credit under the Facility. The Facility is unsecured, interest bearing of 5% per annum and repayable within a period of twenty-four months from drawdown date. The Group did not draw down any loan from the Facility up to the date of approval for issue of these unaudited consolidated financial statements;

(ii) entered into in June 2022, a supplemental credit facility of RMB400,000,000 with an independent third party. Under such supplemental credit facility, the borrowings of RMB400,000,000 (approximately HK$493,300,000) that were repayable on demand had been extended and would be repayable by August 2023;

(iii) banking facilities amounting to RMB780,000,000 obtained of the Group for the year ended 31 March 2022 with an unutilised amount of approximately RMB136,377,000 (approximately HK$168,187,000) as at the date of approval for issue of these unaudited consolidated financial statements;

(iv) the related parties under the common control of the substantial shareholder of the Company have agreed not to demand repayment of the amount due from the Company of HK$754,632,000 as at 31 March 2022 until the Group is in position to repay it;

(v) pre-sales and sales proceeds from properties under construction and completed properties held for sale located in the People's Republic of China (the "**PRC**") and the estimated revenue based on actual performance since its future possible development as well as the expected business development over the Forecasted Period; and

(vi) the Group is also proactively seeking for potential investors who are interested in co-development or purchase of the Group's projects.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their net realisable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effect of these adjustments has not been reflected in these financial statements.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or amended HKFRSs

In the current year, the Group has applied for the first time the following new or amended HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("**HKICPA**") to the Group's financial statements for the annual period beginning on or after 1 April 2021:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest Rate Benchmark Reform – Phase 2
- Amendments to HKFRS 16, COVID-19-Related Rent Concessions
- Amendments to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting year.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Definition of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Annual Improvements to HKFRSs 2018-2020[1]	

[1] Effective for annual periods beginning on or after 1 January 2022.

[2] Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

[3] Effective for annual periods beginning on or after 1 January 2023.

[4] The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

Amendments to HKAS 1, Classification of Liabilities as Current or Non-current and HK Interpretation 5 (2020), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Interpretation 5 (2020) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Interpretation 5 (2020) updates the wordings in the interpretation to align with the amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

Amendments to HKAS 1 and HKFRS Practice Statement 2, Disclosure of Accounting Policies

The HKICPA amended HKAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is "material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed, if it is disclosed, it should not obscure material accounting information.

To support this amendment, the HKICPA also amended HKFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to HKAS 8, Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

Amendments to HKAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings/accumulated losses, or another component of equity, as appropriate.

HKAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

Amendments to HKAS 16, Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

Amendments to HKAS 37, Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling a contract' comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to HKFRS 3, Reference to the Conceptual Framework

The amendments update HKFRS 3 so that it refers to the revised Conceptual Framework for Financial Reporting 2018 instead of the version issued in 2010. The amendments add to HKFRS 3 a requirement that, for obligations within the scope of HKAS 37, an acquirer applies HKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of HK(IFRIC)-Int 21 Levies, the acquirer applies HK(IFRIC)-Int 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

Annual Improvements to HKFRSs 2018-2020

The annual improvements amend a number of standards, including:

- HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, which permits a subsidiary that applies paragraph D16(a) of HKFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to HKFRSs.

- HKFRS 9, Financial Instruments, which clarifies the fees included in the '10 per cent' test in paragraph B3.3.6 of HKFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity and the lender, including fees paid or received by either the entity or the lender on other's behalf are included.

- HKFRS 16, Leases, which amends Illustrative Example 13 to remove the illustration of reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

- HKAS 41, Agriculture, which removes the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. The Group's reportable segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

(a) Property development: sale of properties and provision of property management services;

(b) Healthcare holiday resort development and operation: sales of properties, rental income, provision of elderly home care, healthcare and leisure services;

(c) Foundation piling: contracts for foundation piling business; and

(d) Securities investment: trading and investment in securities.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, share of result of an associate, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude interest in an associate, due from a related company, tax recoverable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude due to related companies, borrowings, tax payables, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 March 2022

	Property development *HK$'000* (Unaudited)	Healthcare holiday resort development and operation *HK$'000* (Unaudited)	Foundation piling *HK$'000* (Unaudited)	Securities investment *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue					
Revenue from external customers	**1,004,596**	**11,566**	**–**	**–**	**1,016,162**
Segment results	**91,828**	**(686,329)**	**(860)**	**(1,850)**	**(597,211)**
Interest income					**258**
Share of result from an associate					**(17,721)**
Finance costs					**(121,889)**
Corporate and other unallocated expenses, net					**(8,218)**
Loss before tax					**(744,781)**

	Property development *HK$'000* (Unaudited)	Healthcare holiday resort development and operation *HK$'000* (Unaudited)	Foundation piling *HK$'000* (Unaudited)	Securities investment *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment assets	**1,913,291**	**1,568,311**	**8,993**	**3,304**	**3,493,899**
Reconciliation:					
Due from related companies					**31**
Tax recoverable					**776**
Corporate and other unallocated assets					**46**
Total assets					**3,494,752**
Segment liabilities	**665,783**	**213,090**	**26**	**22,793**	**901,692**
Reconciliation:					
Due to related companies					**783,934**
Borrowings					**1,541,006**
Tax payables					**13,538**
Deferred tax liabilities					**3,128**
Corporate and other unallocated liabilities					**285**
Total liabilities					**3,243,583**

Year ended 31 March 2021

	Property development *HK$'000* (Audited)	Healthcare holiday resort development and operation *HK$'000* (Audited)	Foundation piling *HK$'000* (Audited)	Securities investment *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment revenue					
Revenue from external customers	204,342	11,762	606	–	216,710
Segment results	2,603	(36,804)	(1,594)	(1,138)	(36,933)
Interest income					2,702
Share of result from an associate					(940)
Finance costs					(122,611)
Unallocated gains					6,122
Corporate and other unallocated expenses, net					(28,969)
Loss before tax					(180,629)

	Property development *HK$'000* (Audited)	Healthcare holiday resort development and operation *HK$'000* (Audited)	Foundation piling *HK$'000* (Audited)	Securities investment *HK$'000* (Audited)	Total *HK$'000* (Audited)
Segment assets	1,639,342	2,091,055	7,852	7,080	3,745,329
Reconciliation:					
Interest in an associate					17,737
Due from related companies					30
Tax recoverable					3,208
Corporate and other unallocated assets					2,055
Total assets					3,768,359
Segment liabilities	1,123,035	86,144	25	4,616	1,213,820
Reconciliation:					
Due to related companies					783,634
Borrowings					800,217
Tax payables					1,626
Deferred tax liabilities					15,765
Corporate and other unallocated liabilities					274
Total liabilities					2,815,336

Geographical Information:

The revenue information is based on the location of customers. The non-current assets are based on the location of the assets and other than equity instruments at fair value through profit or loss and other receivables.

	Revenue from external customers		**Non-current assets**	
	2022	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Hong Kong	**–**	606	**585**	1,357
Mainland China	**1,016,162**	216,104	**2,068,423**	2,106,075
	1,016,162	216,710	**2,069,008**	2,107,432

5. REVENUE

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Revenue from contract with customer:		
Contract income of foundation piling works	**–**	606
Sales of properties	**1,002,669**	201,519
Provision of properties management services	**4,446**	4,396
Catering service	**3,187**	2,529
	1,010,302	209,050
Revenue from other source:		
Rental income from leasing properties with fixed payment	**5,860**	7,660
	1,016,162	216,710

6. OTHER INCOME AND GAINS OR (LOSSES), NET

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Interest income	258	2,702
Written-off of property, plant and equipment	(6)	–
Gain on disposal of property, plant and equipment, net	–	440
Gain on bargain purchase	–	6,122
Loss on disposal of investment properties	–	(2,156)
Loss on disposal of a subsidiary	(1,413)	–
Reversal of impairment loss on loans and interest receivables	–	2,907
Others	(330)	(161)
	(1,491)	9,854

7. ADMINISTRATIVE AND OTHER EXPENSES

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Auditor's remuneration	1,600	2,467
Depreciation – property, plant and equipment	21,376	19,485
Depreciation – right-of-use assets	764	191
Directors' remuneration	1,100	1,100
Foreign exchange differences, net	8,358	11,041
Legal and professional fee	4,918	9,441
Management charges and administrative expenses	4,004	3,308
Office supplies	2,620	3,701
Other taxes	407	1,548
Rent and rates	271	280
Staff costs of administrative	11,784	14,713
Travelling and transportation expenses	2,075	2,304
Others	389	123
	59,666	69,702

8. FAIR VALUE LOSS ON EQUITY INSTRUMENTS, NET

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fair value loss on equity instruments at fair value through profit or loss, net	1,850	1,074

9. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Interest on borrowings and contract liabilities	**264,465**	182,132
Interest on loan from a related company	**1,200**	1,200
Interest on lease liabilities	**102**	35
Less: Imputed interest capitalised into investment properties under construction and properties under development	**(143,878)**	(60,756)
	121,889	122,611

10. LOSS BEFORE TAX

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

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Auditor's remuneration	**1,600**	2,467
Cost of properties sold	**893,551**	184,738
Cost of services provided	**8,849**	8,113
Depreciation:		
Right-of-use assets		
– Land and buildings with ownership interest held for own use	**20,656**	18,893
– Other properties leased for own use	**764**	191
Other property, plant and equipment	**932**	654
Foreign exchange differences, net	**8,358**	11,041
Expense relating to short-term leases	**271**	280
Impairment loss/(reversal of impairment loss) on property, plant and equipment	**60,759**	(4,556)
Employee benefit expenses (excluding directors' remuneration):		
– Wages, salaries and bonus	**26,120**	25,767
– Contribution to defined contribution plans	**4,298**	2,069
Less: Amount capitalised	**(5,225)**	(1,216)
	25,193	26,620

11. INCOME TAX (EXPENSE)/CREDIT

For the year ended 31 March 2022, Hong Kong Profits Tax of the selected entity was calculated at 8.25% (2021: 8.25%) of the first HK$2,000,000 estimated assessable profits and 16.5% (2021: 16.5%) of the remaining estimated assessable profits. Hong Kong Profits Tax for the remaining entities within the Group was calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year ended 31 March 2022.

Enterprise income tax ("**EIT**") arising from the PRC is calculated at 25% (2021: 25%) of the estimated assessable profits.

The provision of PRC land appreciation tax ("**LAT**") is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided, as appropriate, at ranges of progressive rates from 30% to 60% on the appreciation value, with certain allowable deductions including land costs, borrowing costs and the relevant property development expenditure.

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Charge for the year:		
Current – PRC EIT	**18,940**	260
Current – PRC LAT	**7,911**	2,686
Over provision in respect of prior years	**(3,260)**	(2,585)
Deferred tax	**(12,637)**	(5,500)
Income tax expense/(credit)	**10,954**	(5,139)

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2022 (2021: Nil).

As stated in the announcement of the Company dated 20 June 2022, a further meeting of the Board is expected to be held after the completion of the audit for the purpose of, among others, considering the payment of a final dividend, if any. As at the date of this announcement, the Board has not resolved on whether or not a final dividend will be recommended for the year ended 31 March 2022.

13. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Calculation of the basic and diluted loss per share attributable to owners of the Company is based on:

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Loss for the year attributable to owners of the Company	**(517,798)**	(142,486)

	Number of shares	
	2022	2021
	'000	*'000*
	(Unaudited)	(Audited)
Number of shares		
Weighted average number of ordinary shares in issue during the year for the purpose of basic loss per share calculation (2021: as adjusted for share consolidation and issue of shares)	**1,358,000**	1,122,207

Diluted loss per share is the same as the basic loss per share because the Group had no dilutive potential ordinary shares outstanding during the years ended 31 March 2022 and 2021.

14. INVESTMENT PROPERTIES

	Completed	Under Construction	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2021 (Audited)	815,830	748,564	1,564,394
Additions	4,747	539,754	544,501
Loss from a fair value adjustment	(164,654)	(405,751)	(570,405)
Exchange realignment	31,121	33,182	64,303
At 31 March 2022 (Unaudited)	687,044	915,749	1,602,793

At 31 March 2022, the Group's investment properties with carrying amount of HK$1,582,690,000 (as at 31 March 2021: HK$1,545,091,000) were pledged to secure borrowings granted to the Group (Note 17).

The Group's investment properties are planned to be held under operating leases to earn rentals or for capital appreciation purposes.

15. TRADE PAYABLES

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

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 1 month	**271,419**	94,018
1 to 2 months	**4**	836
Over 2 to 3 months	**13,489**	1,181
Over 3 months	**7,478**	11,459
	292,390	107,494

16. CONTRACT ASSETS AND LIABILITIES

	2022 *HK$'000* (Unaudited)	2021 *HK$'000* (Audited)
Contract assets arising from:		
Foundation piling	**510**	602
Contract liabilities arising from:		
Sales of properties	**304,307**	898,916
Provision of property management services	**–**	885
	304,307	899,801

The timing of revenue recognition, progress billings to customers and payments received from customers would affect the amount of trade receivables, contract assets and contract liabilities recognised as at the end of the reporting date.

Typical progress billings which impact on the amount of contract assets are as follows:

Foundation piling

Contract assets represent the Group's right to consideration for work completed but not yet billed to customers at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional, that is, when the Group issues progress billings to customers based on certified amount agreed with customers. All contract assets are expected to be recovered/settled within one year.

An impairment analysis is performed at the end of the reporting period using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables appropriately grouped by similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money, and reasonable and supportable information that is available at the end of the reporting period about past events, current conditions and forecast of future economic conditions.

Typical payment terms which impact on the amount of contract liabilities are as follows:

Sales of properties

Contract liabilities represent the receipts in advance from property sales. The Group normally receives certain percentage of the contract value as deposits from customers when they sign the sale and purchase agreement. The Group expects to deliver the properties to satisfy the obligations of these contract liabilities within one year or less.

Provision of property management services

Contract liabilities represent the property management fee received in advance from the customers. The Group expects to deliver the services to satisfy the obligations of these contract liabilities within one year or less.

Movements in contract liabilities

	2022	2021
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Balance as at 1 April	**899,801**	26,392
Decrease in contract liabilities as a result of recognising revenue during the year:		
– the amount was included in the contract liabilities at the beginning of the year	**(920,765)**	(27,664)
– the amount was included in the contract liabilities during the year	**(80,667)**	–
Increase in contract liabilities as a result of billing in advance, excluding those recognised as revenue in the current year	**246,637**	30,555
Increase in contract liabilities as a result of accruing interest expenses on advances	**135,426**	18,160
Increase in contract liabilities upon acquisition of subsidiaries	**–**	830,979
Exchange realignment	**23,875**	21,379
Balance as at 31 March	**304,307**	899,801

17. BORROWINGS

	2022			2021		
	Effective interest rate ***(%)*** **(Unaudited)**	**Maturity (Unaudited)**	***HK$'000*** **(Unaudited)**	Effective interest rate *(%)* (Audited)	Maturity (Audited)	*HK$'000* (Audited)
Current						
Other loans – secured	**12.5-15**	**On demand**	**783,022**	12.5-15	On demand, June & October 2021, and March 2022	800,217
Non-current						
Bank and other loans – secured	**4.1-15**	**2023-2031**	**757,984**	N/A	N/A	–
			1,541,006			800,217

The Group's borrowings are secured by:

(i) investment properties with carrying value of HK$1,582,690,000 (2021: HK$1,545,091,000) (Note 14);

(ii) leasehold land and buildings with carrying value of HK$460,126,000 (2021: HK$517,285,000);

(iii) properties under development with carrying value of HK$548,652,000 (2021: Nil);

(iv) personal guarantee given by each of Mr. Qiu Dongfang ("**Mr. Qiu**"), a substantial shareholder of the Company, and his spouse, Ms. Huang Jian, and corporate guarantees provided by the related companies controlled by Mr. Qiu;

(v) share of an associate and interest in certain subsidiaries held by the Group; and

(vi) pledge of 710,600,000 ordinary shares of the Company held by the related companies controlled by Mr. Qiu.

18. SHARE CAPITAL

	Number of shares	Share Capital *HK$'000*
Ordinary shares of HK$0.25 each		
Authorised:		
At 31 March 2021 (Audited) and 2022 (Unaudited)	**1,600,000,000**	**400,000**
Issued and fully paid:		
At 31 March 2021 (Audited) and 2022 (Unaudited)	**1,358,000,000**	**339,500**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Property Development

Residential property project

The Group has been engaging in the property development since November 2015 and has expanded its property development business in October 2020 following completion of the acquisition of the entire equity interest of Set Flourish Ventures Limited (the "**Set Flourish**"), which through its subsidiaries, is principally engaged in the development and operation of a property project (the "**Yangzhong Project**"), which is situated at No. 1 Yihe Road, located at the east of Xinyang Road, south of Yihe Road, Sanmao Street, the central business district of Yangzhong City, Zhenjiang City, Jiangsu Province, the PRC, with a total site area of approximately 53,339 square meters. Under the Yangzhong Project, the Group plans to construct 12 buildings ranging from 6 to 34 storeys, with a total estimated gross floor area of approximately 173,457 square meters (exclusive of the basement with an aggregate gross area of approximately 31,065 square meters) for residential and commercial use, and 1,223 carparking spaces in basement one and basement two.

The Group recorded revenue of approximately HK$1,002.7 million from the sales of 671 apartments and 14 shops with an aggregate gross floor area of approximately 65,130 square meters for the year ended 31 March 2022 ("**FY2022**"), representing an increase of approximately 397.6% as compared to approximately HK$201.5 million from the sales of 128 apartments, 4 shops and 3 clubhouses with an aggregate gross floor area of approximately 14,622 square meters for the year ended 31 March 2021 ("**FY2021**").

Integrated industrial zone project

On 12 May 2021, Shanghai Baoxian Industrial Co., Ltd. (a non-wholly owned subsidiary of the Company) ("**Shanghai Baoxian**") has succeeded in the bids of the land use rights of a plot of land located at Plot 12A-01A, Industrial Comprehensive Development Zone, Fengxian District, the PRC, which is located at east to Shanghai-Hangzhou Highway, west to Renjie Road, south to Fengpu Avenue and north to Zhijiang Road (the "**Land**") with a total site area of approximately 63,481 square meters through the listing-for-sale process held by Shanghai Land Transaction Center at a consideration of RMB171,400,000 (the "**Consideration**"). The Consideration was financed by the Group's unsecured borrowings from a substantial shareholder and Hangzhou Huajianfeng Property Co., Ltd. which held 5% equity interest of Shanghai Baoxian. On the same day, Shanghai Baoxian entered into the confirmation with Shanghai Land Transaction Center confirming the successful bidding of the Land, and has entered into the state-owned construction land use rights grant contract with Shanghai Fengxian District Planning and Natural Resource Bureau in relation to the acquisition of the land use rights of the Land (the "**Land Acquisition**"). Completion of the Land Acquisition took place on 2 July 2021. Please refer to the Company's announcement dated 12 May 2021 and circular dated 9 July 2021 for further details.

The Group intends to develop the Land into an innovative hub and integrated industrial zone for companies, researchers and individuals in the medical equipment, biomedical and medical beauty industry, and such integrated zone, with an area for commercial facilities, aims to attract customers for talent residence, catering and leisure, Chinese medical and healthcare, cosmetics sales, fitness and sports, personal image consulting and other businesses. The Group plans to construct 30 buildings ranging from 1 to 18 storeys, with a total estimated gross floor area of approximately 160,090 square meters for education, scientific research and design use, and 739 carparking spaces in the basement. The construction on the Land has commenced in September 2021 and is expected to be completed before April 2024.

The Board and the Group's management will develop integrated industrial zone as a principal business of the Group.

Healthcare Holiday Resort Development and Operation

The Group has developed a resort project located at No. 1 Sheyuan Road, Sheshan Town, Songjiang District, Shanghai of the PRC (the "**Shanghai Project**"). It comprises a parcel of land with a total site area of approximately 150,602 square meters and a total gross floor area of approximately 77,213 square meters with ancillary facilities which have been developed into clubhouse, villas, apartments, and underground areas for providing health preservation, elderly care and healthcare services for customers in leasing model to derive rental and service fee income from its customers.

The above development consists of three phases. The construction works of the first two phases have been completed, and the leasable units have been leased out since November 2019, while the third construction phase is currently in the review stage of development planning. The sales and occupancy rate moved slowly during FY2022 as impacted by the outbreak of COVID-19 pandemic (the "**Pandemic**").

The Group indirectly holds 44% equity interest of Tengchong Zongheng Volcanic Tourism Development Company Limited which would be accounted for under the equity method as an associate.

It consists of nineteen parcels of land located in Ma Zhan Town, Xinglong Village, Tengchong City, Yunnan Province of the PRC, with a total site area of approximately 531,458 square meters and a total gross floor area of approximately 515,132 square meters for both residential and commercial uses. It is expected to generate revenue from the sales of holiday products comprising holiday resorts and operations of hotel, commercial and cultural tourism facilities and other auxiliary items.

Foundation Piling

The Group undertakes foundation piling projects in both the public sector and the private sector in Hong Kong. Due to the keen competition in the foundation piling market, this segment did not contribute any revenue for FY2022 (FY2021: approximately HK$0.6 million).

Facing the intense competition in the foundation piling market and the adverse impact of the Pandemic, the Group has been undergoing hardship and this segment has been recording loss continuously for FY2022 and FY2021.

Securities Investment

As at 31 March 2022, the Group had equity instruments at fair value through profit or loss of approximately HK$0.3 million (as at 31 March 2021: approximately HK$2.2 million). All these investments were equity securities listed on the Stock Exchange.

For FY2022, the Group recorded a fair value loss of equity instruments at fair value through profit or loss of approximately HK$1.9 million (FY2021: approximately HK$1.1 million).

IMPACTS OF COVID-19 PANDEMIC

The development and spread of the Pandemic since early 2020 have adversely impacted global economic activities and market sentiments. A series of precautionary and control measures have been and continue to be implemented across the PRC and Hong Kong.

These events have directly impacted on the operations of the Group including slowdown of pre-sale activities of properties and temporarily stopped the healthcare holiday resort development and operation business. The Pandemic continues to bring uncertainties to the Group's operating environment and may impact the Group's operations and financial position. Despite the unfavourable market conditions and negative impacts brought about by the Pandemic, the Group has continued to liaise with various parties and actively identified and captured businesses opportunities with growth potential, which brought to fruition the completion of Land Acquisition during FY2022.

Given the uncertainties in the future developments of the Pandemic, the Directors will continue to be cautious in monitoring the Group's on-going operations and financial performance, in particular, the cashflow position of the Group, to ensure the Group has sufficient working capital in maintaining its daily operations while proactively seeking opportunities to optimize the portfolio of its property development projects in the PRC. In battling the Pandemic, the management team of the Group has taken prompt action in protecting the Group's employees, customers and other stakeholders by putting in place various measures to prevent the spread of the Pandemic, including temperature checks, social distancing measures, work-from-home policies, etc. The Directors are optimistic that the Pandemic will eventually be under full control.

FINANCIAL REVIEW

Revenue

The revenue of the Group for FY2022 was approximately HK$1,016.2 million, representing an increase of approximately HK$799.5 million or 368.9% as compared to the revenue of approximately HK$216.7 million for FY2021.

The increase in revenue was mainly due to the increase in the delivery of properties under the Yangzhong Project during FY2022. The revenue from the property development business of the Group increased by approximately HK$800.3 million for FY2022, representing an increase of approximately 391.6% over FY2021.

Gross Profit

The gross profit of the Group for FY2022 was approximately HK$108.4 million, representing an increase of approximately HK$89.4 million or 470.5% as compared to the gross profit of approximately HK$19.0 million for FY2021.

The increase in gross profit was mainly due to the increase in the delivery of properties under the Yangzhong Project.

Other income and gains or (losses), net

The other income and losses, net of the Group for FY2022 were approximately HK$1.5 million (FY2021: gain of approximately HK$9.9 million), which mainly comprised loss on disposal of a subsidiary.

The change from other income and gains, net to losses, net was mainly due to the non-recurring gain on bargain purchase from the acquisition of the Yangzhong Project and the non-recurring reversal of impairment loss on loans and interest receivables in FY2021.

Selling and distribution expenses

The selling and distribution expenses of the Group, which were mainly incurred in the property development business and the healthcare holiday resort development and operation business, increased from approximately HK$15.7 million for FY2021 to approximately HK$19.4 million for FY2022. The increase was mainly due to the increased advertising costs and marketing staff costs following the enlarged sales in property development business.

Administrative and other expenses

The administrative and other expenses of the Group for FY2022 were approximately HK$59.7 million, representing a decrease of approximately HK$10.0 million from approximately HK$69.7 million for FY2021. Such decrease was mainly due to the decrease in staff costs as a result of the decrease in number of employees and the decrease in legal and professional fee incurred in FY2021 in relation to the acquisition of Set Flourish.

Finance costs

The finance costs of the Group for FY2022 were approximately HK$121.9 million, which remained stable as compared with approximately HK$122.6 million for FY2021.

Income tax (expense)/credit

The income tax expense of the Group was approximately HK$11.0 million for FY2022 as compared to the income tax credit of approximately HK$5.1 million for FY2021. The change from tax credit to tax expense was mainly due to the increase in the gross profit resulting in more tax expense being recognised.

Net loss

The net loss of the Group was approximately HK$755.7 million for FY2022 as compared to approximately HK$175.5 million for FY2021.

The significant increase in net loss for FY2022 was mainly due to (i) the fair value loss on investment properties and impairment loss on property, plant and equipment due to the adverse impact caused by the outbreak of the Pandemic and the weakened demand of potential home-buying customers due to deterioration of their overall financial condition brought by the uncertain global macro-economic environment; and (ii) the increase in income tax and land appreciation tax provided as a result of the increase in delivery of properties.

BUSINESS PROSPECTS

Property Development and Healthcare Holiday Resort Development and Operation

Following the outbreak of the Pandemic, economic development has been hampered by pandemic prevention and control measures. The prospects for global economic recovery are uncertain. The crisis may have a material impact on the Group's financial results and development plan. The management of the Company foresees that the remaining of 2022 will be full of challenges. In terms of housing control policies, the central government of the PRC maintained the stability of property market and adjustment measures will be adopted to regulate the short-term overheating of real estate investments, which in turn is conducive to achieving long-term control objectives of "housing is for living, not for speculation" and "stabilising land prices, housing prices and expectations", and maintaining market expectations.

Integrated industrial zone project

In line with the vigorous development trend of domestic strategic emerging industries, and taking into account the resources and advantages that the Company's substantial shareholder , Boill Holding Group Co., Ltd. ("**Boill Holding**"), has cultivated and accumulated over the years, which can be used to support the development of the Group, the Group has established the development strategy for the development, construction, operation and investment in integrated industrial zones focusing on biomedicine and artificial intelligence.

In respect of the Shanghai Fengxian Boill e Pharmaceutical Valley, the Group will further explore the integrated industrial zones (biomedicine + artificial intelligence) in the Yangtze River Delta, and provide target enterprise customers with one-stop integrated services from construction carrier, industrial supporting operation, fund investment to capital market exit. Meanwhile, with capital and assets as the link, the Group will seize opportunity to enter the high-growth segment of strategic emerging industries.

In addition, in terms of market positioning, product planning and design, as well as asset-light services such as park investment and operation of the Group's own integrated industrial zone projects, the Group will actively expand and develop the asset-light service business of integrated industrial zones, including market-oriented undertaking of the asset-light service business of integrated industrial zones from state-owned enterprises and other private enterprises.

In the future, with the support of Boill Holding, which was rated as the top 20 industry city operators in Shanghai and the top 50 national industry city operators, the Group will follow the development trend and opportunities of market demand, build industrial operation service capabilities through win-win cooperation, and actively cultivate and develop the asset-light service business of integrated industrial zones. Through win-win cooperation, the Group will build system capabilities in fund operation and capital operation, and is confident to develop into an industry integration service operator with a first-class brand in the Yangtze River Delta of China.

Foundation Piling

The performance of the foundation industry has still been negatively affected by the intense competition in the market. The income from this segment will remain low and continue to suffer losses. The Board will continue to review the foundation piling business and the Group will continue to explore business opportunities to minimise the losses from the foundation piling business and to review various alternatives that are in the best interest of the Group and the shareholders of the Company (the "**Shareholders**").

Securities Investment

The Board understands that the performance of the investments in securities may be affected by the degree of volatility in the Hong Kong stock market and will be subject to other external factors. The Group will continuously evaluate the performance of the existing investment portfolio and will consider to sell the existing listed securities gradually based on the market situation and utilise the proceeds from the disposal for other future business.

DEBTS AND CHARGE ON ASSETS

As at 31 March 2022, the interest-bearing borrowings of the Group consisted of a loan from a related company of approximately HK$24.0 million (as at 31 March 2021: approximately HK$24.0 million) and borrowings of approximately HK$1,541.0 million (as at 31 March 2021: approximately HK$800.2 million). The Group's interest-bearing borrowings of approximately HK$807.0 million were repayable on demand and bearing interests at fixed rate ranging from 5% to 15% per annum (FY2021: at fixed rate ranging from 5% to 15% per annum).

As at 31 March 2022, the Group's borrowings of approximately HK$1,541.0 million (as at 31 March 2021: approximately HK$800.2 million) were secured by (i) investment properties with carrying value of approximately HK$1,582.7 million; (ii) leasehold land and buildings with carrying value of approximately HK$460.1 million; (iii) properties under development with carrying value of approximately HK$548.7 million; (iv) personal guarantee given by each of Mr. Qiu Dongfang ("**Mr. Qiu**"), a substantial shareholder of the Company, and his spouse, Ms. Huang Jian ("**Ms. Huang**"), and corporate guarantees provided by the related companies controlled by Mr. Qiu; (v) share of an associate and interest in certain subsidiaries held by the Group; and (vi) pledge of 710,600,000 ordinary shares of the Company (the "**Shares**") held by the related companies controlled by Mr. Qiu.

Save as disclosed above, the Group did not pledge any assets to bank or other financial institutions nor did the Group have any corporate guarantee given to any entity as at 31 March 2022.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2022, the Group had net current liabilities of approximately HK$1,056.7 million (as at 31 March 2021: approximately HK$1,138.0 million) and cash and bank deposits (excluding restricted bank deposits) of approximately HK$46.5 million (as at 31 March 2021: approximately HK$131.3 million).

As at 31 March 2022, the gearing ratio of the Group (defined as total interest-bearing borrowings divided by the Group's total equity) was 623.1% (as at 31 March 2021: 86.5%).

The Directors are satisfied that the Group will have sufficient working capital for its present requirements, having taking into account the following:

(i) the Company entered into in June 2021 a revised loan credit facility (the "**Facility**"), that was originally entered into by the Company in June 2019 with its controlling shareholder (a then related party) and its beneficial owner regarding the provision of a loan facility amounting to RMB900,000,000, under which the beneficial owner undertakes to provide an additional source of fund for the purpose of enhancing his commitment to provide the credit under the Facility. The Facility is unsecured, interest bearing of 5% per annum and repayable within a period of twenty-four months from drawdown date. The Group did not draw down any loan from the Facility up to the date of approval for issue of these unaudited consolidated financial statements;

(ii) entered into in June 2022, a supplemental credit facility of RMB400,000,000 with an independent third party. Under such supplemental credit facility, the borrowings of RMB400,000,000 (approximately HK$493,300,000) that were repayable on demand had been extended and would be repayable by August 2023;

(iii) banking facilities amounting to RMB780,000,000 obtained by the Group for FY2022 with an unutilised amount of approximately RMB136,377,000 (approximately HK$168,187,000) as at the date of approval for issue of these unaudited consolidated financial statements;

(iv) the related parties under the common control of the substantial shareholder of the Company have agreed not to demand repayment of the amount due from the Company of HK$754,632,000 as at 31 March 2022 until the Group is in position to repay it;

(v) the Group's pre-sales and sales proceeds from properties under construction and completed properties held for sale located in the PRC and the estimated revenue based on actual performance since its future possible development as well as the expected business development over the forecasted period; and

(vi) the Group is also proactively seeking for potential investors who are interested in co-development or purchase of the Group's projects.

FOREIGN EXCHANGE RISK

The majority of the Group's assets and cash flows were denominated in RMB, but major parts of the Group's interest-bearing borrowing were denominated in US dollar. During FY2022, the steady appreciation of RMB against US dollar or HK$ had a positive effect on translation as the reporting currency of the Group was HK$. Apart from that, the management of the Company viewed that the change in exchange rate of RMB against foreign currencies had significant impact on the Group's financial position and performance during FY2022 given that the functional currency of the Group was HK$. During FY2022, the Group did not engage in any hedging activities and the Group has no intention to carry out any hedging activities in the near future. The management of the Group will continue to closely monitor the foreign currency market and consider carrying out hedging activities when necessary.

CAPITAL COMMITMENTS

As at 31 March 2022, the Group had capital commitments of approximately HK$260.4 million (as at 31 March 2021: Nil) in respect of the development costs for property development business, and healthcare holiday resort development and operation business.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during FY2022.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as the Land Acquisition as disclosed in this announcement, there was no other material acquisitions or disposals of any subsidiaries, associates or joint ventures during FY2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the date of this announcement, the Board had not authorised any plans for material investments or additions of capital assets.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 March 2022.

EMPLOYEE AND HUMAN RESOURCES POLICY

The Group had a total of 104 employees as at 31 March 2022, of which 94 employees worked in the PRC and 10 worked in Hong Kong. Total employee costs for FY2022 amounted to approximately HK$30.4 million (FY2021: approximately HK$27.8 million).

Employee remuneration packages are maintained at competitive levels and employees are rewarded through the Group's salary and bonus system. The Group provides adequate job training to employees to equip them with practical knowledge and skills.

Pursuant to the share option scheme adopted by the Company on 22 September 2013 ("**Share Option Scheme**"), the Board may grant options to Directors (including non-executive Directors and independent non-executive Directors), employees of the Company and any of its subsidiaries and associated companies, to subscribe for shares of the Company. During FY2022, no options were granted under the Share Option Scheme.

FINAL DIVIDEND

As stated in the announcement of the Company dated 20 June 2022, a further meeting of the Board is expected to be held after the completion of the audit for the purpose of, among others, considering the payment of a final dividend, if any. As at the date of this announcement, the Board has not resolved on whether or not a final dividend will be recommended for FY2022 (FY2021: Nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and articles of association of the Company or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to its existing Shareholders.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

Reference is made to the announcement of the Company dated 31 December 2021.

On 31 December 2021, Boill International Co. Limited ("**Boill International**") and Liyao Investment Limited ("**Liyao**"), pledged 450,600,000 and 260,000,000 Shares (collectively, the "**Pledged Shares**") in favour of China Huarong International Holdings Limited (the "**Lender**") as security for a facility provided by the Lender to the Company, as borrower, with an outstanding principal amount of USD39,500,000. The Pledged Shares represent approximately 52.33% of the issued Shares as at the date of this announcement.

Boill International is a company incorporated in Hong Kong and wholly-owned by Boill Holding, which in turn is held as to 97.64% and 2.36% by Mr. Qiu and Ms. Huang, respectively. Liyao is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Qiu. Accordingly, Mr. Qiu is deemed to be interested in the 450,600,000 Shares held by Boill International and the 260,000,000 Shares held by Liyao. As at the date of this announcement, Mr. Qiu has an interest of approximately 52.33% in the total issued Shares.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2022 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during FY2022.

CORPORATE GOVERNANCE CODE

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term and continuing success of the Group. The Board is committed in maintaining good corporate standards and procedures for the best interest of the Shareholders. The Board will continue to review its corporate governance practices from time to time to ensure that the Group complies with the statutory requirements and the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and align with the latest developments. Throughout FY2022, the Company had complied with the applicable code provisions of the CG Code in force during the year, except for the deviation from code provision A.2.1 (which has been renumbered as code provision C.2.1 since 1 January 2022) as explained below:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Dai Dong Xing ("**Mr. Dai**"), an executive Director, currently acts as chairman of the Board and the Company does not have any offices with the title of "Chief Executive Officer". Mr. Dai, together with other executive Director, are responsible for the overall business strategy and development and management of the Group's business. The Board meets regularly to consider major matters affecting the operations of the Group.

The Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Company. However, the Board will review the board composition regularly and consider to appoint a chief executive officer if a suitable person is identified.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Director's securities transactions pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer ("**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry by the Company, all the Directors have confirmed their compliance with the Model Code and the Company's code of conduct throughout FY2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Having made specific enquiry, all the Directors have confirmed that neither themselves nor any of their respective close associates (as defined in the Listing Rules) held any position or had interest in any business or companies that were or might be materially competing with the business of the Group or would give rise to any concern regarding conflict of interests during FY2022.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the Directors and based on information available in the public domain concerning the Company, at least 25% of the Company's issued share capital was held by the public as at the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") has reviewed the unaudited consolidated financial statements of the Group for FY2022. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, risk management and internal control systems with senior management members of the Company.

DELAY IN PUBLICATION OF AUDITED ANNUAL RESULTS

Reference is made to the announcement of the Company dated 20 June 2022.

Due to the restrictions in Mainland China as a result of the outbreak of the Pandemic, the audit procedures of the Group could not be completed as scheduled, which mainly include (i) the delay in obtaining certain confirmations from the banks and financial institutions due to the restrictions on logistics; and (ii) the delay in audit procedures which require on-site verification. As a result, there was unexpected delay to the original audit work plan and schedule, and the Company was not able to complete the necessary procedures in order to finalise its audited consolidated financial statements for the year ended 31 March 2022 (the "**2022 Audited Annual Results**") by 30 June 2022.

In order to keep Shareholders and potential investors informed of the business and financial position of the Group, the Company announces the unaudited consolidated results of the Group for the year ended 31 March 2022 by way of this announcement based on the consolidated management accounts of the Company for the year ended 31 March 2022, which have been reviewed by the Audit Committee but have yet to be agreed with the auditors of the Company (the "**Auditors**").

Following the completion of the audit work by the Auditors, the Company will issue further announcement(s) containing, among others, (i) the 2022 Audited Annual Results as agreed by the Auditors and adjustments (if any) to the unaudited annual results contained herein; (ii) the proposed date on which the forthcoming annual general meeting (the "**AGM**") will be held; and (iii) the period during which the register of members of the Company will be closed in order to ascertain Shareholders' eligibility to attend and vote at the AGM (and the proposed arrangements relating to dividend payment, if any). The Company will issue further announcement(s) as and when necessary if there are other material developments in the completion of the auditing process.

Subject to the completion of audit, barring unforeseen circumstances, the Company currently expects to issue a further announcement by no later than 29 July 2022 in relation to the 2022 Audited Annual Results as agreed by the Auditors and the adjustments (if any) to the unaudited annual results contained in this announcement. The annual report of the Company for the year ended 31 March 2022 will be despatched to the Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

PUBLICATION OF THE ANNOUNCEMENT ON DESIGNATED WEBSITES

This announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.boillhealthcare.com.hk).

The financial information contained herein in respect of the annual results of the Group has not been audited and has not been agreed with the auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Boill Healthcare Holdings Limited
Dai Dong Xing
Executive Director and Chairman

Hong Kong, 30 June 2022

As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Dai Dong Xing and Mr. Zhang Sheng Hai; (ii) one non-executive Director, namely Mr. Chui Kwong Kau; and (iii) three independent non-executive Directors, namely Mr. Chan Chi Keung Billy, Mr. Xu Liang Wei and Mr. Wang Zhe.