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**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)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Boill Healthcare Holdings Limited (the “**Company**”) announces the unaudited results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2022, together with the comparative figures for the corresponding period in 2021 as set out below. The unaudited condensed consolidated interim financial information has been reviewed by the audit committee of the Company (the “**Audit Committee**”).

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**

		<b>For the six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2022</b>	2021
		<i>HK\$’000</i>	<i>HK\$’000</i>
		<b>(Unaudited)</b>	(Unaudited)
Revenue	6	<b>271,648</b>	842,276
Cost of sales		<u><b>(261,847)</b></u>	<u>(762,711)</u>
Gross profit		<b>9,801</b>	79,565
Other income and gains, net		<b>1,510</b>	142
Fair value (loss)/gain on investment properties		<b>(33,759)</b>	3,494
Fair value loss on equity instruments, net		<b>(55)</b>	(1,485)
Selling and distribution expenses		<b>(2,970)</b>	(9,854)
Administrative and other expenses		<b>(25,523)</b>	(30,402)
Share of loss from an associate		–	(1,538)
Finance costs	7	<b>(58,052)</b>	(61,674)
Impairment loss on property, plant and equipment		<u><b>(14,525)</b></u>	<u>–</u>

		<b>For the six months ended</b>	
		<b>30 September</b>	
	<i>Notes</i>	<b>2022</b>	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	(Unaudited)
<b>LOSS BEFORE TAX</b>	8	<b>(123,573)</b>	(21,752)
Income tax expense	9	<u><b>(4,546)</b></u>	<u>(5,376)</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(128,119)</b></u>	<u>(27,128)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may be reclassified to profit or loss in the subsequent periods:			
Exchange differences arising on translation to presentation currency		<b>(56,696)</b>	23,308
Share of other comprehensive income of an associate		<u>–</u>	<u>313</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<u><b>(56,696)</b></u>	<u>23,621</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>(184,815)</b></u>	<u>(3,507)</u>
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(96,012)</b>	(9,765)
Non-controlling interests		<u><b>(32,107)</b></u>	<u>(17,363)</u>
		<u><b>(128,119)</b></u>	<u>(27,128)</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(64,170)</b>	4,037
Non-controlling interests		<u><b>(120,645)</b></u>	<u>(7,544)</u>
		<u><b>(184,815)</b></u>	<u>(3,507)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted	<i>11</i>	<u><b>HK7.07 cent</b></u>	<u>HK0.72 cent</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2022 <i>HK\$'000</i> (Unaudited)	At 31 March 2022 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		398,197	465,643
Investment properties	12	1,466,236	1,602,793
Right-of-use assets		191	572
<b>Total non-current assets</b>		<b>1,864,624</b>	<b>2,069,008</b>
<b>CURRENT ASSETS</b>			
Completed properties held for sale		67,687	62,978
Properties under development		980,080	1,122,003
Trade receivables	13	51,616	–
Contract costs		3,397	3,797
Contract assets		–	510
Prepayments, deposits and other receivables	14	79,447	142,103
Equity instruments at fair value through profit or loss		273	328
Due from a related company	20(c)	28	31
Tax recoverable		1,854	776
Restricted cash		28,166	46,702
Cash and cash equivalents		35,458	46,516
<b>Total current assets</b>		<b>1,248,006</b>	<b>1,425,744</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	15	353,791	292,390
Contract liabilities		185,727	304,307
Other payables and accruals	16	331,465	304,322
Due to related companies	20(a) to (b)	674,904	783,934
Due to a director		255	285
Borrowings	17	731,693	783,022
Lease liabilities		238	673
Tax payables		4,552	13,538
<b>Total current liabilities</b>		<b>2,282,625</b>	<b>2,482,471</b>
<b>NET CURRENT LIABILITIES</b>		<b>(1,034,619)</b>	<b>(1,056,727)</b>

	<i>Notes</i>	At <b>30 September</b> <b>2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>	At 31 March 2022 <i>HK\$'000</i> <b>(Audited)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>830,005</b></u>	<u>1,012,281</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		<b>759,647</b>	757,984
Deferred tax liabilities		<u><b>4,004</b></u>	<u>3,128</u>
<b>Total non-current liabilities</b>		<u><b>763,651</b></u>	<u>761,112</u>
<b>Net assets</b>		<u><b>66,354</b></u>	<u>251,169</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	<i>19</i>	<b>339,500</b>	339,500
Reserves		<u><b>(415,208)</b></u>	<u>(351,038)</u>
		<b>(75,708)</b>	(11,538)
Non-controlling interests		<u><b>142,062</b></u>	<u>262,707</u>
<b>Total equity</b>		<u><b>66,354</b></u>	<u>251,169</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 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, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Room 2101, 21/F, Wing On Centre, No. 111 Connaught Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (the “**Group**”) are principally engaged in the property development, healthcare holiday resort development and operation, foundation piling and securities investment.

## 2. BASIS OF PRESENTATION

During the six months ended 30 September 2022, the Group has incurred a loss of approximately HK\$128,119,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$1,034,619,000. Furthermore, the Group had amounts due to related companies of approximately HK\$790,183,000 and borrowings of approximately HK\$731,693,000 (Note 17) that are due for repayment within one year from 30 September 2022. 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 one year period from the date of approval for issue of these unaudited condensed consolidated interim financial information (the “**Forecast Period**”) after taking into account the following considerations:

- (i) the availability of undrawn credit facilities as at the date of approval of these unaudited condensed consolidated interim financial information of the Group as set forth below:
  - (a) a loan facility of RMB900,000,000 as per a revised loan credit facility (the “**Facility**”) entered into in June 2021, that was originally entered into by the Company in June 2019 with its controlling shareholder (a then related party) and its beneficial owner. The Facility is unsecured, interest bearing at 5% per annum and repayable within a period of twenty-four months from drawdown date; and
  - (b) banking facilities of approximately RMB136,377,000 (approximately HK\$150,443,000) for the construction of the integrated industrial zone project located in the People’s Republic of China (the “**PRC**”);

- (ii) the Company's related parties have undertaken not to demand for repayment of the amounts due to them amounting to HK\$790,183,000 as at 30 September 2022 until the Group is in the position to repay;
- (iii) pre-sales and sales proceeds from properties 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 Forecast Period; and
- (iv) proceeds from the disposal of certain non-current assets of the Group.

Accordingly, the unaudited condensed consolidated interim financial information has been prepared on a going concern basis.

The unaudited condensed consolidated interim financial information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to operate as a going concern.

### **3. BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial information has been prepared in accordance with the disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all HKFRSs, HKASs and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), except for the adoption of the new or amended HKFRSs, as stated in note 4 to the unaudited condensed consolidated interim financial information below.

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2022 has been prepared under the historical cost convention, except for investment properties and financial instruments at fair value through profit or loss, which have been measured at fair value. The unaudited condensed consolidated interim financial information is presented in Hong Kong dollars ("**HK\$**") and all values are rounded to the nearest thousand except when otherwise indicated.

### **4. ACCOUNTING POLICIES**

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 3, HKAS 16, HKAS 37 and Annual Improvements to HKFRSs 2018-2020

The above new or amended HKFRSs have had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial information.

## **5. USE OF JUDGEMENTS AND ESTIMATES**

In preparing these unaudited condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2022.

## **6. 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:

- i. Property development: sale of properties, sale of construction materials and provision of property management services;
- ii. Healthcare holiday resort development and operation: sale of properties, rental income, provision of elderly home care, healthcare and leisure services;
- iii. Foundation piling: contracts for foundation piling business; and
- iv. Securities investment: trading and investment in securities.

The 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 loss before tax except that interest income, share of loss from an associate, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude amount 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 amounts 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.

*Six months ended 30 September 2022*

	Property development <i>HK\$'000</i> (Unaudited)	Healthcare holiday resort development and operation <i>HK\$'000</i> (Unaudited)	Foundation piling <i>HK\$'000</i> (Unaudited)	Securities investment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue from external customers	<u>268,047</u>	<u>3,601</u>	<u>-</u>	<u>-</u>	<u>271,648</u>
Segment results	<u>(6,935)</u>	<u>(64,651)</u>	<u>(353)</u>	<u>(55)</u>	<u>(71,994)</u>
Interest income					116
Corporate and other unallocated income and expenses, net					6,357
Finance costs					<u>(58,052)</u>
Loss before tax					<u><u>(123,573)</u></u>
<i>Other segment information:</i>					
Depreciation	(137)	(8,429)	(1)	(383)	(8,950)
Fair value loss on equity instruments at fair value through profit or loss	-	-	-	(55)	(55)
Fair value gain/(loss) on investment properties	4,088	(37,847)	-	-	(33,759)
Impairment loss on property, plant and equipment	-	(14,525)	-	-	(14,525)
Capital expenditure*	<u>(58,793)</u>	<u>(9,703)</u>	<u>-</u>	<u>-</u>	<u>(68,496)</u>

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



*Six months ended 30 September 2021*

	Property development <i>HK\$'000</i> (Unaudited)	Healthcare holiday resort development and operation <i>HK\$'000</i> (Unaudited)	Foundation piling <i>HK\$'000</i> (Unaudited)	Securities investment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>Revenue from external customers</b>	<u>835,997</u>	<u>6,279</u>	<u>-</u>	<u>-</u>	<u>842,276</u>
<b>Segment results</b>	<u>71,167</u>	<u>(19,223)</u>	<u>(374)</u>	<u>(1,485)</u>	50,085
<b>Interest income</b>					162
<b>Corporate and other unallocated income and expenses, net</b>					(8,787)
<b>Share of loss from an associate</b>					(1,538)
<b>Finance costs</b>					<u>(61,674)</u>
<b>Loss before tax</b>					<u><u>(21,752)</u></u>
<i>Other segment information:</i>					
Depreciation	(1,208)	(9,685)	(6)	(384)	(11,283)
Fair value loss on equity instruments at fair value through profit or loss	-	-	-	(1,485)	(1,485)
Fair value gain on investment properties	3,494	-	-	-	3,494
Loss on disposal of investment properties	-	(244)	-	-	(244)
Loss on disposal of items of property, plant and equipment	(3)	(3)	-	-	(6)
Capital expenditure*	<u>(128,978)</u>	<u>(699)</u>	<u>-</u>	<u>-</u>	<u>(129,677)</u>

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

*As at 30 September 2022*

	Property development <i>HK\$'000</i> (Unaudited)	Healthcare holiday resort development and operation <i>HK\$'000</i> (Unaudited)	Foundation piling <i>HK\$'000</i> (Unaudited)	Securities investment <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>Segment assets</b>	<u>1,803,820</u>	<u>1,295,618</u>	<u>8,639</u>	<u>2,619</u>	3,110,696
<i>Reconciliation:</i>					
Due from a related company					28
Tax recoverable					1,854
Corporate and other unallocated assets					<u>52</u>
<b>Total assets</b>					<u>3,112,630</u>
<b>Segment liabilities</b>	<u>607,261</u>	<u>222,010</u>	<u>25</u>	<u>41,925</u>	871,221
<i>Reconciliation:</i>					
Due to related companies					674,904
Borrowings					1,491,340
Tax payables					4,552
Deferred tax liabilities					4,004
Corporate and other unallocated liabilities					<u>255</u>
<b>Total liabilities</b>					<u>3,046,276</u>

*As at 31 March 2022*

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

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest on borrowings	<b>86,309</b>	124,016
Interest on loan from a related company	<b>602</b>	602
Interest on lease liabilities	<b>22</b>	60
<i>Less:</i> Imputed interest capitalised into investment properties under construction and properties under development	<u><b>(28,881)</b></u>	<u>(63,004)</u>
	<u><b>58,052</b></u>	<u>61,674</u>

## 8. LOSS BEFORE TAX

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

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest income	(116)	(162)
Cost of properties sold	148,383	755,248
Cost of services provided	3,641	4,682
Cost of construction materials sold	108,092	–
Depreciation	8,950	11,283
Foreign exchange differences, net	2,552	4,919
Loss on disposal of items of property, plant and equipment	–	6
Loss on disposal of investment properties	–	244
Employee benefit expenses (excluding directors' remuneration):		
Wages and salaries	8,212	14,826
Pension scheme contributions	1,466	1,895
Less: Amount capitalised	(1,804)	(2,543)
	<u>7,874</u>	<u>14,178</u>

## 9. INCOME TAX EXPENSE

For the six months ended 30 September 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 six months ended 30 September 2022. There were no estimated assessable profits for the six months ended 30 September 2022 (2021: Nil).

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

The provision of The People's Republic of China Land Appreciation Tax (the “PRC LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC 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.

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Charged for the period:		
Current – PRC EIT	860	2
Current – PRC LAT	2,664	12,733
Under/(over) provision in respect of prior years	146	(128)
Deferred tax for the period	<u>876</u>	<u>(7,231)</u>
Income tax expense for the period	<u>4,546</u>	<u>5,376</u>

## 10. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2022 (2021: Nil).

## 11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the period attributable to owners of the Company	<u><b>96,012</b></u>	<u><b>9,765</b></u>
	<b>Number of shares</b>	
	<b>Six months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares in issue during the period for the purpose of basic loss per share	<u><b>1,358,000,000</b></u>	<u><b>1,358,000,000</b></u>

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 six months ended 30 September 2022 and 2021.

## 12. INVESTMENT PROPERTIES

	<b>Completed</b>	<b>Under construction</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>At 1 April 2022 (audited)</b>	687,044	915,749	1,602,793
Additions	5,989	58,793	64,782
Decrease in fair value	(27,578)	(6,181)	(33,759)
Exchange realignment	<u>(71,304)</u>	<u>(96,276)</u>	<u>(167,580)</u>
<b>At 30 September 2022 (unaudited)</b>	<u><b>594,151</b></u>	<u><b>872,085</b></u>	<u><b>1,466,236</b></u>

At 30 September 2022, the Group's investment properties with carrying amount of HK\$1,448,254,000 (as at 31 March 2022: HK\$1,582,690,000) were pledged to secure borrowings granted to the Group (note 17).

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

### 13. TRADE RECEIVABLES

	<b>30 September 2022 <i>HK\$'000</i> (Unaudited)</b>	31 March 2022 <i>HK\$'000</i> (Audited)
Trade receivables	<b><u>51,616</u></b>	<u>–</u>

Trade receivables represent receivables from sales of construction materials for property development business. Trade receivables are past due when a counterparty has failed to make a payment when contractually due and the credit period granted to customers is generally for a period of one month or otherwise the payment terms in the sales of construction material contract. Trade receivables are non-interest bearing.

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

	<b>30 September 2022 <i>HK\$'000</i> (Unaudited)</b>	31 March 2022 <i>HK\$'000</i> (Audited)
Within 1 month	–	–
1 to 2 month	–	–
2 to 3 months	<b>51,498</b>	–
Over 3 months	<b><u>118</u></b>	<u>–</u>
	<b><u>51,616</u></b>	<u>–</u>

#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Prepayments	32,787	63,420
Deposits and other receivables	<u>46,660</u>	<u>78,683</u>
	<u><u>79,447</u></u>	<u><u>142,103</u></u>

#### 15. TRADE PAYABLES

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

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Current or within 1 month	235,180	271,419
1 to 2 months	–	4
2 to 3 months	89,452	13,489
Over 3 months	<u>29,159</u>	<u>7,478</u>
	<u><u>353,791</u></u>	<u><u>292,390</u></u>

#### 16. OTHER PAYABLES AND ACCRUALS

	30 September 2022 <i>HK\$'000</i> (Unaudited)	31 March 2022 <i>HK\$'000</i> (Audited)
Accruals	61,208	45,430
Deposits received	718	851
Other payables ( <i>note</i> )	<u>269,539</u>	<u>258,041</u>
	<u><u>331,465</u></u>	<u><u>304,322</u></u>

*Note:* The amount included construction costs paid by a related company, Boill Holding Group Co., Ltd, on behalf of the Group of approximately HK\$115,279,000 (as at 31 March 2022: HK\$130,293,000). The amount due is unsecured, interest-free and repayable on demand.

## 17. BORROWINGS

	30 September 2022			31 March 2022		
	Effective interest rate (%) (Unaudited)	Maturity (Unaudited)	HK\$'000 (Unaudited)	Effective interest rate (%) (Audited)	Maturity (Audited)	HK\$'000 (Audited)
<b>Current</b>						
Other loans – secured	12.5-15	October 2022 - August 2023	<u>731,693</u>	12.5-15	On demand	<u>783,022</u>
<b>Non-current</b>						
Bank loan – secured	3.95-4.15	June 2024 - October 2031	<u>710,006</u>	4.10-4.15	June 2024 - October 2031	<u>702,488</u>
Other loan – secured	15	December 2023	<u>49,641</u>	15	December 2023	<u>55,496</u>
			<u>759,647</u>			<u>757,984</u>
			<u><u>1,491,340</u></u>			<u><u>1,541,006</u></u>

As at 30 September 2022, the Group's borrowings were secured by:

- (i) investment properties with carrying value of HK\$1,448,254,000 (note 12);
- (ii) leasehold land and buildings with carrying value of HK\$393,489,000;
- (iii) properties under development with carrying value of HK\$549,561,000;
- (iv) personal guarantee given by each of Mr. Qiu Dongfang (“**Mr. Qiu**”), a substantial shareholder and a director 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. CAPITAL COMMITMENTS

As at 30 September 2022 and 31 March 2022, the Group did not have any significant capital commitments.



## 19. SHARE CAPITAL

	30 September 2022		31 March 2022	
	Number of shares (Unaudited)	HK\$'000 (Unaudited)	Number of shares (Audited)	HK\$'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.25 each	<u>4,800,000,000</u>	<u>1,200,000</u>	1,600,000,000	400,000
Issued and fully paid:				
Ordinary shares of HK\$0.25 each	<u>1,358,000,000</u>	<u>339,500</u>	<u>1,358,000,000</u>	<u>339,500</u>

On 9 September 2022, an ordinary resolution was passed at the annual general meeting of the Company to approve the increase in authorised share capital of the Company from HK\$400,000,000 divided into 1,600,000,000 shares of HK\$0.25 each to HK\$1,200,000,000 divided into 4,800,000,000 shares of HK\$0.25 each by the creation of an additional 3,200,000,000 unissued shares of HK\$0.25 each.

## 20. RELATED PARTY TRANSACTIONS

- (a) As at 30 September 2022, the amount included a loan advanced from Excellent Speed Limited (“**Excellent Speed**”) of HK\$23,998,000 (as at 31 March 2022: HK\$23,998,000), interest payables of HK\$3,906,000 (as at 31 March 2022: HK\$3,304,000) and cash advance from Excellent Speed of HK\$2,000,000 (as at 31 March 2022: HK\$2,000,000). Excellent Speed is beneficially owned as to 50% by Dr. Wong Sai Chung, Albert (“**Dr. Albert Wong**”) and as to 50% by Mr. Lam Wing Sum (“**Mr. WS Lam**”). Dr. Albert Wong and Mr. WS Lam are directors of subsidiaries of the Group as at 30 September 2022 and 31 March 2022. The loan advanced from Excellent Speed is unsecured, bears interest at 5% per annum and repayable on demand.

During the six months ended 30 September 2022, the finance costs charged to the Group for the amount due to Excellent Speed were HK\$602,000 (2021: HK\$602,000).

- (b) Amounts due to related companies include amounts due to companies which Mr. Qiu, a substantial shareholder and a director of the Company, is the ultimate controlling shareholder, in the sum of HK\$645,000,000 (as at 31 March 2022: HK\$754,632,000). Such amounts were unsecured, interest-free and repayable on demand as at 30 September 2022.
- (c) Amount due from a related company, in which Mr. Qiu, a substantial shareholder and a director of the Company, is the ultimate controlling shareholder, in the sum of HK\$28,000 (as at 31 March 2022: HK\$31,000) was unsecured, interest-free and repayable on demand as at 30 September 2022.

(d) **Compensation of key management personnel of the Group**

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short-term employee benefits	<b><u>1,307</u></b>	<b><u>710</u></b>

**21. FAIR VALUE OF FINANCIAL INSTRUMENTS**

At 30 September 2022 and 31 March 2022, the investment in equity securities listed in Hong Kong was included in the Group's equity instruments at fair value through profit or loss.

Subsequent to initial recognition at fair value, investment in equity securities listed on the Stock Exchange is measured based on the quoted price (unadjusted) in active market (Level 1 fair value measurement). At 30 September 2022, HK\$273,000 (as at 31 March 2022: HK\$328,000) of equity instruments at fair value through profit or loss were measured at fair value on a recurring basis.

Fair value hierarchy had been defined in the Group's consolidated financial statements for the year ended 31 March 2022.

The Group did not have any financial liabilities measured at fair value as at 30 September 2022 and 31 March 2022.

During the six months ended 30 September 2022 and 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Management has assessed that the fair values of financial assets and financial liabilities recorded at amortised cost and considered their carrying amounts approximate their fair values largely due to the short term maturities of these instruments.

**22. EVENTS AFTER THE REPORTING PERIOD**

On 25 November 2022, Shanghai Jinshenglong Land Company Limited (上海金盛隆置地有限公司) ("**Shanghai Jinshenglong**"), an indirect non-wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) (the "**Purchaser**"), an independent third party, pursuant to which Shanghai Jinshenglong conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the healthcare holiday resort situated at Sheshan Town, Songjiang District, Shanghai, the PRC at the consideration of RMB1,185,000,000 in cash.

As at the date of this announcement, none of the conditions precedent set out in the Sale and Purchase Agreement has been fulfilled or waived.

Please refer to the announcement of the Company dated 25 November 2022 and the circular of the Company dated 30 November 2022 for further details.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2022 to the valued shareholders of the Company. The Group's revenue for the six months ended 30 September 2022 was approximately HK\$271.6 million (2021: approximately HK\$842.3 million), representing a decrease of approximately 67.8% over the corresponding reporting period in 2021. Net loss of approximately HK\$128.1 million (2021: approximately HK\$27.1 million) was incurred for the six months ended 30 September 2022, while the basic and diluted loss per share attributable to owners of the Company was approximately HK7.07 cent (2021: approximately HK0.72 cent).

## 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 which, through its subsidiaries, is principally engaged in the development and operation of a property project (the “**Yangzhong Project**”) 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 People's Republic of China (the “**PRC**”). 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 for residential and commercial use, and 1,223 carparking spaces in basement one and basement two.

The Group recorded revenue of approximately HK\$157.1 million from the sales of 147 apartments with an aggregate gross floor area of approximately 17,876 square meters for the six months ended 30 September 2022, representing a decrease of approximately 81.2% as compared to approximately HK\$834.8 million from the sales of 609 apartments, 12 shops with an aggregate gross floor area of approximately 75,729 square meters for the six months ended 30 September 2021.

## *Integrated industrial zone project*

In May 2021, Shanghai Baoxian Industrial Co., Ltd. (a non-wholly owned subsidiary of the Company) (“**Shanghai Baoxian**”), succeeded in bidding for 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. Completion of the Land acquisition took place on 2 July 2021.

The Group intends to develop the Land into an innovative hub and integrated industrial zone (“**Boill e-Pharmaceutical Valley**”) 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 commenced in September 2021 and is expected to be completed by April 2024. The Group recorded revenue of approximately HK\$110.9 million (2021: nil) from sales of construction materials for the six months ended 30 September 2022. The Board and the Group’s management will develop integrated industrial zones 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 Property**”). It comprises a parcel of land with a total site area of approximately 150,602 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 the six months ended 30 September 2022 as impacted by the outbreak of coronavirus disease (COVID-19) (the “**Pandemic**”).

The Group recorded revenue of approximately HK\$3.6 million for the six months ended 30 September 2022, representing a decrease of approximately HK\$2.7 million or 42.9% as compared to approximately HK\$6.3 million for the corresponding period in 2021.

Pursuant to a sale and purchase agreement dated 25 November 2022, an indirect non-wholly owned subsidiary of the Company agreed to dispose the Shanghai Property to an independent third party. Please refer to the section headed “Events after the Reporting Period” below for further details.

## **Foundation Piling**

The Group undertakes foundation piling projects in Hong Kong. Due to the keen competition in the foundation piling market and the adverse impact of Pandemic, this segment did not contribute any revenue and recorded losses continuously for the six months ended 30 September 2022 and 30 September 2021 respectively.

## **Securities Investment**

As at 30 September 2022, the Group had equity instruments at fair value through profit or loss of approximately HK\$0.2 million (as at 31 March 2022: approximately HK\$0.3 million). All these investments were equity securities listed on the The Stock Exchange of Hong Kong Limited.

The Group recorded a fair value loss of equity instruments at fair value through profit or loss of approximately HK\$0.1 million (2021: approximately HK\$1.5 million) for the six months ended 30 September 2022.

## **FINANCIAL REVIEW**

### **Revenue**

The revenue of the Group for the six months ended 30 September 2022 was approximately HK\$271.6 million, representing a decrease of approximately HK\$570.7 million or 67.8% as compared to the revenue of approximately HK\$842.3 million for the six months ended 30 September 2021.

The decrease in revenue was mainly due to the decrease in the delivery of properties under the Yangzhong Project. The revenue from the property development business of the Group decreased by approximately HK\$568.0 million for the six months ended 30 September 2022, representing a decrease of approximately 67.9% over the corresponding reporting period in 2021.

### **Gross Profit**

The gross profit of the Group for the six months ended 30 September 2022 was approximately HK\$9.8 million, representing a decrease of approximately HK\$69.8 million or 87.7% as compared to approximately HK\$79.6 million for the corresponding period in 2021.

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

## **Other Income and Gains, Net**

The other income and gains, net of the Group for the six months ended 30 September 2022 were approximately HK\$1.5 million (2021: approximately HK\$0.1 million), which mainly comprised the compensation for the construction of a power plant and bank interest income.

The increase in other income and gains, net was mainly attributable to the non-recurring compensation of approximately HK\$1.2 million for the construction of a power plant for the six months ended 30 September 2022.

## **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, decreased from approximately HK\$9.9 million for the six months ended 30 September 2021 to approximately HK\$3.0 million for the six months ended 30 September 2022. The decrease was mainly due to the decreased advertising costs and marketing staff following the declined sales of properties in property development business and healthcare holiday resort development and operation business.

## **Administrative and Other Expenses**

Administrative and other expenses of the Group decreased from approximately HK\$30.4 million for the six months ended 30 September 2021 to approximately HK\$25.5 million for the six months ended 30 September 2022. The decrease was mainly due to (i) the decrease in staff costs as a result of the decrease in number of employees; and (ii) the decrease in depreciation as a result of the decrease in properties, plant and equipment.

## **Finance Costs**

Finance costs for the six months ended 30 September 2022 were approximately HK\$58.1 million, representing a decrease of approximately HK\$3.6 million from approximately HK\$61.7 million as compared with the corresponding period in 2021. Such decrease was mainly due to the decrease in average outstanding balance of borrowings for the Group's general operations.

## **Income Tax Expense**

The income tax expense of the Group was approximately HK\$4.5 million for the six months ended 30 September 2022, representing a decrease of approximately HK\$0.9 million as compared to the income tax expense of approximately HK\$5.4 million for the six months ended 30 September 2021. Such decrease was mainly due to the decrease in gross profit resulting in less tax expense being recognized.

## **Net Loss**

The net loss of the Group was approximately HK\$128.1 million for the six months ended 30 September 2022, representing an increase of approximately HK\$101.0 million or 372.7% as compared to approximately HK\$27.1 million for the six months ended 30 September 2021.

The significant increase in net loss 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 decrease in revenue and gross profit during the six months ended 30 September 2022 as a result of the delay in properties delivery during the lockdown in certain cities in the PRC.

## **BUSINESS PROSPECTS**

### **Property Development and 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 remain uncertain. The crisis may have a material impact on the Group's financial results and development plan. In terms of housing control policies, the central government of the PRC maintained the stability of property market and adjustment measures to regulate the short-term overheating of real estate investments, which in turn is conducive to achieving long-term control objectives of "housing for living, not for speculation". As the central government of the PRC is gradually rolling out more measures to stabilise economic growth, housing control policies for the real estate industry have slowly relaxed. However, many property enterprises felt the pressures piling up from external financing and internal operating cash flow. The management of the Company expects that the year of 2023 will be full of challenges.

### **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 Boill e-Pharmaceutical Valley, the Group will further explore the integrated industrial zones 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, 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. Leveraging on its experience and knowledge gained through the development and operation of integrated industrial zones, the Group aims to become a comprehensive industrial integration service provider and provide one-stop integration services including but not limited to supporting industrial operation services, fund investment and capital market services.

### **Foundation Piling**

The performance of the foundation industry has still been negatively affected by the Pandemic and the intense competition in the market. The management considers that the prospect of foundation piling business is not expected to improve in the short term and medium term, 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.

### **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 30 September 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 2022: approximately HK\$24.0 million) and borrowings of approximately HK\$1,491.3 million (as at 31 March 2022: approximately HK\$1,541.0 million).



As at 30 September 2022, the Group's borrowings of approximately HK\$1,491.3 million (as at 31 March 2022: approximately HK\$1,541.0 million) were secured by (i) investment properties with carrying value of approximately HK\$1,448.3 million; (ii) leasehold land and buildings with carrying value of approximately HK\$393.5 million; (iii) properties under development with carrying value of approximately HK\$549.6 million; (iv) personal guarantee given by each of Mr. Qiu Dongfang (“**Mr. Qiu**”), a substantial shareholder of the Company and a Director, 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 held by the related companies controlled by Mr. Qiu.

As at 30 September 2022, the Group had interest-bearing borrowings of approximately HK\$755.7 million, repayable within one year and bearing interests at fixed rate ranging from 12.5% to 15% per annum (as at 31 March 2022: at fixed rate ranging from 12.5% to 15% per annum). The remaining interest-bearing borrowings of the Group amounted to approximately HK\$759.6 million, which were repayable by December 2023 to October 2031 and bearing interest at fixed rate ranging from 3.95% to 15% per annum (as at 31 March 2022: at fixed rate ranging from 4.1% to 15% per annum).

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 30 September 2022.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2022, the Group had net current liabilities of approximately HK\$1,034.6 million (as at 31 March 2022: approximately HK\$1,056.7 million) and cash and bank deposits (excluding restricted cash) of approximately HK\$35.5 million (as at 31 March 2022: approximately HK\$46.5 million).

As at 30 September 2022, the gearing ratio of the Group (defined as total interest-bearing bank and other borrowings divided by the Group's total equity) was 2,283.8% (as at 31 March 2022: 623.1%).

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 one year period from the date of approval for issue of these unaudited condensed consolidated interim financial information (the “**Forecast Period**”) after taking into account the following considerations:

- (i) the availability of undrawn credit facilities as at the date of approval of these unaudited condensed consolidated interim financial information of the Group as set forth below:
  - (a) a loan facility of RMB900,000,000 as per a revised loan credit facility (the “**Facility**”) entered into in June 2021, that was originally entered into by the Company in June 2019 with its controlling shareholder (a then related party) and its beneficial owner. The Facility is unsecured, interest bearing at 5% per annum and repayable within a period of twenty-four months from drawdown date; and

- (b) banking facilities of approximately RMB136,377,000 (approximately HK\$150,443,000) for the construction of the integrated industrial zone project located in the PRC;
- (ii) the Company's related parties have undertaken not to demand for repayment of the amounts due to them amounting to HK\$790,183,000 as at 30 September 2022 until the Group is in the position to repay;
- (iii) pre-sales and sales proceeds from properties 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 Forecast Period; and
- (iv) proceeds from the disposal of certain non-current assets of the Group.

### **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 the six months ended 30 September 2022, the steady depreciation 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 is of the view that the change in exchange rate of RMB against foreign currencies had significant impact on the Group's financial position and performance during the six months ended 30 September 2022 given that the functional currency of the Group was RMB. During the six months ended 30 September 2022, 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.

### **SIGNIFICANT INVESTMENTS**

The Group did not hold any significant investments during the six months ended 30 September 2022.

### **CAPITAL COMMITMENTS**

As at 30 September 2022 and 31 March 2022, the Group did not have any significant capital commitments.

## CONTINGENT LIABILITIES

As at 30 September 2022, there had been no material change in the Group's contingent liabilities since the most recent published annual report of the Company for the year ended 31 March 2022.

## MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of any subsidiaries, associates or joint ventures during the six months ended 30 September 2022.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

## EVENTS AFTER THE REPORTING PERIOD

On 25 November 2022, Shanghai Jinshenglong Land Company Limited (上海金盛隆置地有限公司) (“**Shanghai Jinshenglong**”), an indirect non-wholly owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) (the “**Purchaser**”), an independent third party, pursuant to which Shanghai Jinshenglong conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Shanghai Property at the consideration of RMB1,185,000,000 in cash. As at the date of this announcement, none of the conditions precedent set out in the Sale and Purchase Agreement has been fulfilled or waived. Please refer to the announcement of the Company dated 25 November 2022 and the circular of the Company dated 30 November 2022 for further details.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had 104 employees (as at 31 March 2022: 104 employees). Total employee costs for the six months ended 30 September 2022 amounted to approximately HK\$7.9 million (2021: approximately HK\$14.2 million).

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

Pursuant to the share option scheme adopted by the Company on 22 September 2013 (the “**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 the six months ended 30 September 2022, no options were granted under the Share Option Scheme.

## **INTERIM DIVIDEND**

The Board resolved not to recommend the payment of any interim dividend for the six months ended 30 September 2022 (2021: Nil).

## **CORPORATE GOVERNANCE**

### **Corporate Governance Code**

The Company has complied with all the code provisions (the “**Code Provision(s)**”) set out in Part 2 of the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) throughout the six months ended 30 September 2022 except for the following deviation:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qiu Dongfang (“**Mr. Qiu**”), 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. Qiu, together with other executive Directors, 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 the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as a code of conduct regarding Directors’ transactions of securities of the Company.

The Company has made specific enquiry with all the Directors, and all the Directors confirmed that they have complied with the Model Code throughout the six months ended 30 September 2022.

## **DIRECTORS’ INTERESTS IN COMPETING BUSINESS**

None of the Directors or their respective associates was interested in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the Group’s business, as at the date of this announcement.

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2022.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Group's internal control and financial reporting process and to maintain an appropriate relationship with the Group's independent auditors.

The Audit Committee comprises two independent non-executive Directors, namely Mr. Chan Chi Keung, Billy (committee chairman) and Mr. Wang Zhe and a non-executive Director, namely Mr. Qiu Bin.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 September 2022 and this interim results announcement. The Audit Committee confirmed that this interim results announcement complies with all the applicable rules and regulations, including but not limited to the applicable accounting standards and the Listing Rules and that adequate disclosures have been made.

By order of the Board  
**Boill Healthcare Holdings Limited**  
**Qiu Dongfang**  
*Executive Director and Chairman*

Hong Kong, 30 November 2022

*As at the date of this announcement, the Company has (i) three executive Directors, namely Mr. Qiu Dongfang, Ms. Yu Yixing and Mr. Zhang Sheng Hai; (ii) two non-executive Directors, namely Mr. Chui Kwong Kau and Mr. Qiu Bin; and (iii) three independent non-executive Directors, namely Mr. Chan Chi Keung, Billy, Mr. Yi Baxian and Mr. Wang Zhe.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

# *The English name of the Chinese entity is translation of its Chinese name and is included herein for identification purpose only.*