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## **Baijin Life Science Holdings Limited**

**佰金生命科學控股有限公司**

(formerly known as Affluent Partners Holdings Limited)

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 1466)**

# **ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025 AND RESUMPTION OF TRADING**

## **RESULTS**

The board of directors (the “**Directors**” or the “**Board**”) of Baijin Life Science Holdings Limited (the “**Company**”) hereby presents the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the previous year, as follows:

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the year ended 31 March 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Revenue</b>	4	<b>135,556</b>	53,676
Cost of sales		<u>(93,570)</u>	<u>(35,576)</u>
<b>Gross profit</b>		<b>41,986</b>	18,100
Other gains, net	6	<b>11,774</b>	484
Reversal of allowance for expected credit losses on financial assets, net		<b>1,560</b>	403
Impairment loss on goodwill		<b>(20,000)</b>	–
Selling expenses		<b>(3,070)</b>	(1,214)
Administrative expenses		<u><b>(34,248)</b></u>	<u>(27,349)</u>
Operating loss		<u><b>(1,998)</b></u>	<u>(9,576)</u>
Finance income		<b>1,599</b>	1,323
Finance costs		<u><b>(966)</b></u>	<u>(276)</u>
Finance income, net		<u><b>633</b></u>	<u>1,047</u>
<b>Loss before income tax</b>	7	<b>(1,365)</b>	(8,529)
Income tax credit/(expense)	8	<u><b>1,278</b></u>	<u>(16)</u>
<b>Loss for the year</b>		<u><u><b>(87)</b></u></u>	<u><u>(8,545)</u></u>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		<b>(316)</b>	(7,448)
Non-controlling interests		<u><b>229</b></u>	<u>(1,097)</u>
		<u><u><b>(87)</b></u></u>	<u><u>(8,545)</u></u>
<b>Loss per share</b>	9	<b>HK cents</b>	HK cents
Basic		<u><u><b>(0.05)</b></u></u>	<u><u>(1.15)</u></u>

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

*For the year ended 31 March 2025*

	<b>2025</b> <b>HK\$'000</b>	2024 HK\$'000
Loss for the year	<u>(87)</u>	<u>(8,545)</u>
Other comprehensive expense:		
<i>Item that may be subsequently reclassified to profit or loss</i>		
— Exchange difference on translation of foreign operations	<b>(1,205)</b>	(2,100)
<i>Item that will not be reclassified to profit or loss</i>		
— Remeasurements of retirement benefit obligations	<u>(123)</u>	<u>—</u>
<b>Other comprehensive expense for the year, net of tax</b>	<u><b>(1,328)</b></u>	<u>(2,100)</u>
<b>Total comprehensive expense for the year</b>	<u><b>(1,415)</b></u>	<u>(10,645)</u>
<b>Total comprehensive (expense)/income for the year attributable to:</b>		
Owners of the Company	<b>(1,525)</b>	(9,548)
Non-controlling interests	<u><b>110</b></u>	<u>(1,097)</u>
	<u><b>(1,415)</b></u>	<u>(10,645)</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2025*

		<b>2025</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>6,910</b>	6,839
Intangible assets		<b>5,906</b>	7,346
Right-of-use assets		<b>9,931</b>	1,944
Goodwill	<i>14</i>	<b>28,363</b>	48,363
Deposits and prepayments	<i>11</i>	<b>11,129</b>	10,954
Deferred tax assets		<b>937</b>	36
		<b>63,176</b>	75,482
<b>Current assets</b>			
Inventories		<b>70,637</b>	44,340
Trade receivables	<i>11</i>	<b>25,088</b>	15,037
Other receivables, deposits and prepayments	<i>11</i>	<b>82,657</b>	23,205
Contract assets		<b>843</b>	854
Cash and cash equivalents		<b>47,773</b>	37,884
		<b>226,998</b>	121,320
<b>Current liabilities</b>			
Trade payables	<i>12</i>	<b>8,343</b>	7,874
Other payables and accruals	<i>12</i>	<b>19,418</b>	16,306
Contract liabilities		<b>3,042</b>	4,753
Lease liabilities		<b>5,079</b>	1,112
Bank borrowings		<b>8,560</b>	5,421
Other borrowings		<b>4,000</b>	4,000
Tax payable		<b>1,281</b>	1,528
		<b>49,723</b>	40,994
<b>Net current assets</b>		<b>177,275</b>	80,326
<b>Total assets less current liabilities</b>		<b>240,451</b>	155,808

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities		<b>7,006</b>	948
Convertible bond	15	<b>75,282</b>	39,712
Retirement benefit obligations		<b>773</b>	466
Deferred tax liabilities		<b>1,513</b>	1,890
		<b>84,574</b>	43,016
<b>Net assets</b>		<b>155,877</b>	112,792
<b>EQUITY</b>			
Share capital	13	<b>15,448</b>	13,585
Reserves		<b>123,835</b>	82,723
Equity attributable to owners of the Company		<b>139,283</b>	96,308
Non-controlling interests		<b>16,594</b>	16,484
<b>Total equity</b>		<b>155,877</b>	112,792

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 13 May 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 17 October 2014. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business is Office B, 9/F, Pico Tower, 66 Gloucester Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are (i) design and sales of jewellery products, (ii) real estate financial assets investments, in addition with the new principal activities engaged in, (iii) sales of skincare products under the brand name “FO”, provision of professional scientific research services and provision of franchise licensing and consultation services, which were acquired during the year ended 31 March 2024.

On 9 February 2024, the Group completed the acquisition of Tonnett Julis Holdings Limited and its subsidiaries (collectively, “**Tonnett Group**”), thus, Tonnett Group has been consolidated to the Group since then. Tonnett Group contributed the new principal activities as stated above.

These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

HKFRS Accounting Standards comprises the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA.

The consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair values, at the end of reporting period.

It should be noted that accounting estimates and assumptions have been used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

### 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

#### **Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")**

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the year. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the amendments has had no material impact on the consolidated financial statements.

#### 4. REVENUE

Revenue from sales of jewellery products and skincare products represents the amounts received and receivable from customers in respect of goods sold less returns and allowances.

Revenue from provision of different types of services is recognised based on relevant services and contract terms.

The Group's revenue recognised during the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Revenue within the scope of HKFRS 15:</b>		
<b>Recognised at a point in time</b>		
Sales of jewellery products	115,191	50,348
Sales of skincare products	9,930	1,474
	<u>125,121</u>	<u>51,822</u>
<b>Recognised over time</b>		
Consultation services	5,557	1,009
Franchise licensing services	3,867	599
Scientific research services	1,011	246
	<u>10,435</u>	<u>1,854</u>
	<u><u>135,556</u></u>	<u><u>53,676</u></u>

## 5. SEGMENT INFORMATION

The Group's operating segments have been determined based on the information reported to the executive directors of the Company, being the chief operating decision maker of the Group, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. Upon completion of the acquisition of Tonnett Group on 9 February 2024, the Group currently has three operating segments:

- |                          |   |
|--------------------------|---|
| (a) Jewellery business   | Design and sales of jewellery products  |
| (b) Strategic investment | Real estate financial assets investments  |
| (c) Skincare business    | Sales of skincare products under the brand name "FO",<br>provision of professional scientific research services and<br>provision of franchise licensing and consultation services |

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure and corporate expenses from the operating segments. Other information provided to the executive directors is measured in a manner consistent with that in the consolidated financial statements.

An analysis of the Group's reportable segment revenue, result by operating segments are as follows:

	<b>Jewellery business</b> <i>HK\$'000</i>	<b>Strategic investment</b> <i>HK\$'000</i>	<b>Skincare business</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>For the year ended 31 March 2025</b>				
<b>Segment revenue</b>	<b>115,191</b>	<b>–</b>	<b>20,365</b>	<b>135,556</b>
<b>Finance income</b>	<b>65</b>	<b>1,077</b>	<b>457</b>	<b>1,599</b>
Segment profit/(loss)	<u>20,888</u>	<u>4,351</u>	<u>(25,122)</u>	117
Finance costs				(966)
Unallocated other gains, net				6,609
Unallocated administrative expenses				<u>(7,125)</u>
Loss before income tax				<u><u>(1,365)</u></u>
<b>For the year ended 31 March 2024</b>				
<b>Segment revenue</b>	<b>50,348</b>	<b>–</b>	<b>3,328</b>	<b>53,676</b>
<b>Finance income</b>	<b>27</b>	<b>1,282</b>	<b>14</b>	<b>1,323</b>
Segment profit/(loss)	<u>4,070</u>	<u>444</u>	<u>(5,148)</u>	(634)
Finance costs				(276)
Unallocated other gains, net				3,012
Unallocated administrative expenses				<u>(10,631)</u>
Loss before income tax				<u><u>(8,529)</u></u>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment results represent profit/(loss) incurred by each segment without allocation of certain administrative expenses, certain other gains, net and finance costs incurred by the Company and the investment holding companies. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

## 6. OTHER GAINS, NET

	2025 HK\$'000	2024 HK\$'000
Exchange (loss)/gain, net	(62)	4
Gain on disposal of a subsidiary ( <i>note</i> )	4,048	—
Write-off of property, plant and equipment	(30)	—
Impairment loss on prepayments for pearls	724	(2,284)
(Loss)/gain on change in fair value of convertible bond ( <i>Note 15</i> )	(4,482)	2,997
Gain on change in fair value of profit guarantee ( <i>Note 15</i> )	10,882	—
Others	694	(233)
	<u>11,774</u>	<u>484</u>

*Note:* On 29 July 2024, the Group disposed of its entire interest in Thriving Oasis Limited, which had net liabilities of approximately HK\$4,048,000 (mainly included other payables to third parties), to an independent third party for a consideration of HK\$1. The gain on disposal of subsidiary was recognised as an other gain during the year.

## 7. LOSS BEFORE INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Loss before income tax has been arrived at after charging/(crediting):		
Costs of inventories sold, excluding reversal of impairment on inventories	99,450	47,986
Costs of services	2,342	430
Reversal of provision for impairment loss on inventories, net (included in cost of sales)	(8,222)	(12,840)
Employee benefit expenses (including directors' emoluments)	18,170	15,103
Auditor's remuneration		
— Audit services	1,612	1,600
— Non-audit services	103	656
Depreciation of property, plant and equipment	2,223	465
Depreciation of right-of-use assets	2,999	1,259
Amortisation of intangible assets	1,440	205
Reversal of allowance for ECL on trade receivables, net	(2,558)	(413)
Provision for allowance for ECL on other receivables, net	983	12
Provision for/(reversal of) allowance for ECL on deposits, net	15	(2)
	<u>(1,560)</u>	<u>(403)</u>

## 8. INCOME TAX CREDIT/(EXPENSE)

	2025 HK\$'000	2024 HK\$'000
Current tax	–	(18)
Deferred tax credit	<u>1,278</u>	<u>2</u>
Income tax credit/(expense)	<u><u>1,278</u></u>	<u><u>(16)</u></u>

## 9. LOSS PER SHARE

	2025 HK\$'000	2024 HK\$'000
Loss attributable to owners of the Company	<u><u>(316)</u></u>	<u><u>(7,448)</u></u>
	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u><u>693,896</u></u>	<u><u>644,990</u></u>

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

As at 31 March 2025 and 31 March 2024, the Company has an outstanding convertible bond, of which the conversion will result in an antidilution on loss per share for the years ended 31 March 2025 and 2024; and the exercise of the Company's options was not assumed because the exercise price of those options was higher than the average market price for shares for the year ended 31 March 2024.

## 10. DIVIDEND

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

## 11. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

### Trade receivables

	2025 HK\$'000	2024 HK\$'000
Jewellery business	15,898	17,413
Skincare business	<u>19,460</u>	<u>10,516</u>
Trade receivables, gross	35,358	27,929
Less: allowance for ECL	<u>(10,270)</u>	<u>(12,892)</u>
Trade receivables, net	<u><u>25,088</u></u>	<u><u>15,037</u></u>

The following is an ageing analysis of trade receivables, net of allowance for ECL, as at the reporting date, based on invoice dates:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	9,353	7,119
31 to 90 days	14,094	2,798
91 to 180 days	204	4,740
181 to 365 days	192	380
Over 365 days	1,245	–
	<u>25,088</u>	<u>15,037</u>

**Other receivables, deposits and prepayments**

	2025 HK\$'000	2024 HK\$'000
<b>Current</b>		
Other receivables, gross	31,463	15,684
Less: allowance for ECL	<u>(2,315)</u>	<u>(1,346)</u>
Other receivables, net	29,148	14,338
Compensation receivables ( <i>note</i> )	41,970	–
Deposits	796	709
Prepayments	<u>10,743</u>	<u>8,158</u>
	<u>82,657</u>	<u>23,205</u>
<b>Non-current</b>		
Deposits	175	–
Prepayment	<u>10,954</u>	<u>10,954</u>
	<u>11,129</u>	<u>10,954</u>
	<u>93,786</u>	<u>34,159</u>

*Note:*

For the year ended 31 March 2025, Tonnett Group failed to achieve the target profit according to the sales and purchase agreement. Under the profit guarantee issued by the vendor of the acquisition of Tonnett Group, the vendor is obligated to compensate for the shortfall between the target profit and the accumulated result of Tonnett Group according to the sales and purchase agreement and multiplied by two. The accumulated result of Tonnett Group was approximately HK\$65,000, resulting in a shortfall of approximately HK\$20,985,000. Consequently, a compensation amount to be settled by the vendor of approximately HK\$41,970,000 was recognised as a receivable under other receivables, as management elected mode 1, being payment in cash, as for the settlement arrangement.

## 12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Trade payables	8,343	7,874
Other payables and accruals		
Accrued payroll and employee benefits	7,035	4,146
Other payables and other accruals ( <i>note</i> )	12,383	12,160
	19,418	16,306
	27,761	24,180

*Note:* As at 31 March 2025, included in other payables, there is an amount due to Mr. Cheung Sze Ming, a director of the Company, of HK\$5,222,000 (2024: Nil). The amount is unsecured, interest-free and has no fixed term of repayment.

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

	2025 HK\$'000	2024 HK\$'000
0 to 60 days	4,319	3,245
61 to 120 days	1,506	3,168
More than 120 days	2,518	1,461
	8,343	7,874

## 13. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.02 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	10,000,000	200,000
Issued and fully paid:		
At 1 April 2023	639,298	12,786
Issue of shares ( <i>note (a)</i> )	39,954	799
At 31 March 2024 and 1 April 2024	679,252	13,585
Issue of shares ( <i>note (b)</i> )	93,139	1,863
At 31 March 2025	772,391	15,448

*Notes:*

- (a) In respect of the acquisition of Tonnett Group, allotment and issue of 39,954,338 new shares at issue price of HK\$0.2628 was to satisfy partial payment of the consideration according to the sale and purchase agreement dated 29 June 2023. The issue of new shares took place on 9 February 2024 with the closing share price of HK\$0.69, details of which are disclosed in the announcement of the Company dated 9 February 2024.
- (b) During the year ended 31 March 2025, the Company completed two share subscriptions under the general mandate granted to the directors by the shareholders at the annual general meeting of the Company dated 30 August 2023 and 30 September 2024 respectively:

On 30 September 2024, following the subscription agreements entered into on 12 September 2024, a total of 27,779,373 new shares were issued at HK\$0.48 per share, raised net proceeds of HK\$13,230,000.

On 28 March 2025, following the subscription agreements entered into on 18 March 2025, a total of 65,359,433 new shares were issued at HK\$0.48 per share, and raised net proceeds of HK\$31,270,000. An outstanding balance of HK\$4,280,000 was recognised as other receivables (Note 11) as at 31 March 2025, which was settled in April and May 2025 subsequently.

All new shares rank equally with all existing shares.

#### 14. GOODWILL

	<i>HK\$'000</i>
At 1 April 2023	–
Acquisition of Tonnett Group	48,363
	<hr/>
At 31 March 2024 and 1 April 2024	48,363
Impairment loss	(20,000)
	<hr/>
<b>At 31 March 2025</b>	<b>28,363</b>
	<hr/> <hr/>

Management reviews annually whether the carrying amount of Tonnett Group, to which the goodwill and intangible assets with indefinite lives belong, is greater than its recoverable amount. If it exceeds the recoverable amount, this results in impairment of goodwill. The recoverable amount of Tonnett Group is determined based on value-in-use (“VIU”) calculation. The calculation uses pre-tax cash flow projections based on financial budget approved by the directors of the Company covering a five-year period. Key assumptions used in the calculation include pre-tax discount rates at 21.5%, revenue growth rate from 10% to 15% for the five-year forecast period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 3%. As a result of the impairment review, the recoverable amount of Tonnett Group is lower than its carrying amount as at 31 March 2025. Therefore, impairment loss of HK\$20,000,000 was recognised on goodwill arising from acquisition of Tonnett Group during the year ended 31 March 2025.

## 15. CONVERTIBLE BOND

	2025 HK\$'000	2024 HK\$'000
Convertible bond classified as non-current liabilities:		
At beginning of year	39,712	–
Issued during the year, net of fair value of the profit guarantee	–	42,709
Transfer of the profit guarantee	31,088	–
Change in fair value of convertible bond	4,482	(2,997)
	<u>75,282</u>	<u>39,712</u>
At end of year	<u>75,282</u>	<u>39,712</u>

A non-listed and non interest-bearing convertible bond with principal amount of HK\$31,500,000 was issued by the Company to the vendor to satisfy partial payment of the consideration according to the sale and purchase agreement dated 29 June 2023 in respect of the acquisition of Tonnnett Group (“Convertible Bond”).

The fair value of the Convertible Bond is estimated and determined by binomial option pricing model, which incorporates contractual terms from the Convertible Bond issuance documents and valuation parameters observed from market source.

As at 31 March 2024, the management of the Company prioritised mode 2, being the Company redeeming or repurchasing the Convertible Bond, over mode 1, being payment in cash, for settlement of the compensation amount to be settled by the vendor of the acquisition of Tonnnett Group. Consequently, the fair value of the profit guarantee issued by the vendor, estimated at HK\$31,088,000 based on expected value of five scenarios analysing five possible outcomes, was offset against the fair value of the Convertible Bond. As a result, the Convertible Bond was presented as a net value.

During the year ended 31 March 2025, the accumulated result of Tonnnett Group was concluded, and Tonnnett Group failed to meet the target profit. The management of the Company opted for mode 1 instead of mode 2 for the settlement of the compensation amount. Therefore, the fair value of the profit guarantee will no longer offset against the fair value of the Convertible Bond, and the profit guarantee of HK\$31,088,000 calculated from last year was transferred out of the net balance of the Convertible Bond. Following this transfer, a gain on change in fair value of HK\$10,882,000 in the profit guarantee was recognised as other gain, based on the compensation amount calculated according to the sales and purchase agreement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL OVERVIEW

The Board hereby reports the results of Baijin Life Science Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 (“**FY25**”). During FY25, the consolidated loss attributable to equity holders of the Company was HK\$0.3 million (year ended 31 March 2024 (“**FY24**”): loss of HK\$7.4 million). The loss of the Group for FY25 amounted to HK\$0.1 million (FY24: loss of HK\$8.5 million) representing a decrease in loss of 99.0% as compared with the loss in FY24. The basic loss per share was HK cents 0.05 (FY24: loss per share of HK cents 1.15), representing a decrease of 95.7% as compared with that in FY24. The significant decrease in loss of the Group for the year ended 31 March 2025 was mainly due to the increase in revenue and gross profit mainly from jewellery business segment; the increase in reversal of allowances for expected credit losses on trade and other receivables, net; the increase in other gains, net; and after offset the impairment loss on goodwill and the increase in administrative expenses.

### BUSINESS REVIEW

#### Jewellery Business Segment

The Group is one of the world’s largest merchants and purchasers of pearls, with its customers spanning around the globe. Leveraging its own competitive advantages, which include the close and stable relationship with customers and suppliers, the Group has offered vertically integrated product chain and built a renowned reputation in the jewellery industry.

During FY25, the Group is cooperating with a local brand to explore the fine jewellery market which makes remarkable revenue contribution FY25.

The segmental revenue generated from the Jewellery Business Segment increased from HK\$50.3 million in FY24 to HK\$115.2 million in FY25. For FY25, the return on capital of jewellery products was 24.0% (FY24: 6.9%).

The Group has been looking into various materials for its jewellery design to enrich the product collection in its jewellery business. The Group also targets to sell the jade, pearls and jewellery products to mainland China and other Asian countries as the demand for those products in those markets is still higher than that in the western market.

While the Board considers the market sentiment is continuously improving, nevertheless, the Group will continue to strictly control costs and improve operation efficiency and productivity in a bid to stay competitive. The Group will continue to actively participate in various important jewellery, gem fairs and arrange VIP jewellery events when the market is recovering in order to maintain its diversified customer base.

### **Skincare Business Segment**

On 29 June 2023, the Company, the vendor (the “**Vendor**”), the ultimate beneficial owner of the Vendor and the guarantors entered into the sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which the Vendor has conditionally agreed to sell and the Group has conditionally agreed to acquire the sale of 100% shareholding in Tonnett Julis Holdings Limited (the “**Target Company**”) and a group of companies (the “**Target Group**”) (the “**Acquisition**”).

On 9 February 2024, all conditions precedent set out in the Sale and Purchase Agreement had been fulfilled and the completion took place in accordance with the terms and conditions of the Sale and Purchase Agreement.

Details of the Acquisition were disclosed in the Company’s announcements dated 11 August 2022, 10 November 2022, 29 June 2023, 30 November 2023, 2 January 2024, 8 February 2024, 9 February 2024 and 25 July 2025 and the circular of the Company dated 25 January 2024.

During FY25 and FY24, the Target Group contributed revenue and results to the Group from its skincare business segment.

The total Group's revenue contribution from the newly acquired skincare business segment was HK\$20.4 million in FY25 (FY24: HK\$3.3 million).

Compared to the segment results of the skincare business during FY24, the Group has experienced an increase in segment loss in FY25, primarily due to the following reasons: (a) building on the Group's brand awareness and considering the success of its brand partners who operate their beauty salons and clinics under the FO brand with the Group's brand authorisation, the Group has decided to establish its own flagship beauty club in April 2024. The flagship beauty club is currently under renovation. Resources were allocated to setup costs, including property refurbishment, equipment acquisition, and recruitment of personnel, which has led to increased operational expenses within the segment, (b) we have shifted our sales strategy to focus on distribution of products through larger distributors, leading to a decrease in the average selling price of our skincare products, (c) we experienced fluctuation in supplies of raw materials and have prioritised utilisation of raw materials in the production of our skincare products, which contributed to a decrease in our sales of raw materials, (d) some of our distributors have underperformed during FY24 due to increased competition in the skincare product market and contributed to a weaker revenue contribution from sales to distributors; (e) due to unexpected results from some of our client's R&D tests, the progress of some of the R&D projects have been extended and resulted in a decrease in our revenue as income from our R&D services are recognised by stages of the R&D projects; and (f) we are pivoting from consulting services and are devoting our resources to the establishment of the flagship beauty club, which in turn resulted in a decrease in revenue generated from consulting services.

The Group understands that the skincare market has immense potential and there are product crossover between the Group's pearl products and the Group's skincare products, one of the synergies being processing pearls to become one of the ingredients in skincare products. The Group has developed FO brand skin whitening products with pearls ingredients and has launched the FO Pearl Whitening Cream and the FO Pearl Whitening Essence during FY25.

### **Strategic Investment Segment**

During FY24, the Group maintained the co-working space investment business through the Strategic Investment Segment. Since the downturn of the economy, it had adversely affected the operation of the co-working business, which had in turn affected the demand of co-working space and the management of co-working business had downsized its co-working space network.

During FY25, the Group disposed one ordinary share representing the entire issued ordinary share of a subsidiary which held the co-working business investment, to an independent third party, at a consideration of HK\$1, on 29 July 2024. We expected that the Group will make continuous efforts to find appropriate investment projects so as to diversify the income streams of the Group.

## **LITIGATION**

As at the reporting date, the Group was not involved in any other material litigation or arbitration.

## **FINANCIAL GUARANTEE**

As at 31 March 2025, the Group had no financial guarantee.

## **PROSPECTS**

Overall speaking, although the Group's revenue in the Jewellery Business segment was increased during FY25, based on the Group's current observation and estimation, the overall downtrend is expected to be carried forward to a certain extent for coming years due to the change of consumption pattern caused by the downturn. As such, the Group has introduced jade products as materials for its jewellery products and looking for opportunities to cooperate with others to broaden and diversify its customer base. In addition, the Group is cooperating with another local brand to explore the fine jewellery market. The Group has, from time to time, been looking for opportunities to leverage its management expertise to expand its existing business to further uncover the potential market of its ultimate female consumers.

The Group will further use its resources as a listed company to add value to the acquisition project to increase its profitability and return. Meanwhile, the Group will continue enhancing the development of the jewellery business, actively participating in various important jewellery and gem fairs and VIP jewellery events and optimising operation efficiency and productivity to stay competitive.

Since September 2024, the Group has initiated the process of establishing a flagship beauty club. The Group believes that the flagship beauty club will serve as an effective way for customer relationship management and user experience optimisation, especially for the distributors, by providing a showroom that makes the display more vivid, life-oriented, and scenario-based. The Group is also planning to operate beauty salons under its own management, which provides another platform to promote the Group's skincare products while enabling the Group's direct participation in the beauty and wellness services market.

The Group considers that the skincare market has immense potential and there is a product crossover between the Group's pearl products and the Target Group's skincare products, one of the synergies being processing pearls to become one of the ingredients in skincare products. Given the sales and distribution of pearls and jewellery products by the Group and the sales and distribution of skincare products by the Target Group, both primarily focus on the female consumer market, there may bring along potential collaboration and cross-selling opportunities which will be mutually beneficial to both

parties. The Directors believe that the Acquisition gives the Group an opportunity to expand its existing business both vertically by using the Group's existing pearl products as raw materials for skincare products and horizontally by widening its range of female consumer products extending from pearl and jewellery to skincare products.

## **FINANCIAL REVIEW**

The Group is principally engaged in purchasing, processing, designing, production and wholesale distribution of jewellery products and operation of strategic investment and financial services, in addition with the new principal activities engaged in the provision of skincare solutions, consultation and research and development services.

### **Revenue and Gross Profit**

Revenue increase to HK\$135.6 million for FY25 (FY24: HK\$53.7 million), comprised sales of jewellery business segment of HK\$115.2 million (FY24: HK\$50.3 million) and the skincare business segment of HK\$20.4 million (FY24: HK\$3.3 million).

Gross profit increased by HK\$23.9 million to HK\$42.0 million (FY24: HK\$18.1 million). The gross profit margin during FY24 is higher than that of FY25 mainly due to the larger reversal of provision for impairment loss on inventories upon sales of those inventories.

### **Selling and Administrative Expenses (the "S&A expenses")**

S&A expenses mainly comprised selling expenses of HK\$3.1 million (FY24: HK\$1.2 million) and administrative expenses of HK\$34.2 million (FY24: HK\$27.4 million). S&A expenses increased by HK\$8.8 million or 30.7% to HK\$37.3 million (FY24: HK\$28.6 million) in FY25. S&A expenses was increased during FY25 mainly due to expenses incurred by the newly acquired skincare business contributed for a year.

### **Loss Attributable to owners of the Company**

The loss attributable to owners of the Company substantially decreased by HK\$7.1 million or 95.8% to HK\$0.3 million in FY25 (FY24: loss of HK\$7.4 million) and the total comprehensive loss of the Group for FY25 was HK\$1.4 million (FY24: total comprehensive loss of HK\$10.6 million) was mainly due to the increase in revenue and gross profit mainly from jewellery business; the increase in reversal of allowances for expected credit losses on financial assets, net; the increase in other gains, net; and after offset the impairment loss on goodwill, the increase in administrative expenses and the increase in exchange difference on translation of foreign operations.

As a result of the impairment review of the goodwill, the recoverable amount of Tonnnett Group is lower than its carrying amount as at 31 March 2025. As a result, an impairment loss of HK\$20 million was recognised on goodwill arising from acquisition of Tonnnett Group during FY25.

## Liquidity and Capital Resources

During the year, the Group funded its operations through a combination of cash generated from operations, equity attributable to equity holders of the Company, proceeds from borrowings and the issue of new shares (and convertible bond). As at 31 March 2025, the Group's total equity was HK\$155.9 million (2024: HK\$112.8 million), representing an increase of 38.2% from last year.

As at 31 March 2025, the Group had cash and cash equivalents of HK\$47.8 million (31 March 2024: HK\$37.9 million). Cash and cash equivalents were mainly denominated in United States dollars, Hong Kong dollars and Renminbi. The Group's net current assets were HK\$177.3 million (31 March 2024: HK\$80.3 million). The current ratio, represented by the total current assets divided by the total current liabilities, was 4.6 (31 March 2024: 3.0).

As at 31 March 2025, the Group had outstanding bank borrowings of HK\$8.6 million (31 March 2024: HK\$5.4 million) with effective interest rates ranging from 4.88% to 6.53% (31 March 2024: 3.95% to 4.35%) per annum and other borrowings of HK\$4 million (31 March 2024: HK\$4 million) which is at interest rate of 6% per annum and is scheduled to be repayable on 31 December 2025. With the available cash and cash equivalents and cash generated from operations, the Group has adequate financial resources to meet the anticipated future liquidity requirements and capital expenditure commitment.

## Capital Structure

As at 31 March 2025, the total number of issued shares of the Company was 772,391,072 (31 March 2024: 679,252,266) of HK\$0.02 each (the “**Shares**”) and its issued share capital was HK\$15,447,821 (31 March 2024: HK\$13,585,045).

On 30 September 2024, following the subscription agreements entered into on 12 September 2024, a total of 27,779,373 new shares were issued at HK\$0.48 per share, raised net proceeds of HK\$13,230,000.

On 28 March 2025, following the subscription agreements entered into on 18 March 2025, a total of 65,359,433 new shares were issued at HK\$0.48 per share, and raised net proceeds of HK\$31,270,000. The unsettled balance of HK\$4,280,000 as at 31 March 2025 which has been settled in April and May 2025.

Save as disclosed above, there was no movements in either the Company's authorised or issued share capital during the year under review.

## Capital Commitments

At the end of the reporting periods, the Group had no significant commitments outstanding, except for capital commitment for certain property, plant and equipment of approximately HK\$6,281,000 (31 March 2024: HK\$2,898,000).

## Accumulated Profit Guarantee under the Acquisition

In accordance with the terms of the Sale and Purchase Agreement, the auditors of the Company have issued the accumulated result certificate and certified the amount of the accumulated net profit of the Target Group for the two years ended 31 December 2023 and 2024 being HK\$65,067 (the “**Accumulated Result**”).

Based on the above, the Accumulated Result did not satisfy the target profit as set out under the profit guarantee issued by the Vendor in accordance with the Sale and Purchase Agreement (the “**Target Profit**”). As such, the Vendor and the guarantors should pay a compensation amount of HK\$41,969,866 to the Group (the “**Compensation Amount**”).

The Board had exercised its discretion and had elected that the entirety of the Compensation Amount shall be paid using Mode 1, being payment in cash, in accordance with the Sale and Purchase Agreement.

The Board is of the opinion that although the Target Profit was not fulfilled, the terms of the Sale and Purchase Agreement have taken into account the possibility of the expected future performance of the Target Group not being achieved and have set up the compensation mechanism to safeguard the interests of the Company and the Shareholders as a whole. The Board will constantly review the performance of the Target Group and take appropriate actions accordingly.

Please refer to the Company’s announcement dated 25 July 2025 in respect of the non-fulfillment of Target Profit Guarantee for detail.

## CHANGE OF COMPANY NAME

The Board is pleased to announce that, following the passing of the special resolutions at the EGM held on 26 November 2024, the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 27 November 2024 certifying that, on 27 November 2024, the name of the Company has been changed from “Affluent Partners Holdings Limited” to “Baijin Life Science Holdings Limited” and “佰金生命科學控股有限公司” has been adopted as the Company’s new dual foreign name in Chinese, to replace the Chinese name “錢唐控股有限公司”, which was used for identification purpose only (the “**Change of Company Name**”). The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 2 January 2025, confirming the Company’s new name and new dual foreign name in Chinese have been registered in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

## STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Group entered into a strategic cooperation framework agreement (the “**Cooperation Framework Agreement**”) with Hangzhou Changwei Hospital Company Limited\* (“**Hangzhou Changwei**”) (杭州長衛醫院有限公司) on the collaboration in the establishment of a smart medical service model (the “**Smart Medical Service Model**”) with specialised expertise and treatment. Hangzhou Changwei, a company established in China, is a medical institution with technical advantages, market potential and scientific research achievements. Hangzhou Changwei intends to cooperate with Beijing Baijin, on the basis of the complementary advantages of the two sides, to create a set of smart medical service system encompassing medical treatment, teaching and scientific research, to enhance the level of medical services, to improve the experience of patients, and to promote the high quality development of the medical industry. The development of the Smart Medical Service Model is mainly achieved through the following aspects, namely the establishment of (a) a cell-enabled (細胞賦能) speciality disease-specific (專科專病專治) smart medical information system; (b) cell-enabled speciality and disease-specific treatment and management smart medical service platforms; and (c) a cell-enabled speciality-specific smart medical management system.

The Board is of the view that the entering into of the Cooperation Framework Agreement represents the Group’s efforts to diversify its business and broaden its income stream. The Board wishes to emphasise that the Cooperation Framework Agreement only sets out the preliminary cooperation intentions of the Group and Hangzhou Changwei, which does not constitute any substantive right and obligation of any parties thereto and is subject to further formal agreement(s) and/or arrangement(s) to be entered into by the parties, which may or may not materialise. Subsequent to the reporting period, the Group started to develop and design customised Smart Medical Service Model software with Hangzhou Changwei. Details of the transaction were disclosed in the Company’s announcement dated 25 September 2024.

## **ISSUE OF NEW SHARES UNDER GENERAL MANDATE**

On 30 September 2024, a total of 27,779,373 subscription shares were issued by the Company to not less than six subscribers at the subscription price of HK\$0.48 per share pursuant to the terms and conditions of the subscription agreements entered into between the Company and each of the subscribers on 12 September 2024, representing approximately 3.93% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares immediately upon completion of the subscription. The above subscription shares were allotted and issued under the general mandate granted to the Board at the annual general meeting of the Company held on 30 August 2023. The net proceeds of the subscriptions, after deducting the relevant expenses, are approximately HK\$13.2 million at an average price of HK\$0.476 per share which was used and utilised for general working capital of the Group during FY25. Details of the transaction were disclosed in the Company's announcements dated 12 September 2024, 16 September 2024 and 30 September 2024.

On 28 March 2025, a total of 65,359,433 subscription shares were issued by the Company to not less than six subscribers at the subscription price of HK\$0.48 per share pursuant to the terms and conditions of the subscription agreements entered into between the Company and each of the subscribers on 18 March 2025, representing approximately 8.46% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares immediately upon completion of the subscription. The above subscription shares were allotted and issued under the general mandate granted to the Board at the annual general meeting of the Company held on 30 September 2024. The net proceeds of the subscriptions, after deducting the relevant expenses, are approximately HK\$31.3 million at an average price of HK\$0.478 per share which was used for general working capital of the Group. Details of the transaction were disclosed in the Company's announcements dated 18 March 2025, 21 March 2025 and 3 April 2025.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES**

The Group did not have any material acquisition or disposal of subsidiaries during FY25.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES**

The Group principally operates its businesses in Hong Kong and the PRC. The Group is exposed to foreign exchange fluctuations from various currencies, such as United States dollars and Renminbi, which were the major foreign currencies transacted by the Group during FY24 and FY25.

Since Hong Kong dollars remain pegged to the United States dollars within a defined range, the Group is not exposed to any significant foreign exchange risk against the United States dollars. The Group has subsidiaries operating in the PRC, in which most of their transactions, including revenue, expenses and other financing activities, are denominated in Renminbi.

The Group manages its foreign currency risk against other currencies by closely monitoring the movement of the foreign currency rates and may use hedging derivative, such as foreign currency forward contract, to manage its foreign currency risk as appropriate.

## **Human Resources**

As at 31 March 2025, the Group had a total workforce of 75 (31 March 2024: 89), of whom 17 (31 March 2024: 15) were based in Hong Kong. The total staff costs, including Directors' emoluments and mandatory provident fund, was approximately HK\$18.2 million in 2025 (2024: HK\$15.1 million). Employees were remunerated on the basis of their performance and experience. Remuneration packages, including salary and year-end discretionary bonus, were determined by reference to market conditions and individual performance.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as the code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2025.

## **INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS**

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has three independent non-executive Directors, namely Mr. Wong Siu Keung, Joe, Mr. Chang Chunyu and Mr. Lee Ka Leung Daniel.

The Board has reviewed the independence of all independent non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the independent non-executive Directors has been impaired up to the date of this announcement.

## AUDIT COMMITTEE

The audit committee of the Company, which comprises three independent non-executive Directors of the Company, has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters including the review of the audited consolidated financial statements of the Group for the year ended 31 March 2025.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025.

## CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interests of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code throughout the year ended 31 March 2025 and, where appropriate, the applicable recommended best practices of the CG Code, except for the deviations disclosed below:

- There is currently no officer carrying the title of Chief Executive Officer (“**CEO**”) up to the date of this announcement. In the absence of a CEO, the duties of the CEO have been/will continue to be collectively undertaken by all executive Directors, namely Mr. Cheung Sze Ming, Mr. Dong Peng and Dr. Su Yaoyao. In the opinion of the Directors, the present arrangement is effective and efficient.

## **SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity, and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement of the Group have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended from 9:00 a.m. on 2 July 2025 pending the release of this announcement. An application has been made to the Stock Exchange to resume the trading in the Shares from 9:00 a.m. on 28 July 2025.

By Order of the Board  
**BAIJIN LIFE SCIENCE HOLDINGS LIMITED**  
**Cheung Sze Ming**  
*Executive Director*

Hong Kong, 25 July 2025

*As at the date of this announcement, the Board comprises Mr. Cheung Sze Ming, Mr. Dong Peng and Dr. Su Yaoyao as executive Directors; Mr. Zhu Yongjun, Mr. Cheng Chi Kin and Ms. Xie Chunchen as non-executive Directors; Mr. Wong Siu Keung Joe, Mr. Chang Chunyu and Mr. Lee Ka Leung Daniel as independent non-executive Directors.*