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KINGWELL GROUP LIMITED

京維集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1195)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2025**

RESULTS

The Board (the “Board”) of directors (the “Directors”) of Kingwell Group Limited (the “Company” or “Kingwell”) herein announces the preliminary consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2025 (the “Year”) together with the comparative figures for the corresponding year ended 30 June 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	4	70,884	71,415
Cost of sales		<u>(50,684)</u>	<u>(53,191)</u>
Gross profit		20,200	18,224
Other income and gains	4	3,786	2,677
Selling and distribution expenses		(6)	(408)
Administrative expenses		(15,076)	(15,733)
Impairment losses on financial assets		(4,678)	(5,788)
Other expenses		(3,607)	(2,334)
Finance costs	6	<u>(11)</u>	<u>(19)</u>
INCOME/(LOSS) BEFORE TAX	5	608	(3,381)
Income tax expense	7	<u>(2,563)</u>	<u>(3,977)</u>
LOSS FOR THE YEAR		<u>(1,955)</u>	<u>(7,358)</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		47	342
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company's financial statements		<u>15</u>	<u>(263)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>62</u>	<u>79</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,893)</u>	<u>(7,279)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (Continued)**

Year ended 30 June 2025

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Loss)/income attributable to:			
Owners of the Company		(5,042)	(9,966)
Non-controlling interests		<u>3,087</u>	<u>2,608</u>
		<u>(1,955)</u>	<u>(7,358)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(4,980)	(9,887)
Non-controlling interests		<u>3,087</u>	<u>2,608</u>
		<u>(1,893)</u>	<u>(7,279)</u>
		2025 <i>RMB cents</i>	2024 <i>RMB cents</i>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	<i>9</i>		
Basic and diluted		<u>(0.17)</u>	<u>(0.34)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*30 June 2025*

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		560	665
Investment properties		1,080	1,080
Right-of-use assets		305	251
Goodwill		16,652	19,968
Other intangible assets		11	16
Deferred tax assets		5,905	4,780
		<hr/>	<hr/>
Total non-current assets		24,513	26,760
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		104,246	104,553
Trade receivables	<i>10</i>	27,951	25,337
Deposits and other receivables		7,002	5,643
Restricted deposits		238	1,165
Cash and cash equivalents		38,609	46,869
		<hr/>	<hr/>
Total current assets		178,046	183,567
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	<i>11</i>	3,595	3,138
Other payables and accruals		35,626	41,545
Contract liabilities		5,567	7,523
Lease liabilities		202	195
Tax payable		37,918	35,872
		<hr/>	<hr/>
Total current liabilities		82,908	88,273
		<hr/>	<hr/>
NET CURRENT ASSETS		95,138	95,294
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		119,651	122,054
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*30 June 2025*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>119,651</u>	<u>122,054</u>
NON-CURRENT LIABILITIES		
Lease liabilities	108	64
Deferred tax liabilities	<u>2,739</u>	<u>3,293</u>
Total non-current liabilities	<u>2,847</u>	<u>3,357</u>
Net assets	<u><u>116,804</u></u>	<u><u>118,697</u></u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	253,688	253,688
Reserves	<u>(154,443)</u>	<u>(149,463)</u>
	99,245	104,225
Non-controlling interests	<u>17,559</u>	<u>14,472</u>
Total equity	<u><u>116,804</u></u>	<u><u>118,697</u></u>

Notes:

1. BASIS OF PREPARATION

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 30 June 2025 but are extracted from those financial statements.

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit and loss which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

1. BASIS OF PREPARATION (Continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in the consolidated statement of profit or loss and other comprehensive income. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following amended HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> <i>(the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> <i>(the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised HKFRS Accounting Standards are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 July 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is mainly engaged in provision of property management services and sale of properties and parking lots, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

- (a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Mainland China	<u>70,884</u>	<u>71,415</u>

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

- (b) Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Mainland China	18,519	21,891
Hong Kong	<u>89</u>	<u>89</u>
Total non-current assets	<u>18,608</u>	<u>21,980</u>

The non-current asset information above is based on the locations of the assets, which excludes deferred tax assets.

Information about major customers

No information about major customers is presented as no single customer contributed over 10% of total revenue of the Group during the year ended 30 June 2025 (30 June 2024: Nil).

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Revenue from contracts with customers</u>		
Rendering of property management services	57,911	58,225
Parking fee	12,596	12,700
Sale of parking lots	187	490
Sale of properties	190	–
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Total	70,884	71,415
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Revenue from contracts with customers

(i) Disaggregated revenue information

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of goods or services		
Property management services	57,911	58,225
Parking fee	12,596	12,700
Sale of parking lots	187	490
Sale of properties	190	–
	<hr/>	<hr/>
Total	70,884	71,415
	<hr/> <hr/>	<hr/> <hr/>
Geographical market		
Mainland China	70,884	71,415
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition		
Goods transferred at a point in time	377	490
Services transferred over time	70,507	70,925
	<hr/>	<hr/>
Total	70,884	71,415
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4. REVENUE, OTHER INCOME AND GAINS (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Property management services	7,247	6,269
Sale of properties	<u>190</u>	<u>–</u>
	<u>7,437</u>	<u>6,269</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<u>Other income</u>		
Rental income:		
Fixed lease payments	1,541	1,573
Consultation service fee	1,268	–
Interest income from financial assets at fair value through profit or loss	374	605
Bank interest income	26	78
Others	<u>577</u>	<u>421</u>
Total other income	<u>3,786</u>	<u>2,677</u>

5. INCOME/(LOSS) BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	307	376
Cost of services provided	20,654	19,988
Depreciation of property, plant and equipment	119	128
Depreciation of right-of-use assets	226	262
Amortisation	5	231
Lease payments not included in the measurement of lease liabilities	668	643
Impairment of goodwill*	3,316	–
Auditor's remuneration	1,966	2,140
Employee benefit expense (excluding directors' remuneration):		
Salaries and wages	35,314	37,946
Pension scheme contributions	2,709	3,216
Total	<u>38,023</u>	<u>41,162</u>
Foreign exchange differences	(16)	177
Loss on disposal of investment properties*	–	18
Impairment of trade receivables	4,010	4,002
Impairment of other receivables	668	1,786
Tax late payment surcharge*	<u>98</u>	<u>1,834</u>

* These amounts were included in “other expenses” in the consolidated statement of profit or loss and other comprehensive income.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on:		
Lease liabilities	<u>11</u>	<u>19</u>

7. INCOME TAX

The Company is a tax-exempted company registered in the Cayman Islands and conducts substantially all of its business through its subsidiaries established in Mainland China (the “PRC Subsidiaries”).

No provision for Hong Kong profits tax has been made (2024: Nil) as the Group did not generate any assessable profits in Hong Kong during the Year. Taxes on profits assessable in Mainland China have been calculated at the rate of 25% (2024: 25%).

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current – Mainland China		
Provision for corporate income tax	4,223	3,016
Provision for land appreciation taxes (“LAT”) (<i>Note (i)</i>)	19	1,704
Deferred	<u>(1,679)</u>	<u>(743)</u>
Total tax charge for the Year	<u><u>2,563</u></u>	<u><u>3,977</u></u>

Note:

- (i) During the year ended 30 June 2024, the Group has conducted self-inspection following the notice issued by local tax bureau. The Group made provision, based on management’s best estimate, for LAT, real estate tax and relevant late payment surcharge of RMB1,704,000, RMB1,560,000 and RMB1,834,000, respectively, for the years ended 30 June 2020 to 2024, of which RMB1,704,000, RMB660,000 and RMB1,601,000 were paid by the Group in September 2024.

A reconciliation of the tax expense applicable to income/(loss) before tax at the statutory tax rate for Mainland China in which the major subsidiaries of the Company are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Income/(loss) before tax	<u><u>608</u></u>	<u><u>(3,381)</u></u>
Tax at the Mainland China statutory income tax rate of 25%	152	(845)
Lower tax rates for specific provinces or enacted by local authority*	502	1,907
Temporary differences utilised from previous periods	(173)	(80)
Expenses not deductible for tax	854	569
Effect of withholding tax at 10% on the distributable profits of the Group’s PRC subsidiaries	446	(111)
Tax losses not recognised	567	120
Temporary differences not recognised	196	–
Provision for LAT	19	1,704
Write-down of deferred tax assets	<u>–</u>	<u>713</u>
Tax charge at the Group’s effective rate	<u><u>2,563</u></u>	<u><u>3,977</u></u>

* *Specific provinces or local authority mainly represented the Cayman Islands and Hong Kong.*

8. DIVIDENDS

No final dividends were proposed for the years ended 30 June 2025 and 2024.

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company of RMB5,042,000 (2024: RMB9,966,000), and the weighted average number of ordinary shares of 2,894,091,737 (2024: 2,894,091,737) outstanding during the Year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 30 June 2025 and 2024.

10. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	37,752	31,128
Impairment	(9,801)	(5,791)
	<hr/>	<hr/>
Net carrying amount	27,951	25,337
	<hr/>	<hr/>

The Group's trade receivables arise from the provision of property management services. A credit period of generally six months is granted to the property developer for whom the Group provides property management services. The property's owners are required to pay the property management fee based on certain fee level within the range approved by local government. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. 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 and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	2,932	4,606
1 to 2 months	2,137	1,800
2 to 3 months	1,953	1,973
Over 3 months	20,929	16,958
	<hr/>	<hr/>
Total	27,951	25,337
	<hr/>	<hr/>

11. 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 month	1,445	857
1 to 3 months	88	–
3 months to 1 year	131	–
Over 1 year	<u>1,931</u>	<u>2,281</u>
Total	<u><u>3,595</u></u>	<u><u>3,138</u></u>

The trade payables are non-interest-bearing and are normally settled on 180-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the Year, revenue of the Group amounted to approximately RMB70,884,000 (2024: RMB71,415,000), representing a decrease by approximately 0.7% as compared with last year. The decrease in revenue was mainly due to the decrease in contribution from property management service fee income.

During the Year, the Group recorded a gross profit of approximately RMB20,200,000 (2024: RMB18,224,000) and income before tax of approximately RMB608,000 (2024: loss before tax of approximately RMB3,381,000) respectively. The increase in gross profit and decrease in loss were due to the cost reduction under the cost control over the property management services during the Year.

During the Year, the loss attributable to owners of the Company for the Year was approximately RMB5,042,000 (2024: RMB9,966,000). Basic loss per share during the Year was RMB0.17 cents (2024: RMB0.34 cents).

Business Review

Property Development, Property Leasing and Property Management Services Business

The Group had its wholly-owned subsidiaries of property management companies to provide the property management services such as Xuzhou Taihua and Jiangsu Tianan Hongji, in which, the size of the property under management are approximately 254,248 square meters in aggregate. Also, the Group has 515 units parking lots and 3 blocks of 3-storey commercial buildings (total gross floor area of 3,267 square meters). The above held for sales properties and property under management are in the Xuzhou Yueqiao Flower Garden* (徐州月橋花院)(the “Xuzhou Project”), located at Fuchun Road, Yunlong District, Xuzhou City, Jiangsu Province, the PRC.

The Group acquired 51% equity interests in each of Shenzhen Hailian Property Management Co., Ltd.* (深圳市海聯物業管理有限公司)(“Shenzhen Hailian”) and Huizhou Huiyang Peninsula One Property Management Co., Ltd.* (惠州市惠陽半島壹號物業管理有限公司)(“Huizhou Huiyang”). Shenzhen Hailian and Huizhou Huiyang provide property management services in Shenzhen and Huizhou, and have 856 units parking lots in Huizhou, in which, the size of the property under management are approximately 3,050,000 square meters in aggregate.

During the Year, the property management services business had sustainable development and provided stable income.

The property development project “Anlu Taihe Paradise” at Liang Ji Bei Road, Anlu Economic Development District in Anlu city, Hubei province in the PRC (Postal code 432600), is developed by the Anlu Taihe Real Estate Development Company* (“Anlu Taihe”) (安陸泰合房地產開發有限公司) and is wholly-owned by the Group. The project comprises three phases, constructions were completed in 2007, 2009 and 2011 respectively, with a total gross floor area of approximately 272,568 square meters and are approved for residential and commercial composite uses. The land use rights of the properties have been granted for a term expiring on 22 August 2065.

* English name is for identification only

Some of the properties are held by the Group as investment purpose to generate rental income. Properties held by the Group for investment purpose are classified as investment properties and stated at fair value as at 30 June 2025.

The sales properties and investment properties were faced a difficult operating environment due to the real estate demand downturn in the PRC.

During the Year, the Group is mainly engaged in provision of property management services and sale of properties and parking lots, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's management for purposes of resources allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographic Information

Revenue from operations derived from sales to external customers located in Mainland China was RMB70,884,000 (2024: RMB71,415,000).

Business Prospects

The Group had 515 units parking lots and 3 blocks of 3-storey commercial buildings in the Xuzhou Project. The above properties and property management business in Xuzhou City, Jiangsu Province, the PRC, will enhance the Group's expertise in the daily management of properties in the PRC. Also, the Group will enhance the management services and provide the tailor-made services to our customers in Xuzhou. Despite the difficult business environment, the Group expects that the Xuzhou Project will provide positive contribution to the Group.

Shenzhen Hailian and Huizhou Huiyang provide property management services in Shenzhen and Huizhou, and have 856 units parking lots in Huizhou, in which, the size of the property under management are approximately 3,050,000 square meters in aggregate, which are both located in the Greater Bay Area. According to the Outline Development Plan for the Greater Bay Area issued by The State Council of the PRC in February 2019, both Huizhou and Shenzhen are the cities that becoming the focus of the future development of the Greater Bay Area. Therefore, the Group believes that Huizhou and Shenzhen have growth potential.

There are only remaining few inventories for sales in the Anlu Taihe project. The Group does not expect Anlu Taihe will contribute significant income in the future.

Looking ahead, the Group will search for potential projects to expand the business in the PRC.

Liquidity and Financial Resources and Capital Structure

For the year ended 30 June 2025, the Group's working capital requirement was principally financed by its internal resources.

As at 30 June 2025, the Group had cash and cash equivalents, net current assets and total assets less current liabilities of approximately RMB38,609,000 (2024: RMB46,869,000), RMB95,138,000 (2024: RMB95,294,000) and RMB119,651,000 (2024: RMB122,054,000), respectively.

As at 30 June 2025, the Group had no interest-bearing borrowings (2024: Nil).

Total equity attributable to owners of the Company as at 30 June 2025 decreased by approximately RMB4,980,000 to approximately RMB99,245,000 (2024: RMB104,225,000). The gearing ratio (calculated as the ratio of net debt: capital and net debt) of the Group as at 30 June 2025 was 0.61% (2024: in net cash position).

Significant Investments

The Group held no significant investment during the Year.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

The Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Year.

Employees' Information

Emolument Policy and Long-Term Incentive Scheme

As at 30 June 2025, the Group employed a total of 477 (2024: 480) employees. It is a policy of the Group to review its employees' pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industry. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs. During the Year, the employment cost (including Directors' emoluments) amounted to approximately RMB38,816,000 (2024: RMB41,904,000). For the purpose of providing appropriate long-term incentive to the Group's employees, share options may be granted to staff, Directors and consultants under the Company's 2019 share option scheme (the "2019 Share Option Scheme") adopted in 2019. As at the date of this announcement, no option has been granted under the 2019 Share Option Scheme.

Basis of Determining Emolument to Directors

Apart from benchmarking against the market, the Company looks at individual competence and contributions in determining the exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Company's Directors, including the share option scheme.

Retirement Benefit Scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme, whose contributions are made based on a percentage of the employees’ basic salaries and the employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme (the “Central Pension Scheme”, together with the MPF Scheme, the “Defined Contribution Schemes”) operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the relevant rules of the respective schemes.

The Group’s contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 30 June 2024 and 30 June 2025, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 30 June 2024 and 30 June 2025.

For each of the two years ended 30 June 2024 and 30 June 2025, the Group did not have any defined benefit plan.

Charges on Group Assets

As at 30 June 2025, none of the Group’s assets were pledged to secure general banking facilities to the Group (2024: Nil).

Future Plans for Material Investments and Expected Sources of Funding

In the future, the Group will continue to implement its diversified development strategy and proactively search for potential investment opportunities.

The Group had no future plans for material investments and expected sources of funding as at 30 June 2025.

Exposure to Fluctuations in Exchange Rates

The Group has foreign currency risk as certain financial assets and liabilities are denominated in foreign currencies, principally in Hong Kong dollars. The Group also manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposure such as Hong Kong Dollars in order to keep the net exposure to an acceptable level. The Group has not used any hedging arrangement to hedge its foreign exchange risk exposure.

Capital Commitments

As at 30 June 2025, the Group had no capital commitments (2024: Nil).

Contingent Liabilities

As at 30 June 2025, the banking facilities of RMB238,000 were granted to buyers of certain properties developed by the Group (2024: RMB237,000).

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2025 (2024: Nil).

CORPORATE GOVERNANCE

The Group is committed to statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasising accountability, transparency, independence, fairness and responsibility.

The Group has complied with the code provisions in the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules throughout the Year, except the following deviation:

Code Provision C.2.1

Under the code provision C.2.1 of the CG Code states that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. Being aware of the said deviation from code provision C.2.1, but in view of the current rapid development of the Group, the Board believes that with the support of the management, vesting the roles of both chairman and chief executive officer of the Company by Mr. Mao Yangguang and Mr. Mao’s roles as the chairman and the chief executive officer can facilitate execution of the Group’s business strategies and boost effectiveness of its operation. In addition, under the supervision by the Board which consists of three independent non-executive Directors, the interests of the shareholders will be adequately and fairly represented. The Company will seek to re-comply with code provision C.2.1 by identifying and appointing a suitable and qualified candidate to the position of the chief executive officer of the Company in future.

Audit Committee

The Company established an audit committee (the “Audit Committee”) in May 2001 with written terms of reference revised to be substantially the same as the provisions as set out in the CG Code. The Audit Committee acts as an important link between the Board and the Company’s auditor in matters within the scope of the Group’s audit. The duties of the Audit Committee are to review and discuss on the effectiveness of the external audit and risk evaluation of the Company, as well as the Company’s annual report and interim report and to provide advice and comments to the Board. The Audit Committee is also responsible for reviewing and supervising the Group’s financial reporting, risk management and internal control systems. The Audit Committee has reviewed these annual results with management.

Scope of Work of Ernst & Young

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

IMPORTANT EVENTS AFTER THE YEAR

No important events affecting the Group has occurred since the end of the Year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement of the Group for the year ended 30 June 2025 is available for viewing on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at <http://kingwell.todayir.com>. The annual report will be despatched to the shareholders of the Company and will also be available for viewing at the aforesaid websites in due course.

By Order of the Board
KINGWELL GROUP LIMITED
Mao Yangguang
Chairman

Hong Kong, 29 September 2025

As at the date of this announcement, the Board comprises Mr. Mao Yangguang and Mr. Du Yun as executive Directors, and Mr. Cheung Chuen, Ms. Ng Ching Yee and Mr. Wang Haipeng as independent non-executive Directors.