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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1246)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

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 2024, together with the comparative figures for the corresponding period in 2023 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

For the six months ended 30 September 2024

		For the six months ended 30 September	
		2024	2023
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	6	32,533	274,659
Cost of sales		(24,264)	(262,545)
		<hr/>	<hr/>
Gross profit		8,269	12,114
Other losses, net		–	(191)
Fair value loss on investment properties		–	(403)
Fair value loss on equity instruments, net		–	(126)
Selling and distribution expenses		(642)	(2,423)
Administrative and other expenses		(2,918)	(22,730)
Expected credit losses for financial guarantee contracts	7	(13,078)	–
Finance costs		(20,097)	(4,789)

		For the six months ended 30 September	
	<i>Notes</i>	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
LOSS BEFORE TAX	8	(28,466)	(18,548)
Income tax expense	9	—	(4,663)
LOSS FOR THE PERIOD		(28,466)	(23,211)
OTHER COMPREHENSIVE LOSS			
Items that may be reclassified to profit or loss in the subsequent periods:			
Exchange differences arising on translation to presentation currency		(4,283)	(22,551)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		(4,283)	(22,551)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(32,749)	(45,762)
LOSS FOR THE PERIOD ATTRIBUTABLE TO			
– OWNERS OF THE COMPANY		(26,972)	(7,988)
– NON-CONTROLLING INTEREST		(1,494)	(15,223)
		(28,466)	(23,211)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO			
– OWNERS OF THE COMPANY		(31,232)	(34,584)
– NON-CONTROLLING INTEREST		(1,517)	(11,178)
		(32,749)	(45,762)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
BASIC AND DILUTED	11	HK(1.99) cent	HK(0.59) cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 September 2024

		At 30 September 2024	At 31 March 2024
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		11	17
Investment properties	12	739,473	723,845
Total non-current assets		739,484	723,862
CURRENT ASSETS			
Completed properties held for sale		43,228	64,914
Properties under development		483,530	473,312
Trade receivables	13	24,448	54
Prepayments, deposits and other receivables	14	22,349	20,809
Equity instruments at fair value through profit or loss		611	611
Due from a related company		1,135	1,111
Due from a director		–	39
Restricted cash		15,310	14,986
Cash and cash equivalents		326	469
Total current assets		590,937	576,305
CURRENT LIABILITIES			
Trade payables	15	247,896	239,088
Contract liabilities		71,696	69,961
Other payables and accruals		92,981	79,754
Financial guarantee liabilities		196,103	178,883
Due to related companies		222,694	218,870
Borrowings	16	860,270	842,175
Tax payables		3,752	3,673
Total current liabilities		1,695,392	1,632,404
NET CURRENT LIABILITIES		(1,104,455)	(1,056,099)
TOTAL ASSETS LESS CURRENT LIABILITIES		(364,971)	(332,237)

		At 30 September 2024	At 31 March 2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		681	666
Total non-current liabilities		681	666
NET LIABILITIES			
		(365,652)	(332,903)
EQUITY			
Share capital	19	339,500	339,500
Reserves		(703,572)	(672,340)
Equity attributable to owners of the Company		(364,072)	(332,840)
Non-controlling interests		(1,580)	(63)
TOTAL DEFICIT		(365,652)	(332,903)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2024

1. CORPORATE AND GROUP INFORMATION

Boill Healthcare Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 15/F., Toi Shan Association Building, 167-169 Hennessy Road, Wan Chai, Hong Kong.

At 30 September 2024, to the Company’s best knowledge, Boill International Co., Limited (“**Boill International**”) is the Company’s largest shareholder, and owned approximately 33.18% of the issued shares of the Company. Boill International is wholly-owned by Boill Holding Group Co., Limited* (“**Boill Holding**”). Liyao Investment Limited (“**Liyao Investment**”) and Mr. Cai Weijie owned approximately 19.15% and 6.13% of the issued shares of the Company, respectively.

Mr. Qiu Dongfang (“**Mr. Qiu**”), a former director of the Company, indirectly owns 75.88% of Boill Holdings and 100% of Liyao Investment.

2. BASIS OF GOING CONCERN

These condensed consolidated financial statements have been prepared in conformity with the principles applicable to a going concern basis. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in future and the success of the below plans and measures in view of the excess of current liabilities over current assets.

As at 30 September 2024, the Group’s current liabilities exceeded its current assets and its total liabilities exceeded its total assets by approximately HK\$1,104,455,000 and HK\$365,652,000, respectively.

Borrowings

As at 30 September 2024, the Group’s borrowings amounted to approximately HK\$860,270,000. All borrowings are repayable on demand, while the Group only had cash and cash equivalents of approximately HK\$326,000 as at 30 September 2024.

During the six months ended 30 September 2024, the Group defaulted on its all borrowings of approximately HK\$860,270,000. As of the date of this announcement, the bank is currently processing a public auction of properties under development of the Group, with a carrying amount of approximately HK\$483,530,000 and investment properties under construction of the Group, with a carrying amount of approximately HK\$734,955,000. As of the date of this announcement, the auction is in process.

* For identification purpose

Financial guarantee to a related company

The Group has recognised an expected credit loss of approximately RMB44.0 million for the financial guarantee provided by certain guarantors and Shanghai Baoxian Company Limited* (上海保賢實業有限公司) (“**Shanghai Baoxian**”), an indirect non-wholly-owned subsidiary of the Company by way of corporate guarantee for loans of a related company, Shanghai Guzhen Company Limited* (上海顧臻實業有限公司) (“**Shanghai Guzhen**”), controlled by Boill Holding (collectively, “**Guarantors**”), up to the maximum amount of the corporate guarantee of RMB55.5 million.

During the six months ended 30 September 2024, Shanghai Guzhen has failed to repay the outstanding borrowing of RMB37.0 million. On 19 February 2024, the People’s Court of Fengxian District, Shanghai City (上海市奉賢區人民法院) (the “**Court**”) handed down a judgment that Shanghai Guzhen should repay all outstanding loan amount and unpaid interests within 10 days after the judgment becoming effective, and the Guarantors should be jointly liable. As such, upon Shanghai Guzhen’s further default of the judgment requirements, the lender applied for property preservation to the Court. As a result, the Group has received documents of legal proceedings claiming the amount of approximately RMB41.5 million (“**Claim Amount**”). Consequently, the bank balances of the Group of approximately HK\$15.3 million have been frozen as at 30 September 2024. Up to the date of this announcement, the management has not received any claim from the lender, Shanghai Fengxian Greenland Microloan Company Limited* (上海奉賢綠地小額貸款股份有限公司).

Financial guarantee for loan facilities

The Group has recognised an expected credit loss of approximately RMB133.0 million relating to loan facilities granted by a non-controlling interest (“**NCI**”) (“**NCI Loan Facilities**”) of the Group to Shanghai Baoxian. As at 30 September 2024, the Group has utilized the loan facilities of RMB45.0 million (“**NCI Loan A**”) of the loan facilities and recorded in the borrowings in the condensed consolidated statement of financial position. Shanghai Baoxian has failed to repay the NCI Loan A. Per management understanding, Boill Holding also borrowed RMB135.0 million from the NCI (“**NCI Loan B**”), and the Group is one of guarantor of the NCI Loan Facilities, and Boill Holding has failed to repay the NCI Loan B during the period. In June 2024, the NCI has initiated legal action against the Group (the “**Dispute**”) to claim the NCI Loan A and NCI Loan B. In connection with this litigation, court judgment was received and the Group is obliged to payment approximately RMB179.2 million which has been fully recognised in the condensed consolidated financial statements as of 30 September 2024.

Certain subsidiaries of the Group have been subjected to high-level consumption restrictions by the Chinese Mainland court and have been included on the list of dishonest persons subject to enforcement.

The Group’s current liabilities exceeded its current assets and total liabilities exceeded its total assets by approximately HK\$1,104,455,000 and HK\$365,652,000, respectively. These events and conditions, along with other matters as set forth below, indicate that may cast significant doubt on the Group’s ability to continue as a going concern.

* For identification purpose

Notwithstanding the above mentioned and those events set forth below, the condensed consolidated financial statements have been prepared on a going concern basis on the assumption that the below events will be successfully completed, and that the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future on, the validity of which is dependent on the outcome of plans and measure to be taken by the management of the Group, including:

- (i) negotiating with investor/banks to obtain additional new financing and other source of funding as and when required;
- (ii) the Group continued to sell the completed properties held for sale in order to boost the liquidity of the Group;
- (iii) the directors of the Company will continue to implement stronger measures aiming at improving the working capital and cash flows of the Group, including closely monitoring incurrence of other operating expenses;
- (iv) on 28 June 2024, Boill International and Liyao Investment have made a legal binding undertaking to undertake the Claim Amount and Dispute and any additional claim from the plaintiff in the event of litigation failure. And the Group has the rights to offset the Claim Amount and the Dispute by amounts due to related companies controlled by Boill International and Liyao Investment.

On 8 October 2025, the Company obtained a waiver of amounts payable to related companies, totaling approximately HK\$226.5 million, and simultaneously, Boill International and Liyao Investment terminated their undertaking to pay the Claim Amount, as the waived amounts exceeded the Claim Amount and the Dispute. The related companies, Boill International and Liyao Investment, are controlled by Mr. Qiu. As such, the waived payable was regarded as a capital contribution from the shareholder; and

- (v) the outcome of the litigation and dispute in line with the recognised amount of the financial guarantee and its borrowings and the outcome of the several litigations in relation to disputes under construction contracts in respect of its property development projects, which arose during the normal course of business.

Taking into account the Group's cash flow projections covering a period of twenty-seven months from the end of the reporting period (i.e. up to 31 December 2026) prepared by the management, and assuming the successful implementation of the above measures, the Directors consider the Group would be able to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of this announcement. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis notwithstanding that the above events or conditions indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern.

Should the Group fail to achieve the intended effects resulting from the plans and measures as mentioned above, it might not be able to operate as a going concern, and adjustments would have to be made to write down the carrying amounts of the Group's assets to their net realisable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

Accordingly, the condensed consolidated interim financial statements have been prepared on a going concern basis.

The condensed consolidated interim financial statements do 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 condensed consolidated interim financial statements have been prepared in accordance with the disclosure requirements set out in Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The condensed consolidated interim financial statements do 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 2024, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**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 condensed consolidated interim financial statements below.

The condensed consolidated interim financial statements for the six months ended 30 September 2024 have 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 condensed consolidated interim financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

4. ACCOUNTING POLICIES

The Group has adopted and applied, for the first time, the following new standards and interpretations that have been issued and effective for the accounting periods beginning on 1 April 2024:

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The application of the above amendments did not have any material impact on the condensed consolidated financial statements of the Group.

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period. The Directors anticipate that the application of the other new and revised standards and amendments issued but not yet effective will have no material impact on the results and financial position of the Group.

5. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, 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 2024.

6. SEGMENT INFORMATION

The Group's property development segment comprises sale of properties, sales of construction materials and provision of property management services. Other than the entity-wide disclosure and geographical information, no segment analysis is presented.

Geographical Information:

The Group's operations, and its non-current assets, are mainly located in the People's Republic of China ("PRC") and all revenue were generated from the PRC.

Disaggregation of revenue

Revenue from contracts with customers	Property development 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Timing of revenue recognition under HKFRS 15		
– Sales of properties	<u>32,533</u>	<u>274,659</u>
Revenue from contracts with customers and recognised at a point in time	<u>32,533</u>	<u>274,659</u>

Information About Major Customers

Details of customers individually representing 10% or more of the Group's revenue are as follows:

	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	<u>23,845</u>	<u>N/A[#]</u>

[#] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Except disclosed above, no other customers contributed 10% or more to the Group's revenue for both periods.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 September	2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Interest and charges on borrowings	16,439	30,672	
Interest on loan from a related company	–	602	
Interest and charges on loan from a non-controlling interests	3,658	–	
Interest on lease liabilities	–	22	
<i>Less: Imputed interest capitalised into investment properties under construction and properties under development</i>	–	(26,507)	
	20,097	4,789	

8. LOSS BEFORE TAX

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

	Six months ended 30 September	2024	2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Interest income	–	(193)	
Cost of properties sold	24,264	262,545	
Depreciation	6	418	
Foreign exchange differences, net	–	106	
Employee benefit expenses (excluding directors' remuneration):			
Wages and salaries	605	8,086	
Pension scheme contributions	6	1,873	
<i>Less: Amount capitalised</i>	–	(2,109)	
	611	7,850	

9. INCOME TAX EXPENSE

For the six months ended 30 September 2024, Hong Kong Profits Tax of the selected entity was calculated at 8.25% (2023: 8.25%) of the first HK\$2,000,000 estimated assessable profits and 16.5% (2023: 16.5%) of the remaining estimated assessable profits. Hong Kong Profits Tax for the remaining entities within the Group was calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the six months ended 30 September 2024. There were no estimated assessable profits for the six months ended 30 September 2024 (2023: Nil).

Enterprise income tax (“**EIT**”) arising from the PRC is calculated at 25% (2023: 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.

	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Charged for the period:		
Current – PRC LAT	–	(4,764)
Deferred tax for the period	–	101
Income tax expense for the period	–	(4,663)
	<hr/>	<hr/>

10. DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2024 (2023: Nil).

11. LOSS PER SHARE

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

	Six months ended 30 September		
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	
Loss for the period attributable to owners of the Company	<u>(26,972)</u>	<u>(7,988)</u>	
Weighted average number of ordinary shares in issue during the period for the purpose of basic loss per share	<u>1,358,000,000</u>	<u>1,358,000,000</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 2024 and 2023.

12. INVESTMENT PROPERTIES

	Completed HK\$'000	Under construction HK\$'000	Total HK\$'000
At 1 April 2023 (audited)	18,626	748,352	766,978
Additions	–	14,995	14,995
Decrease in fair value	(13,372)	(5,432)	(18,804)
Exchange realignment	(832)	(38,492)	(39,324)
At 31 March 2024 (audited) and 1 April 2024 (audited)	4,422	719,423	723,845
Exchange realignment	96	15,532	15,628
At 30 September 2024 (unaudited)	4,518	734,955	739,473

At 30 September 2024, the Group's investment properties with carrying amount of HK\$734,955,000 (as at 31 March 2024: HK\$719,423,000) were pledged to secure borrowings granted to the Group (note 17). As disclosed in note 2, the bank is currently processing a public auction of investment properties under construction.

13. TRADE RECEIVABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade receivables	24,448	54

Trade receivables represent receivables from sales of properties. 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 materials contract. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 30 days	24,448	–
91 to 180 days	–	54
	24,448	54

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Prepayments	12,543	16,013
Deposits and other receivables	9,806	4,796
	22,349	20,809

15. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period is as follows:

	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
0 to 30 days	-	171,379
91 to 180 days	274,896	67,709
	274,896	239,088

16. BORROWINGS

	30 September 2024 <i>HK\$'000</i> (Unaudited)	31 March 2024 <i>HK\$'000</i> (Audited)
Bank loans – secured (i), (ii) & (iii)	<i>a & b</i>	778,560
Other loan – unsecured	<i>c</i>	4,000
Other loan – secured (iv)	<i>d</i>	10,839
NCI Loan A – secured (v)	<i>e</i>	48,776
	795,368	842,175
	4,000	4,000
	11,073	10,839
	49,829	48,776
	860,270	842,175

The Group's borrowings are secured by:

- i) Investment properties with carrying value of approximately HK\$734,955,000 (31 March 2024: HK\$\$719,423,000);
- ii) Properties under development with carrying value of approximately HK\$483,530,000 (31 March 2024: HK\$473,312,000);
- iii) Properties held by a related company controlled by Mr. Qiu;
- iv) Guaranteed by related companies controlled by Mr. Qiu; and
- v) Personal guarantee given by each of Mr. Qiu and his spouse, Ms. Huang Jian, and corporate guarantees provided by the related companies controlled by Mr. Qiu.

Notes:

- a. In October 2021, the Group obtained a credit facility of approximately of RMB780,000,000 (equivalent to HK\$891,303,000) from a bank. As at 30 September 2024, the Group utilised the facility of approximately RMB718,295,000 (equivalent to HK\$795,368,000) (31 March 2024: approximately RMB718,295,000 (equivalent to HK\$778,560,000)).

- b. As at 30 September 2024, the Group defaulted on its bank borrowing. After the end of the reporting period, the bank is currently processing a public auction of properties under development of the Group, with a carrying amount of approximately HK\$483,530,000 and investment properties of the Group, with a carrying amount of approximately HK\$734,955,000. As of the date of this announcement, the auction is in process.
- c. The other loan was matured on 15 March 2024 and unsettled up to the date of this announcement.
- d. The other loan was matured in May 2024 and unsettled up to the date of this announcement.
- e. The NCI Loan A was matured in December 2023 and unsettled up to the date of this announcement. Details of this borrowing, please refer to note 2.

17. GEARING RATIO

As at 30 September 2024 and 31 March 2024, the Group was in total deficit, no gearing ratio can be presented.

18. CAPITAL COMMITMENTS

As at 30 September 2024 and 31 March 2024, the Group did not have any significant capital commitments.

19. SHARE CAPITAL

	30 September 2024		31 March 2024	
	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>	<u>4,800,000,000</u>	<u>1,200,000</u>
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>

20. CONTINGENT LIABILITIES AND LITIGATIONS

- a. As at 30 September 2024, the Group provided financial guarantees to certain banks in respect of mortgage facilities provided for certain purchasers of the Group's properties in the PRC, amounting to approximately HK\$33,210,000 (31 March 2024: HK\$39,250,000).
- b. The Group is subject to certain legal claims mainly in relation to disputes under construction contracts in respect of its property development projects, which arose during the normal course of business. Up to the date of this announcement, the maximum amounts of the disputes were approximately HK\$86 million.

Except for disclosed in above and the heading "Contingent Liabilities and Litigations" in the Management Discussion and Analysis, the Group did not have other material contingent liabilities and litigation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2024 to the valued shareholders of the Company. The Group's revenue from operations for the six months ended 30 September 2024 was approximately HK\$32.5 million (2023: approximately HK\$274.7 million), representing a decrease of approximately 88.2% over the corresponding reporting period in 2023. Net loss of approximately HK\$28.5 million (2023: approximately HK\$23.2 million) was incurred for the six months ended 30 September 2024 while the basic and diluted loss per share attributable to owners of the Company was approximately HK1.99 cents (2023: approximately HK0.59 cents).

BUSINESS REVIEW

Property Development

Residential property project

The Group 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, was principally engaged in the development and operation of a property project (the “**Yangzhong Project**”), which is situated at No. 1 Yihe Road, located at the east of Xinyang Road, south of Yihe Road, Sanmao Street, the central business district of Yangzhong City, Zhenjiang City, Jiangsu Province, the 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 (exclusive of the basement with an aggregate gross area of approximately 17,044 square meters) for residential and commercial use, and 753 carparking spaces in basement one and basement two.

The Group recorded revenue from the Yangzhong Project of approximately HK\$32.5 million from the sales of 9 apartments and 82 shops with an aggregate gross floor area of approximately 3,090 square meters for the six months ended 30 September 2024, representing a decrease of approximately 53% as compared to approximately HK\$274.6 million from the sales of 297 apartments and 6 shops with an aggregate gross floor area of approximately 37,663 square meters for the six months ended 30 September 2023.

At as 30 September 2024, the Group recorded an aggregate sales of 9 apartments and 82 shops with an aggregate gross floor area of approximately 3,090 square meters.

Integrated industrial zone project

On 2 July 2021, Shanghai Baoxian Industrial Co., Ltd.* (上海保賢實業有限公司) (a non-wholly-owned subsidiary of the Company) (“**Shanghai Baoxian**”) completed the acquisition of the land use rights of a plot of land (the “**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 with a total site area of approximately 63,481 square meters through the listing-for-sale process held by Shanghai Land Transaction Center* (上海市土地交易事務中心) with an intention to develop the Land into an innovative hub and integrated industrial zone.

The Land and the property under development were pledged to secure the borrowing of approximately HK\$770.2 million from a bank. During the six months ended 30 September 2024, the Group defaulted on the bank borrowings. Please refer to the heading “Contingent Liabilities and Litigations” in the Management Discussion and Analysis for details.

FINANCIAL REVIEW

Revenue

The revenue of the Group for the six months ended 30 September 2024 was approximately HK\$32.5 million, representing a decrease of approximately HK\$242.2 million or 88.2% as compared to the revenue of approximately HK\$274.7 million for the six months ended 30 September 2023.

The decrease in revenue was mainly due to the net effect of the decrease in delivery of properties under the Yangzhong Project.

Gross profit

The gross profit of the Group for the six months ended 30 September 2024 was approximately HK\$8.3 million, representing a decrease of approximately HK\$3.8 million or 31.4% as compared to approximately HK\$12.1 million for the corresponding period in 2023.

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

Other losses, net

The other losses, net of the Group for the six months ended 30 September 2024 were nil (2023: losses of approximately HK\$0.2 million), which mainly comprised operating losses incurred during the properties transfer transitional period.

Selling and distribution expenses

The selling and distribution expenses of the Group for the six months ended 30 September 2024 was approximately HK\$0.6 million, representing a decrease of approximately HK\$1.8 million or 75.0% as compared to approximately HK\$2.4 million for the corresponding period in 2023.

The decrease in selling and distribution expenses was mainly due to the decrease in delivery of properties.

Administrative and other expenses

Administrative and other expenses of the Group decreased from approximately HK\$22.7 million for the six months ended 30 September 2023 to approximately HK\$2.9 million for the six months ended 30 September 2024. The decrease in administrative and other expenses was mainly due to the decreased administrative staff costs.

Expected credit losses for financial guarantee contracts

During the six months ended 30 September 2024, the Group recognised expected credit losses for financial guarantee contracts of approximately HK\$13.1 million (2023: nil).

Finance costs

Finance costs for the six months ended 30 September 2024 were approximately HK\$20.1 million, representing an increase of approximately HK\$15.3 million from approximately HK\$4.8 million as compared with the corresponding period in 2023. Such increase was mainly due to the increase in the outstanding balance of borrowings for the Group's general operations.

Income tax expense

The income tax expense of the Group for the six months ended 30 September 2024 was nil (2023: approximately HK\$4.7 million).

Net Loss

The net loss of Group for the six months ended 30 September 2024 was approximately HK\$28.5 million, representing an increase of approximately HK\$5.3 million from approximately HK\$23.2 million for the corresponding period in 2023.

The increase in net loss was mainly due to the increase in finance costs as a result of increase of borrowings, expected credit losses for financial guarantee contracts, and decrease in gross profit, and set off by the decrease in administrative and other expenses.

BUSINESS PROSPECTS

The unsatisfactory performance was partly due to (i) downward trend in the real estate industry in the PRC; (ii) ongoing legal proceedings which undermined the operations of the Group; and (iii) commitment of resolving resources in the composition of the Board.

Looking back from a longer historical perspective, the six months ended 30 September 2024 (“**1H2025**”) was doomed to be an extraordinary period, during which enterprises and individuals did their best to survive a tough and hard time. The world was turbulent. China was bumping forward. Amid dramatic changes and reshaping, uncertainty became normal, and this was also the case for the property development industry which stumbled through its ups and downs.

We are hard working during the 1H2025, in which the industry saw a year of deep adjustments, a year of spiraling down to a dark hole and a year of complicated and volatile market environment.

Looking forward to financial year 2025, the international environment will still be complex and severe, while the prospect for economic recovery in China is yet to show any sign of strength, and the real estate industry continues to stay in the stage of structural adjustment. Against the backdrop of challenges and uncertainties, we must follow the right way and take unpredictable moves so as to make steady progress.

The Board is reviewing the feasibility of other different business options to increase the Group’s revenue and working capital.

DEBTS AND CHARGE ON ASSETS

As at 30 September 2024, the interest-bearing bank and other borrowings of the Group amounted to approximately HK\$860.3 million (as at 31 March 2024: approximately HK\$842.2 million).

As at 30 September 2024, the Group’s borrowings of approximately HK\$860.3 million (as at 31 March 2024: approximately HK\$842.2 million) were secured by (i) investment properties with carrying value of approximately HK\$735.0 million; (ii) properties under development with carrying value of approximately HK\$483.5 million; (iii) properties held by a related company controlled by Mr. Qiu; and (iv) personal guarantees given by each of Mr. Qiu, and his spouse, Ms. Huang Jian, and corporate guarantees provided by the related companies controlled by Mr. Qiu.

As at 30 September 2024, the Group’s interest-bearing borrowings of approximately HK\$860.3 million (as at 31 March 2024: approximately HK\$842.2 million) were repayable within one year or on demand and bearing interests at fixed rate ranging from 3.7% to 15.4% per annum (as at 31 March 2024: 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 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2024, the Group had current liabilities of approximately HK\$1,695.4 million (as at 31 March 2024: approximately HK\$1,632.4 million) and cash and cash equivalents of approximately HK\$0.3 million (as at 31 March 2024: approximately HK\$0.5 million).

As at 30 September 2024, the Group was in total deficit, no gearing ratio can be presented (as at 31 March 2024: no gearing ratio).

In the opinion of the Directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group covering a fifteen-months period from the date of approval for issue of this unaudited condensed consolidated interim financial information (the “**Forecast Period**”) after taking into account the considerations in note 2.

FOREIGN EXCHANGE RISK

The majority of the Group’s assets, liabilities and cash flows were denominated in RMB. During the six months ended 30 September 2024, the steady depreciation of RMB against HK\$ had a negative 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 2024 given that the functional currency of the Group was RMB. During the six months ended 30 September 2024, 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 2024.

CAPITAL COMMITMENTS

As at 30 September 2024 and 31 March 2024, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES AND LITIGATIONS

As at the date of this announcement, save as disclosed in the announcements named “Inside Information Involving Legal Proceedings Major Transaction and Connected Transaction in Relation to Financial Assistance” on 28 June 2024, “Civil Debt Dispute” on 28 June 2024 and elsewhere in this announcement, the Group is also subjected to the following legal claim:

On 20 December 2024 and 15 March 2025, two judgments were given by the People’s court of Minhang District, Shanghai (the “**Minhang Court**”) against, among others, the Company’s subsidiary, namely, Shanghai Baoxian for civil debts disputes with the lender, Agricultural Bank of China Co., Ltd. Shanghai Minhang Branch (the “**Lender**”), amounted to approximately RMB730.7 million for the development of the Land (involving the principal amount of RMB348.0 million and RMB370.0 million respectively, and interest in arrears as at the date of judgment of approximately RMB6.1 million and RMB6.6 million) plus any unpaid interest up to the total repayment of the debts (the “**Debts**”). The judgment ruled that Shanghai Baoxian must fully repay the Debts to the Lender within 10 days from the effective date of the judgment; the defendants are jointly and severally liable for the Debts; and the Lender has the right to enforce the charged properties of the Land and an industrial factory building at Baoshan District, Shanghai (provided by Shanghai Xieku* (上海燮庫實業有限公司), a wholly-owned subsidiary of Boill Holdings* (保集控股集團有限公司), a controlling shareholder of the Company) if the Debts were not fully repaid within 10 days from the effective date of the judgment. As at the date of this announcement, the Debts remain unpaid. The bank is currently processing a public auction of the Land and the property under development. As of the date of this announcement, the auction is in process. The Minhang Court has engaged a professional valuer to conduct a valuation assessment for the Land and the property under development on the Land and the valuation report has been submitted to the headquarters of Agricultural Bank of China for approval for the exemption of a portion of the loan amount.

The Group is also subjected to certain legal claims mainly in relation to disputes under construction contracts in respect of its property development projects, which arose during the normal course of business.

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 2024.

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

Except for disclosed in notes 2, 18 and 24 to the condensed consolidated financial statements, and the details of the events heading “Contingent Liabilities and Litigations” in the Management Discussion and Analysis, the Group did not have any important events subsequent to 30 September 2024 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group had 18 employees (as at 31 March 2024: 26 employees). Total employee costs for the six months ended 30 September 2024 amounted to approximately HK\$0.85 million (2023: approximately HK\$10.5 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.

On 27 September 2023, the Company adopted a new share scheme (the “**Share Scheme**”) by an ordinary resolution of its shareholders to replace the share option scheme of the Company adopted on 22 September 2013. Pursuant to the Share Scheme, the Board may grant award, which may be a share option or a share award, to eligible participants, including but not limited to the employees of the Group and the Directors, to provide incentive to them in order to promote the development and success of the business of the Group. The Share Scheme will give the eligible participants an opportunity to have a personal stake in the Company and will help motivate them in optimising their performance and efficiency and attract and retain the eligible participants whose contributions are important to the long-term growth of the Group.

During the six months ended 30 September 2024, no options or awards were granted under the Share Scheme.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of any interim dividend for the six months ended 30 September 2024 (2023: 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 C1 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 2024 except for the following deviation:

No Chief Executive Officer Position

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Qiu, an ex-executive Director, 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.

Vacant Company Secretary Position

Following the removal of Mr. Yuen Wai Keung as the Company Secretary and authorised representative (the “**Authorised Representatives**”) of the Company for the purpose of Rule 3.05 of the Listing Rules on 23 July 2024 and before the appointment of Mr. Hui Hung Kwan as the Company Secretary and authorised representative on 30 December 2024, the Company had no Company Secretary. The Company has temporarily not been able to meet the requirements under Rules 3.28 and 3.05 of the Listing Rules during the period from 23 July 2024 to 30 December 2024, during which the Company was looking for a suitable candidate for the Company Secretary position.

Insufficient Independent Non-Executive Directors

Rules 3.10(1) of the Listing Rules provide that the board of directors of a listed issuer must include at least three independent non-executive directors. Rule 3.21 of the Listing Rules provides that, *inter alia*, the Audit Committee shall comprise at least three members and the Audit Committee must be chaired by an independent non-executive director.

Following the resignation of Ms. Tang Man Yi from the independent non-executive director position and chairperson of the Audit Committee on 27 July 2024 and before the appointment of Ms. Mak Suen Man, Mr. Chan Chi Hang and Mr. Liang Yanan as the independent non-executive directors and Ms. Mak Suen Man as the chairperson of the Audit Committee on 30 December 2024, the Company had insufficient independent non-executive directors and insufficient members and no chairman in the Audit Committee. The Company has temporarily not been able to meet the requirements under Rules 3.10(1) and 3.21 of the Listing Rules during the period from 26 July 2024 to 30 December 2024, during which the Company was looking for a suitable candidate for the relevant position.

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 C3 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 2024.

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 2024.

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 three independent non-executive Directors, namely Ms. Mak Suet Man (committee chairman), Mr. Chan Chi Hang and Mr. Liang Yanan.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 September 2024 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.

SUSPENSION OF TRADING IN SHARES AND RESUMPTION PROGRESS

Trading in the Shares on the Stock Exchange was suspended with effect from 9:31 a.m. on 25 July 2024 pending release of an inside information announcement. As of the date of this announcement, the Stock Exchange has set out the following resumption guidance (the “**Resumption Guidance**”) for the Company:

- (i) demonstrate, with appropriate evidence and to the Stock Exchange’s satisfaction, the correct identities of the individuals who make up the Board and their respective roles and functions;
- (ii) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position;
- (iii) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (iv) demonstrate the Company’s compliance with Rule 13.24;
- (v) re-comply with Rule 3.28;
- (vi) conduct an independent forensic investigation into the matters relating to the Unauthorised Guarantee, the NCI Loan A, the NCI Loan B and the disposal of 100% equity interests in Shanghai Jinshenglong Land Company Limited (上海金盛隆置地有限公司) and its subsidiaries to a related party controlled by Mr. Qiu at nil consideration on 27 March 2024 by the Group. and with a view to identify whether there were any unauthorised loan/guarantee, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;
- (vii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group’s management and/or any person with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence; and
- (viii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.boillhealthcare.com.hk). The interim report of the Company for the six months ended 30 September 2024 containing all the information required by the Listing Rules will be despatched to the shareholders and available on the aforesaid websites in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:31 a.m. on 25 July 2024. Trading in the Shares will remain suspended until the Company fulfills the Resumption Guidance.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Boill Healthcare Holdings Limited
He Yu
Executive Director

Hong Kong, 25 January 2026

As at the date of this announcement, the Company has (i) two executive Directors, namely Mr. Yu Jinlong and Mr. He Yu; (ii) one non-executive Director, Dr. Tang Sing Hing, Kenny; and (iii) three independent non-executive Directors, namely Ms. Mak Suet Man, Mr. Chan Chi Hang and Mr. Liang Yanan.

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.*