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ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

The board of directors (the “**Board**”, or the “**Director(s)**”) of Boill Healthcare Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the audited comparative figures for the previous corresponding year and the relevant explanatory notes, as set out below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Revenue	5	76,920	285,204
Cost of sales		(83,919)	(273,549)
Gross (loss)/profit		(6,999)	11,655
Other income and (losses)/gains, net	6	(12,476)	4,269
Selling and distribution expenses		(1,022)	(6,971)
Administrative and other expenses		(6,752)	(40,571)
Reversal of/(provision for) loss on net realisable values of completed properties held for sales		149	(35,478)
Provision for loss on net realisable values of properties under development		(299,480)	(1,135)
Fair value loss on investment properties, net		(449,181)	(18,804)
Fair value loss on equity instruments, net		(522)	(36)
Impairment loss on property, plant and equipment		—	(3,818)
Expected credit losses for trade receivables		(3,222)	—

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Expected credit loss for prepayments, deposits and other receivables		(1,749)	–
Expected credit losses for financial guarantee contracts		(26,035)	(180,599)
Gain on disposal of subsidiaries, net		–	17,755
Finance costs	7	(66,238)	(21,769)
LOSS BEFORE TAX	8	(873,527)	(275,502)
Income tax credit/(expense)	9	581	(7,625)
LOSS FOR THE YEAR		(872,946)	(283,127)
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Items that may be reclassified to profit or loss in the subsequent periods:</i>			
Exchange differences arising on translation to presentation currency		8,092	(16,829)
Release of exchange reserve upon disposals of subsidiaries		–	(51,815)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		8,092	(68,644)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(864,854)	(351,771)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
– owners of the Company		(829,965)	(118,640)
– non-controlling interests		(42,981)	(164,487)
		(872,946)	(283,127)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
– owners of the Company		(822,139)	(197,262)
– non-controlling interests		(42,715)	(154,509)
		(864,854)	(351,771)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
– Basic and diluted	11	HK(61.12) cents	HK(8.74) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		15	17
Investment properties	12	269,694	723,845
		269,709	723,862
Current assets			
Completed properties held for sale		4,257	64,914
Properties under development		174,442	473,312
Inventories		3,663	–
Trade receivables	13	59,275	54
Prepayments, deposits and other receivables		9,966	20,809
Equity instruments at fair value through profit or loss		89	611
Due from related companies		–	1,111
Due from a former director		–	39
Restricted cash		7,480	14,986
Cash and cash equivalents		325	469
		259,497	576,305
Current liabilities			
Trade payables	14	258,364	239,088
Contract liabilities		–	69,961
Other payables and accruals		200,994	79,754
Financial guarantee liabilities		202,832	178,883
Due to related companies		225,746	218,870
Borrowings	15	833,166	842,175
Tax payables		3,716	3,673
		1,724,818	1,632,404
Net current liabilities		(1,465,321)	(1,056,099)
Total assets less current liabilities		(1,195,612)	(332,237)

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Deferred tax liabilities		—	666
		—	666
Net liabilities		(1,195,612)	(332,903)
Equity			
Share capital	16	339,500	339,500
Reserves		(1,492,334)	(672,340)
Equity attributable to owners of the Company		(1,152,834)	(332,840)
Non-controlling interests		(42,778)	(63)
Total deficit		(1,195,612)	(332,903)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Boill Healthcare Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered address of the Company is located at Windward 3, Regatta Office Park, 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 31 March 2025, 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 PRESENTATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards which includes all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and interpretations issued by the HKICPA. The consolidated financial statements also include the applicable disclosure requirements of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

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

(b) Basis of measurement and going concern

These 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 31 March 2025, the Group’s current liabilities exceeded its current assets and its total liabilities exceeded its total assets by approximately HK\$1,465,321,000 and approximately HK\$1,195,612,000, respectively.

* For identification purpose

Borrowings

As at 31 March 2025, the Group's borrowings amounted to approximately HK\$833,166,000. All borrowings are repayable on demand, while the Group only had cash and cash equivalents of approximately HK\$325,000 as at 31 March 2025.

During the year ended 31 March 2025, the Group defaulted on its all borrowings of approximately HK\$833,166,000. As at the date of this announcement, the bank is currently processing a public auction of the properties under development of the Group, with a carrying amount of approximately HK\$174,442,000 and investment properties under construction of the Group, with a carrying amount of approximately HK\$265,180,000.

Financial Guarantee to a related company

The Group has recognised an expected credit loss of approximately RMB46.6 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 year ended 31 March 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\$7.5 million have been frozen. Up to the date of this report, 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 RMB142.5 million relating to loan facilities granted by a non-controlling interest (“**NCI**”) (“**NCI Loan Facilities**”) of the Group to Shanghai Baoxian. As at 31 March 2025, 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 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 year. 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 consolidated financial statements as of 31 March 2025.

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.

Notwithstanding the above mentioned and those events set forth below, the 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 the 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 and the Dispute, 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 twelve months from the date of this announcement 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 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 consolidated financial statements.

(c) Functional and presentation currency

The functional currency of the Company is Hong Kong dollars (“HK\$”). For the purpose of presenting the consolidated financial statements, the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) adopted HK\$ as its presentation currency which is the same as the functional currency of the Company.

The consolidated financial statements are presented in Hong Kong dollars. All values are rounded to the nearest thousand except when otherwise indicated.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new or amended HKFRS Accounting Standards

In the current year, the Group has applied for the first time the following new or amended HKFRS Accounting Standards issued by the HKICPA to the Group's financial statements for the annual period beginning on or after 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement

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

(b) New/revised HKFRS Accounting Standards that have been issued but are not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity ²
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

The Group's property development segment includes sale of properties, sales of construction materials and provision of property management services. Operating segment is reported in a manner consistent with the internal reporting provided to the Board, being the chief operating decision maker of the Group (the "CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments, no other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

An analysis of the Group's revenue by product category is as follows:

	2025 HK\$'000	2024 HK\$'000
Sales of properties	43,159	285,005
Sales of construction material	33,506	–
Revenue from leasing properties with fixed payment	255	199
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	76,920	285,204
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(a) Geographical Information:

The Group's operations, and its non-current assets, are mainly located in the PRC and all revenue were generated from the PRC.

(b) Information About Major Customers

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

	2025 HK\$'000	2024 HK\$'000
Customer A	37,624	N/A [#]
Customer B	23,674	N/A [#]

[#] 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 years.

5. REVENUE

	2025 HK\$'000	2024 HK\$'000
<i>Revenue from contract with customer:</i>		
Sales of properties	43,159	285,005
Sales of construction materials	33,506	—
 Total revenue recognised on a point in time basis		
	76,665	285,005
 <i>Revenue from other source:</i>		
Rental income from leasing properties with fixed payment	255	199
	76,920	285,204

Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from contracts of selling properties.

	2025 HK\$'000	2024 HK\$'000
Aggregate amount of the transaction price allocated to contracts of selling properties that are partially or fully unsatisfied as at year ended	—	69,961
– Within 1 year	—	69,961

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

An analysis of other income and losses and gains, is as follows:

	2025 HK\$'000	2024 HK\$'000
Foreign exchange differences, net	1	4,470
Interest income	16	39
Others	35	(240)
Provision (<i>Note</i>)	<u>(12,528)</u>	—
	<u><u>(12,476)</u></u>	<u><u>4,269</u></u>

Note: The provision represents the amount that the Group expects to compensate customers for failing to fulfill its contractual obligations related to contract liabilities.

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest and charges on bank and other borrowings	58,761	30,215
Interest on loan from a related company	—	957
Interest and charges on loan from		
a non-controlling interests	7,477	5,566
Interest expense on lease liabilities	—	26
Less: Interest capitalised into investment properties under construction and properties under development	—	(14,995)
	<u>66,238</u>	<u>21,769</u>

8. LOSS BEFORE TAX

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

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	800	1,180
Cost of properties sold	50,749	273,549
Cost of construction materials sold	33,170	–
Advertising and promotion fee included in the selling and distribution expenses	428	3,386
Depreciation:		
Right of use assets		
– Other properties leased for own use	–	573
Properties, plant and equipment		
– Land and buildings with ownership interest held for own use	–	64
– Other property, plant and equipment	2	159
	<hr/>	<hr/>
	2	796
Foreign exchange differences, net	(1)	(4,470)
Expense relating to short-term leases	5	364
Employee benefit expenses (<i>note</i>) (excluding directors' remuneration):		
– Wages, salaries and bonus	1,809	12,553
– Contribution to defined contribution plans	251	2,265
Less: Amount capitalised	–	(2,235)
	<hr/>	<hr/>
	2,060	12,583

Note: The employee benefit expenses were approximately HK\$574,000 (2024: HK\$1,642,000) included in the selling and distribution expenses.

9. INCOME TAX (CREDIT)/EXPENSE

For the year ended 31 March 2025, Hong Kong Profits Tax of the selected entity of the Group was calculated at 8.25% (2024: 8.25%) of the first HK\$2,000,000 estimated assessable profits and 16.5% (2024: 16.5%) of the remaining estimated assessable profits. Hong Kong Profits Tax for the remaining entities within the Group was calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year ended 31 March 2025. No provision for Hong Kong Profits Tax as the Group did not earn any assessable income subject to Hong Kong Profits Tax during the years ended 31 March 2025 and 2024.

Enterprise Income Tax (“**PRC EIT**”) arising from the PRC is calculated at 25% (2024: 25%) of the estimated assessable profits during the years ended 31 March 2025 and 31 March 2024.

The provision of 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.

	2025 HK\$'000	2024 HK\$'000
Current tax – PRC EIT		
– Tax for the year	82	8,417
Current tax – PRC LAT		
– Tax for the year	–	849
Deferred tax		
– Credit to profit or loss for the year	<u>(663)</u>	<u>(1,641)</u>
Income tax (credit)/expense	<u><u>(581)</u></u>	<u><u>7,625</u></u>

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

11. LOSS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Loss for the year attributable to owners of the Company	<u>(829,965)</u>	<u>(118,640)</u>
Number of shares	2025	2024
Weighted average number of ordinary shares in issue during the year 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 has no potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

12. INVESTMENT PROPERTIES

	Completed HK\$'000	Under construction HK\$'000	Total HK\$'000
At 1 April 2023	18,626	748,352	766,978
Additions	–	14,995	14,995
Decrease in fair value	(13,372)	(5,432)	(18,804)
Exchange realignment	<u>(832)</u>	<u>(38,492)</u>	<u>(39,324)</u>
At 31 March 2024 and 1 April 2024	4,422	719,423	723,845
Increase/(decrease) in fair value	140	(449,321)	(449,181)
Exchange realignment	<u>(48)</u>	<u>(4,922)</u>	<u>(4,970)</u>
At 31 March 2025	<u>4,514</u>	<u>265,180</u>	<u>269,694</u>

At 31 March 2025, the Group's investment properties with carrying amount of approximately HK\$265,180,000 (2024: HK\$719,423,000) were pledged to secure borrowings granted to the Group (note 15). As disclosed in note 2, the bank is currently processing a public auction of investment properties under construction.

13. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	62,477	54
Less: Impairment loss	(3,202)	—
	59,275	54

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

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

	2025 HK\$'000	2024 HK\$'000
31 to 60 days	37,624	—
61 to 90 days	67	54
91 to 180 days	23,674	—
181 to 360 days	1,112	—
	62,477	54

As at 31 March 2025, the balances of approximately HK\$23,767,000 (2024: Nil) were past due within 30 days, approximately HK\$67,000 (2024: HK\$54,000) were past due 61 to 90 days and approximately HK\$1,019,000 (2024: Nil) were past due 181 to 360 days.

14. TRADE PAYABLES

The trade payables are non-interest-bearing and are normally settled on 30-60 days terms. An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	36,624	171,379
181 to 360 days	169,537	—
Over 361 days	52,203	67,709
	258,364	239,088

15. BORROWINGS

	Notes	Effective interest rate (%)	Maturity	2025 HK\$'000	2024 HK\$'000
Bank loans – secured (i), (ii) & (iii)	<i>a & b</i>	3.70 – 4.15%	On demand	770,192	778,560
Other loan – unsecured	<i>c</i>	8.0%	On demand	4,000	4,000
Other loan – secured (iii) & (iv)	<i>d</i>	12.0%	On demand	10,723	10,839
NCI Loan A – secured (v)	<i>e</i>	15.0 – 15.4%	On demand	48,251	48,776
				833,166	842,175

The Group's borrowings are secured by:

- (i) Investment properties with carrying value of approximately HK\$265,180,000 (2024: HK\$719,423,000) (note 12);
- (ii) Properties under development with carrying value of approximately HK\$174,442,000 (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, 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 approximately HK\$891,303,000) from a bank. As at 31 March 2025, the Group utilised the facility of RMB718,295,000 (equivalent to approximately HK\$827,336,000) (2024: RMB718,295,000 (equivalent to HK\$827,336,000)).
- b. During the year ended 31 March 2025, the Group defaulted on its bank borrowings. As at the date of this announcement, the bank processed a public auction of the properties under development of the Group, with a carrying amount of approximately HK\$174,442,000 (2024: HK\$473,312,000), and investment properties of the Group, with a carrying amount of HK\$265,180,000 (2024: HK\$719,423,000). As of the date of this announcement, the auction is in process.

- c. The other loan was matured in March 2024 and unsettled up to the date of this results announcement.
- d. The other loan was matured in May 2024 and unsettled up to the date of this results announcement.
- e. The NCI Loan A was matured in December 2023 and unsettled up to the date of this results announcement. Details of this borrowing, please refer to note 2.

16. SHARE CAPITAL

	Ordinary shares of HK\$0.25 each	Amount HK\$'000
Authorised: At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>4,800,000,000</u>	<u>1,200,000</u>
Issued and fully paid: At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	<u>1,358,000,000</u>	<u>339,500</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The Board presents the audited consolidated results of the Group for FY2025 to the valued Shareholders. The Group's revenue for FY2025 was approximately HK\$76.9 million, representing a decrease of approximately 73.0% from approximately HK\$285.2 million for FY2024. The revenue from the property development and sales of construction materials for FY2025 were approximately HK\$43.2 million (FY2024: approximately HK\$285.0 million) and approximately HK\$33.5 million (FY2024: nil) respectively.

The loss attributable to owners of the Company for FY2025 was approximately HK\$830.0 million (FY2024: approximately HK\$118.6 million), while the basic and diluted loss per share attributable to owners of the Company was approximately HK61.12 cents (FY2024: HK8.74 cents).

BUSINESS REVIEW

Property development

Residential property project

The Group has expanded its property development business in October 2020 following completion of the acquisition of the entire equity interest of Set Flourish Ventures Limited, which through its subsidiaries, is principally engaged in the development and operation of a property project (the "**Yangzhong Project**"), which is situated at No. 1 Yihe Road, located at the east of Xinyang Road, south of Yihe Road, Sanmao Street, the central business district of Yangzhong City, Zhenjiang City, Jiangsu Province, the PRC. The Group has completed the construction of Yangzhong Project during the year ended 31 March 2024.

The Group recorded revenue from Yangzhong Project of approximately HK\$43.2 million (FY2024: HK\$285.0 million) from the sales of 10 (FY2024: 343) apartments with an aggregate gross floor area of approximately 1,313 (FY2024: 42,603) square meters, 366 (FY2024: nil) car parking spaces, 59 (FY2024: nil) storage rooms, and the accumulated sales of 1,150 (FY2024: 1,140) apartments, 14 (FY2024: 14) shops, 366 (FY2024: nil) car parking spaces, 59 (FY2024: nil) storage rooms, with an aggregate gross floor area of approximately 145,995 (FY2024: 143,229) square meters. As at 31 March 2025, there were 68 car parks and one shop with an aggregate gross floor area of approximately 37 square meters for the Yangzhong Project.

Construction materials business

During FY2025, the Group sold construction materials in the PRC to increase its revenue streams and recorded approximately HK\$33.5 million of revenue (FY2024: nil).

Healthcare and leisure business

During FY2025, the Group was resuming its healthcare and leisure business. The Group conducted market studies and identified certain local fast moving consumable goods with rising popularity and market potential under the trend of “Big Health” (大健康). The Group was negotiating distribution rights with local manufacturers of the fast-moving consumable goods and working with suppliers to develop distribution teams and channels beyond their existing markets. Through stepping up promotion efforts together with the local manufacturers, offline promotion and expanding sales channels, the Group intended to distribute local products with proven track record to untapped markets.

FINANCIAL REVIEW

Revenue

The revenue of the Group for FY2025 was approximately HK\$76.9 million, representing a decrease of approximately HK\$208.3 million or 73.0% as compared to the revenue of approximately HK\$285.2 million for FY2024.

The decrease in revenue was mainly due to the decrease in the delivery of properties under the Yangzhong Project to approximately HK\$43.2 million during FY2025 from HK\$285.0 million as compared to FY2024, and partly set off by the increase in sales of construction materials of approximately HK\$33.5 million during FY2025 whereas no sales of construction materials was recorded for FY2024.

Gross (loss)/profit

The gross loss of the Group for FY2025 was approximately HK\$7.0 million, as compared to the gross profit of approximately HK\$11.7 million for FY2024.

The change in gross profit in FY2024 to gross loss in FY2025 was mainly due to the gross loss of HK\$7.3 million in property development and partly set off by the gross profit of HK\$0.3 million in sales of construction materials.

Other income and (losses)/gains, net

The other income and (losses)/gains, net of the Group for FY2025 were net loss of approximately HK\$12.5 million (FY2024: net gains of approximately HK\$4.3 million).

The decrease in other income and (losses)/gains, net was mainly due to the decrease in the exchange gains in translation of foreign currency balance and the provision of approximately of HK\$12.5 million for the compensation to the customers for failure to satisfy the obligations of contract liabilities.

Selling and distribution expenses

The selling and distribution expenses of the Group decreased from approximately HK\$7.0 million for FY2024 to approximately HK\$1.0 million for FY2025, mainly due to the decrease in the delivery of properties. The selling and distribution expenses for FY2025 are primarily composed of salaries and commissions.

Administrative and other expenses

The administrative and other expenses of the Group for FY2025 were approximately HK\$6.8 million, representing a decrease of approximately HK\$33.8 million from approximately HK\$40.6 million for FY2024. The decrease was mainly due to the decrease in staff costs, depreciation charge, and other administrative expenses.

Provision for loss on net realisable values of properties under development and completed properties held for sales

During FY2025, in light of the adverse impact caused by the sluggish property development industry environments in mainland China and properties under development is under auction by lender, the management reassess the provision for loss on net realisable values of properties under development in respect of the integrated industrial zone project and completed properties held for sales in respect of the Yangzhong Project.

The Group assessed the recoverable amounts of the properties under development and completed properties held for sales at the lower of costs and net realisable value. Provision for loss on net realisable value of properties under development and completed properties held for sales of the Group for FY2025 was approximately HK\$299.5 million (FY2024: HK\$1.1 million). This amount is primarily attributed to the provision for loss on the net realisable value related to properties under development in the integrated industrial zone project, as well as properties being auctioned by the lender instead of being completely developed.

Fair value loss on investment properties

The Group's investment properties have been valued individually, on market value basis, which conforms to RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors (RICS). The fair value loss on investment properties mainly in respect of the integrated industrial zone project for FY2025 was approximately HK\$449.2 million (FY2024: HK\$18.8 million). The increase in the fair value loss was mainly due to the following.

On 12 May 2021, Shanghai Baoxian succeeded in the bids of the land use rights of a plot of land located at Plot 12A-01A, Industrial Comprehensive Development Zone, Fengxian District, the People's Republic of China (the “**PRC**”), which is located at east to Shanghai-Hangzhou Highway, west to Renjie Road, south to Fengpu Avenue and north to Zhijiang Road (the “**Land**”) with a total site area of approximately 63,481 square meters through the listing-for-sale process held by Shanghai Land Transaction Center. Completion of the acquisition of the Land took place on 2 July 2021.

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

The construction on the Land commenced in September 2021 and it was expected to be completed by April 2024. Due to the property market in the PRC remained under downward pressure and the housing supply and prices dragged down by the weakened demands, the construction progress of the Land were inevitably affected.

The Land and the property under development were pledged to secure the borrowing of approximately HK\$770.2 million from a bank. During the year ended 31 March 2025, the Group defaulted on the bank borrowings. 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.

Expected credit losses for trade receivables

During FY2025, the Group recognised expected credit losses for trade receivables of approximately HK\$3.2 million (FY2024: nil) due to the impairment losses recognised.

Expected credit loss for prepayments, deposits and other receivables

During FY2025, the Group recognised expected credit losses for prepayments, deposits and other receivables of approximately HK\$1.7 million (FY2024: nil) due to the impairment losses recognised.

Expected credit losses for financial guarantee contracts

During FY2025, the Group recognised expected credit losses for financial guarantee contracts of approximately HK\$26.0 million (FY2024: HK\$180.6 million). Please refer to the heading “Internal Control Deficiencies and Remedial Measures Implemented” and “Contingent Liabilities and Litigations” in this section for further details.

Finance costs

The finance costs of the Group for FY2025 were approximately HK\$66.2 million, representing an increase of approximately HK\$44.4 million from approximately HK\$21.8 million for FY2024. The increase was due to the increase in interest rate on the defaulted loan and no interest capitalised into investment properties under construction and properties under development.

Income tax credit/(expense)

The income tax credit of the Group for FY2025 was approximately HK\$0.6 million. The income tax expense was approximately HK\$7.6 million for FY2024.

Net loss

The net loss of the Group for FY2025 was approximately HK\$872.9 million, representing an increase of approximately HK\$589.8 million from approximately HK\$283.1 million for FY2024.

The Group's overall performance for the FY2025 was unsatisfactory as the Group recorded provision for loss on net realisable value of properties under development of approximately HK\$299.5 million for FY2025 (FY2024: HK\$36.6 million) from the integrated industrial zone project, and fair value loss on investment properties of approximately HK\$449.2 million for FY2025 (FY2024: HK\$18.8 million), due to the negative impact of the properties being auctioned by the lender rather than being developed.

BUSINESS PROSPECTS

The unsatisfactory performance was partly due to the Board fight and suspension of trading of our Shares, and is expected to resume normal following the resumption of trading of our Shares.

Looking back from a longer historical perspective, the FY2025 was doomed to be an extraordinary year, 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 were hard working during the FY2025, 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 2026, 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.

Accordingly, the Board is reviewing the feasibility of various business options to increase the Group's revenue and working capital.

In 2017, with the approval of the shareholders of the Company, the name of the Company was changed from Ngai Shun Holdings Limited (毅信控股有限公司) to Boill Healthcare Holdings Limited 保集健康控股有限公司. The name change marked the strategic expansion of the Group gradually from real estate industry to the healthcare and leisure industry. It had been the Company's strategy to leverage on its competitive edge and industry knowhow in the real estate business to explore business opportunities in the field of healthcare and leisure-related products and services.

Having considered the uncertainties in the real estate industry in the near future, the Company resolved to continue to reduce its reliance in the real estate segment, and prioritise its resources in development the healthcare and leisure segment of the Group (through distribution of herbal tea, grain-related drinks huangjiu and other Chinese liquor products and other fast moving consumable goods). The Group is in the course of expanding its product matrix and identifying suitable business partners.

DEBTS AND CHARGE ON ASSETS

As at 31 March 2025, the interest-bearing bank and other borrowings of the Group approximately HK\$833.2 million (as at 31 March 2024: approximately HK\$842.2 million).

As at 31 March 2025, the Group's borrowings of approximately HK\$833.2 million (as at 31 March 2024: approximately HK\$842.2 million) were secured by (i) investment properties with carrying value of approximately HK\$265.2 million; (ii) properties under development with carrying value of approximately HK\$174.4 million; (iii) personal guarantee given by each of Mr. Qiu Dongfang (“**Mr. Qiu**”), a substantial shareholder and the then Director and his spouse, Ms. Huang Jian (“**Ms. Huang**”), and corporate guarantees provided by the related companies controlled by Mr. Qiu; (iv) properties held by a related company controlled by Mr. Qiu; and (v) interest in certain subsidiaries held by the Group.

As at 31 March 2025, the Group's all interest-bearing bank and other borrowings were repayable within one year or on demand and bearing interests at ranging from 4.1% to 15.4% per annum. As at 31 March 2024, the Group's interest-bearing bank and other borrowings of approximately HK\$842.2 million were repayable within one year or on demand and bearing interests at ranging from 3.8% to 15.4% per annum. The interest on debt default was approximately HK\$66.2 million for FY2025.

The bank balance including approximately RMB6,856,000 (equivalent to HK\$7,459,000) as of 31 March 2025 (31 March 2024: RMB13,736,000 (equivalent to HK\$14,888,000)) was frozen since 7 March 2024 by Shanghai Court, details refer to note 1 of “Contingent Liabilities and Litigations” in this section.

As at 25 June 2024, the 100% equity interest of Shanghai Xiepeng has been frozen by Hangzhou Court due to the Dispute, details refer to note 2 of “Contingent Liabilities and Litigations” in this section.

Save as disclosed above and disclosed in “Contingent Liabilities and Litigations” in this section, the Group did not pledge any assets to bank or other financial institutions nor did the Group have any corporate guarantee given to any entity as at 31 March 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2025, the Group had net current liabilities of approximately HK\$1,465.3 million (as at 31 March 2024: approximately HK\$1,056.1 million) and cash and bank deposits (excluding restricted bank deposits) of approximately HK\$0.3 million (as at 31 March 2024: approximately HK\$0.5 million).

As at 31 March 2025 and 31 March 2024, the Group was total deficit, no gearing ratio can be presented.

Taking into account the Group’s cash flow projections covering a period of twelve months from the date of this announcement prepared by management, and assuming the successful implementation of the below measures, the Directors consider that 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.

FOREIGN EXCHANGE RISK

The majority of the Group’s assets and cash flows were denominated in RMB during FY2025. During FY2024, the steady depreciation of RMB against US dollar or HK\$ had a negative effect on translation as the reporting currency of the Group was HK\$. Apart from that, the management of the Company viewed that the change in exchange rate of RMB against foreign currencies had significant impact on the Group’s financial position and performance during FY2025 given that the functional currency of the Group was RMB. During FY2025, the Group did not engage in any hedging activities and the Group has no intention to carry out any hedging activities in the near future. The management of the Group will continue to closely monitor the foreign currency market and consider carrying out hedging activities when necessary.

CAPITAL COMMITMENTS

As at 31 March 2025 and 31 March 2024, the Group did not have any significant capital commitments.

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during FY2025.

MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions or disposals of any subsidiaries, associates or joint ventures during FY2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

CONTINGENT LIABILITIES AND LITIGATIONS

As at 31 March 2025, 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 and “Civil Debt Dispute” on 28 June 2024 and elsewhere in this announcement, 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. Up to the date of this announcement, the maximum amounts of the disputes were approximately HK\$86 million and recognised in the consolidated financial statements as of 31 March 2025.

(1) Inside Information Involving Legal Proceedings Major Transaction and Connected Transaction in relation to Financial Assistance

On 14 March 2023, 上海保賢實業有限公司 (Shanghai Baoxian Company Limited, an indirect non-wholly-owned subsidiary of the Company, “**Shanghai Baoxian**”) (together with 保集控股集團有限公司 (Boill Holding Group Company Limited*, “**Boill Holding**”), Mr. Qiu and Ms. Huang as guarantors (together, the “**Guarantors A**”) in favor of the lender to secure the repayment obligations of 上海顧臻實業有限公司 (Shanghai Guzhen Company Limited*, “**Shanghai Guzhen**”) under a loan agreement dated 14 March 2024 (the “**Loan Agreement A**”) entered between 上海奉賢綠地小額貸款股份有限公司 (Shanghai Fengxian Lvdi Microfinance Company Limited*, the “**Lender A**”) and the Borrower (for the guarantee provided by Shanghai Baoxian therein, the “**Unauthorised Guarantee**”). The maximum loan amount is RMB55.5 million (equivalent to HK\$60.2 million) and the loan has been drawn down by the Borrower under the Loan Agreement A was RMB37.0 million (equivalent to HK\$40.1 million).

Shanghai Guzhen is a company established in the PRC with limited liability and is principally engaged in property construction. As at the date of entering into of the Loan Agreement A and the date of this annual report, Shanghai Guzhen is owned as to 93.872% by Boill Holding which was in turn directly and indirectly owned as to 86.83% by Mr. Qiu, an executive Director and one of the controlling shareholders of the Company, therefore, Shanghai Guzhen is a connected person of the Company under the Listing Rules.

As Shanghai Guzhen has been in default of its repayment obligation upon expiry of the term of the loan, the Lender A sued Shanghai Guzhen and the Guarantors A to claim approximately RMB45 million (equivalent to HK\$48.8 million) (the “**Claim Amount**”).

On 19 February 2024, 上海市奉賢區人民法院 (the People's Court of Fengxian District, Shanghai Municipality*, the “**Shanghai Court**”) handed down a judgment that Shanghai Guzhen should repay all outstanding loan amount and unpaid interests in the sum of approximately RMB39 million within 10 days after the judgment becoming effective, and the Guarantors A should be jointly liable. As such, upon Shanghai Guzhen’s further default of the judgment requirements, the Lender A applied for property preservation to the Court in respect of RMB39 million and the bank account of Shanghai Baoxian with a bank balance of approximately RMB6,856,000 (equivalent to HK\$7,459,000) (31 March 2024: RMB13,736,000 (equivalent to HK\$14,888,000)) was frozen since 7 March 2024.

As the Claim Amount has been fully recognized expected credit loss, no valuation was conducted. The Board takes the view that expected credit loss of the Claim Amount in full has been made on a prudent basis in light of the fact that the Lender A has obtained the judgment from the Shanghai Court, and the amount of the expected credit loss recognized is fair and reasonable taking into account the above circumstances.

Non-compliance of the Listing Rules for the Unauthorised Guarantee

As the Unauthorised Guarantee constituted a major and connected transaction of the Company under the Listing Rules, the transaction is subject to the requirements of reporting, announcement, circular and the approval from the independent shareholders of the Company.

The Company failed to comply with (i) the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14 of the Listing Rules; and (ii) the reporting, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in a timely manner at the relevant time of the entering into of the Unauthorised Guarantee.

The non-compliance was due to the then management’s misinterpretation of the Listing Rules and in particular the scope of financial assistance and guarantee under Chapters 14 and 14A of the Listing Rules and the non-compliance was inadvertent and unintentional.

Remedial Measures Implemented to avoid recurrence of similar matter

The Directors take such incident of non-compliance with the Listing Rules seriously, and regrets the Company’s failure to comply with the relevant provisions of the Listing Rules. To avoid any occurrence of similar incidents in the future, the Company will adopt the following remedial measures to strengthen the relevant internal control procedures of the Group.

- (i) provide further guidance materials and training to the Directors and all senior managers of the Group (“**Relevant Personnel**”) regarding definition of a transaction and proper calculation of percentage ratios to strengthen and reinforce their existing knowledge and updates with respect to the classification and compliance requirements for notifiable and connected transactions under the Listing Rules;
- (ii) an internal memo will be issued to all the Directors and Relevant Personnel that the connected transaction requirements under Chapter 14A of the Listing Rules and the notifiable transaction requirements under Chapter 14 of the Listing Rules must be strictly complied with and they shall keep the Company informed of any transactions which may involve connected person(s) of the Company;
- (iii) enhancing the Group’s internal control system by, including but not limited to, (a) providing the Relevant Personnel with a list of the connected persons of the Company on a regular basis and making timely updates; (b) requiring pre-approval of the Board for any transactions with connected persons; (c) monitoring the monthly transactions with connected persons to ensure better coordination and report of connected transactions among various business units of the Company which are responsible for reporting, monitoring and handling connected transactions; and
- (iv) further review the existing internal control procedures of the Company to identify any deficiencies of the internal control policies of the Company and seek recommendations from professional parties on how to enhance the monitoring and effectiveness of the implementation of the internal control policies on connected transaction monitoring and reporting to ensure that current and future transactions will be conducted in compliance with the applicable requirements under Listing Rules and the relevant rules and regulations.

The Company’s proposed actions to safeguard the Company’s interests over the Claim Amount

The Company has taken or proposed to take the following actions to safeguard the Company’s interests:

- (i) The Company is seeking for legal advice in relation to the judgment and freezing of the bank account of Shanghai Baoxian, and will consider taking the necessary legal actions to protect the interests of Shanghai Baoxian;

- (ii) The Company understands that Shanghai Guzhen provided property collateral to the Lender A with an agreed value of RMB120 million (the “**Property Collateral**”) which was more than 200% of the maximum principal amount of RMB55.5 million (equivalent to HK\$60.2 million) that could be drawn down under the Loan Agreement A. Subject to legal advice, the Company will urge Shanghai Guzhen and the Lender A to settle the Claim Amount by utilizing the Property Collateral and to release the freeze over Shanghai Baoxian’s bank account as soon as practicable.
- (iii) Boill International Co., Limited (“**Boill International**”, a substantial shareholder of the Company holding approximately 33.18% shareholding in the Company) and Liyao Investment Limited (“**Liyao**”, a substantial shareholder of the Company holding approximately 19.15% shareholding in the Company) (Boill International and Liyao, together the “**Indemnifiers**”) have agreed to indemnify the Company against any actual losses which it may suffer if Shanghai Baoxian is required to pay any amount to the Lender A in respect of the legal proceedings. The Indemnifiers also confirm that to the knowledge of the Indemnifiers and Mr. Qiu (the Indemnifiers and Mr. Qiu, together the “**Controlling Shareholders**”), save for the Guarantee, the Company and/or any of its subsidiaries have not provided any other guarantees for the debts of any third party (i.e. any other company, individual or entity other than the Company and its subsidiaries) (“**External Guarantees**”) that have not been released (the “**Outstanding Guarantees**”). In addition, the Indemnifiers undertake that (i) if Shanghai Baoxian repays any amounts to the Lender A in relation to the Guarantee (such amount, “**Repaid Amount**”), the Company is entitled to set off such Repaid Amount against the payables due from the Company and/or its subsidiary to the Controlling Shareholders (or any entity that is more than 50% controlled by the Controlling Shareholders); (ii) the Indemnifiers shall indemnify the Company for any actual losses suffered by the Company due to any of the Outstanding Guarantees; and (iii) if the Controlling Shareholders become aware of any new External Guarantee proposed to be entered into by the Company and/or its subsidiaries, the Controlling Shareholders shall use its reasonable endeavors to procure the reporting of such External Guarantee to the Board. As at 31 March 2025, the payables due from the Company and/or its subsidiaries to the Controlling Shareholders were approximately HK\$225.7 million.

(2) Civil Debt Dispute – NCI Loan

On 11 June 2021, 杭州華建豐置業有限公司 (Hangzhou Huajianfeng Real Estate Company Limited*, the non-controlling shareholder of Shanghai Baoxian, “**NCI**”), Shanghai Baoxian (as borrower) and Boill Holding, Mr. Qiu, Ms. Huang and 上海變鵬實業有限公司 (Shanghai Xiepeng Company Limited*, an indirect wholly-owned subsidiary of the Company, “**Shanghai Xiepeng**”) as guarantors (together, the “**Guarantors B**”), entered into a loan agreement. The maximum loan amount is RMB200 million (equivalent to HK\$216.8 million) and the loan has been drawn down by Shanghai Baoxian under the Loan Agreement B was RMB180 million (equivalent to HK\$40.1 million) at the same date.

On 9 September 2021, Shanghai Xiepeng, which is the 95% shareholder of Shanghai Baoxian, repaid RMB135 million (equivalent to HK\$146.3 million) to the NCI on behalf of Shanghai Baoxian. Hence, immediately following such repayment, the outstanding principal amount of the loan became RMB45 million (equivalent to HK\$48.8 million) (“**NCI Loan A**”).

Based on the Company’s enquiry with Boill Holding, the Company has been given to understand that: (i) on 9 September 2021, Boill Holding received a total amount of RMB135 million (equivalent to HK\$146.3 million) as a loan from the NCI (the “**NCI Loan B**”) which was a separate arrangement between Boill Holding and the NCI; (ii) it was agreed between Boill Holding and the NCI that, among other things, the NCI Loan B would be (A) secured by a pledge over 100% equity interest in 湖州金匯置業有限公司 (Huzhou Jinhui Properties Company Limited*, “**Huzhou Jinhui**”) held by Boill Holding and, Boill Holding would procure Huzhou Jinhui to repay the principal amount of RMB70 million (equivalent to HK\$75.9 million) and accrued interest thereon on behalf of Boill Holding according to an agreed repayment schedule; and (B) partially repaid and set off by way of the transfer of certain residential housing units developed by 邯鄲市鵬浩房地產開發有限公司 (Handan City Penghao Property Development Company Limited*, an indirect non-wholly-owned subsidiary of Boill Holding) to the designated persons of the NCI with a total agreed value of approximately RMB60 million (equivalent to HK\$65.0 million).

Despite that Shanghai Baoxian, Shanghai Xiepeng and 上海保集健康管理有限公司 (Shanghai Baoji Healthcare Management Company Limited*, an indirect wholly-owned subsidiary of the Company, “**Shanghai Boill Healthcare**”) were not parties to the NCI Loan B, they were nonetheless treated by the NCI as part of the commercial arrangement between the NCI and Boill Holding with respect to NCI Loan B, and the NCI obtained a civil mediation judgment (the “**Hangzhou Court Judgment**”) from 浙江省杭州市中級人民法院 (Intermediate People’s Court of Hangzhou Municipality, Zhejiang Province*, the “**Hangzhou Court**”) in November 2022 against Shanghai Baoxian, Shanghai Xiepeng and Shanghai Baoji Healthcare, together with nine other defendants including but not limited to the Company’s Boill Holding, Mr. Qiu and 上海佳富投資有限公司 (Shanghai Jiafu Investment Company Limited) (collectively, the “**Defendants**”).

Pursuant to the Hangzhou Court Judgement, the Defendants were ordered repay approximately RMB186.3 million (equivalent to HK\$201.9 million) (including the outstanding loan principal and interests, and various legal costs) (the “**Settlement Sum**”) by way of five installments from the period of 31 December 2022 to 31 October 2024. If the Defendants default in repayment of any installment, the total Settlement Sum shall become immediately enforceable and the default interest rate of 15.4% per annum shall apply from 11 July 2022 till the date when all debts are fully repaid, and the NCI shall have right to apply to the Hangzhou Court for enforcement.

As the Defendants failed to repay the Settlement Sum in accordance with the payment schedule set out in the Hangzhou Court Judgment, the NCI applied to the Hangzhou Court for enforcement and the Hangzhou Court issued the Enforcement Writ against all Defendants on 11 June 2024. According to the Enforcement Writ, the Defendants are responsible for the outstanding Settlement Sum of approximately RMB179.2 million (equivalent to HK\$194.2 million), together with accrued interest thereon and the enforcement cost of approximately RMB0.2 million (equivalent to HK\$0.2 million) (the “**Dispute**”). As at 25 June 2024, the 100% equity interest of Shanghai Xiepeng has been frozen by Hangzhou Court due to the Dispute.

As the NCI Loan B has been fully recognized as expected credit loss, no valuation was conducted. The Board takes the view that expected credit loss of the Dispute in full has been made on a prudent basis in light of the fact that the NCI has obtained the judgment from the Hangzhou Court, and the amount of the expected credit loss recognized is fair and reasonable taking into account the above circumstances.

Non-compliance of the Listing Rules in relation to the NCI Loan A and NCI Loan B

As security for the NCI Loan A, the NCI Loan B and the repayment undertaking to NCI, Shanghai Xiepeng provided a guarantee to guarantee the obligations of Shanghai Baoxian. The guarantee exceeded 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules and subject to announcement requirements under Rules 13.13 and 13.16 of the Listing Rules.

The Company failed to comply with the relevant announcement requirements under the Listing Rules in a timely manner at the relevant time of entering into the NCI Loan A and NCI Loan B. The non-compliance was due to the then management’s misinterpretation of the Listing Rules and in particular the scope of advance to an entity and financial assistance and guarantees to affiliated companies of an issuer under the Rules 13.13 and 13.16 of the Listing Rules and the non-compliance was inadvertent and unintentional.

Remedial Measures Implemented to avoid recurrence of similar matter

The Directors take such incident of non-compliance with the Listing Rules seriously, and regrets the Company's failure to comply with the relevant provisions of the Listing Rules. To avoid any occurrence of similar incidents in the future, the Company will adopt the following remedial measures to strengthen the relevant internal control procedures of the Group.

- (i) provide further guidance materials and training to the Relevant Personnels regarding definition of a transaction and proper calculation of percentage ratios to strengthen and reinforce their existing knowledge and updates with respect to the classification and compliance requirements for the advance to an entity and financial assistance transactions under the Listing Rules; and
- (ii) set up relevant policies for material provision of financial assistance transactions exceeding certain percentage of the assets ratio, where such transactions must have prior approval from the Board.

The Company's proposed actions to safeguard the Company's interests over the Dispute

The Company has taken or proposed to take the following actions to safeguard the Company's interests:

- (i) The Company is seeking for legal advice in relation to the correct enforcement amount against Shanghai Baoxian, Shanghai Xiepeng and Shanghai Baoji Healthcare, as well as the effect of the Enforcement Writ on them;
- (ii) The Company is also seeking for legal advice in relation to the freezing of the 100% equity interest of Shanghai Xiepeng; and
- (iii) 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 and the Dispute, as the waived amounts exceeded the Claim Amount and the Dispute.

(3) Civil Debt Dispute – Bank Borrowing

On 20 December 2024, a judgment was given by the People's court of Minhang District, Shanghai 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 RMB352.27 million (involving the principal amount of RMB348.00 million for the development of the Land interest in arrears as at the date of judgment of approximately RMB4.27 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 a land use right in Fengxian District, Shanghai 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.

The Company's proposed actions to safeguard the Company's interests over the Dispute

The Company has taken or proposed to take the following actions to safeguard the Company's interests: (i) Efforts will be made to cooperate with the Land's lending bank, Agricultural Bank of China, Shanghai Branch to seek an exemption of a portion of the loan amount, thereby alleviating the debt burden on the Land. Currently, the Lender has completed an internal valuation of the Land and submitted the valuation to the headquarters of Agricultural Bank of China for approval for the exemption of a portion of the loan amount; (ii) Efforts will be made to seek cooperation with investors with strong financial strength for the development; and (iii) We will actively negotiate with the general contractor to strive for an early resumption of work for the Land.

EMPLOYEE AND HUMAN RESOURCES POLICY

The Group had a total of 19 employees as at 31 March 2025, of which 12 employees worked in the PRC and 7 worked in Hong Kong. Total employee costs for FY2025 amounted to approximately HK\$2.3 million (FY2024: approximately HK\$14.8 million).

The Group has established rules and procedures of recruitment, job promotion, compensation, benefits, leave, dismissal, etc. The Group determines employees' compensation packages on the basis of work performance and the market standard of remuneration.

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

Pursuant to the share option scheme adopted by the Company on 27 September 2023 (“**New Share Option Scheme**”), the Board may grant options to Directors (including non-executive Directors and independent non-executive Directors), employees of the Company and any of its subsidiaries and associated companies, to subscribe for shares of the Company. During FY2025, no options were granted under the Share Option Scheme.

FINAL DIVIDEND

The Directors resolved not to recommend the payment of a final dividend for FY2025 (FY2024: Nil).

PRE-EMPTIVE RIGHTS

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

EVENT AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2025 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during FY2025.

CORPORATE GOVERNANCE CODE

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term and continuing success of the Group. The Board is committed in maintaining good corporate standards and procedures for the best interest of the Shareholders. The Board will continue to review its corporate governance practices from time to time to ensure that the Group complies with the statutory requirements and the Corporate Governance Code (“**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange (the “**Stock Exchange**”) and align with the latest developments. Throughout FY2023, the Company had complied with the applicable code provisions of the CG Code in force during the year, except for the deviation from code provision C.2.1 as explained below:

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, a then executive Director, acted as chairman of the Board and the Company did 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 a code of conduct regarding Director's securities transactions pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer ("Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry by the Company, all Directors have confirmed that their compliance with the Model Code and the code of conduct throughout the year ended 31 March 2025.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Having made specific enquiry of all Directors, all Directors have confirmed that neither themselves nor their respective associates (as defined in the Listing Rules) had held any position or had interest in any businesses or companies that compete or likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 March 2025.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

The audit committee of the Company ("Audit Committee") has reviewed the consolidated financial statements of the Group for FY2025 and has met with the auditor of the Company, Infinity CPA Limited ("Infinity"). The consolidated financial statements have been agreed by Infinity. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, risk management and internal control systems with senior management members of the Company.

SCOPE OF WORK OF INFINITY

The financial information has been reviewed by the Audit Committee and approved by the Board. The figures in respect of the Group's audited consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2025 as set out in this announcement have been agreed by Infinity, to the amounts set out in the Group's audited consolidated financial statements for FY2025. The work performed by Infinity 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 assurance has been expressed by Infinity on this preliminary results announcement.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

Infinity CPA Limited was engaged to audit the consolidated financial statements of the Group. The section below sets out an extract of independent auditor's report regarding the consolidated financial statements of the Group for the year ended 31 March 2025:

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Limitation of scope – appropriateness of the going concern basis of preparing the consolidated financial statements

We draw attention to note 2(b) in the consolidated financial statements, which describes as at 31 March 2025, the Group's current liabilities exceeded its current assets and total liabilities exceeded its total assets by approximately HK\$1,465,321,000 and HK\$1,195,612,000, respectively. These events and conditions, along with other matters as set forth in note 2(b) to the consolidated financial statements, indicate that which may cast significant doubt on the Group's ability to continue as a going concern.

Notwithstanding the abovementioned and those events set forth in note (2b) to the consolidated financial statements for the year ended 31 March 2025, the consolidated financial statements have been prepared on a going concern basis on the assumption that the below events will be successfully completed as disclosed in note 2(b), 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 and the Dispute, 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.

We have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of detailed analyses provided by management to support its plans and measures for future actions in its going concern assessment which take into account the outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group for the year ended 31 March 2025, and the related elements and disclosures thereof presented or disclosed in the consolidated financial statements.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of assets to their recoverable amounts, to provide for further liabilities which might 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 these consolidated financial statements and we were unable to determine whether such adjustments might have been found necessary.

ANNUAL GENERAL MEETING

A circular together with a notice convening the annual general meeting of the Company for the year ended 31 March 2025 will be despatched to the shareholders in due course.

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 THE ANNOUNCEMENT ON DESIGNATED WEBSITES

This annual results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.boillhealthcare.com.hk>). The annual report of the Company for FY2025 will be despatched to the Shareholders and published on the same 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 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 Board comprises (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.*