资源控股
RESOURCES HOLDINGS

Peking University Resources (Holdings) Company Limited
北大資源(控股)有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 00618)

FINAL RESULTS ANNOUNCEMENT FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2022

The board (the "Board") of directors (the "Directors") of Peking University Resources (Holdings) Company Limited (the "Company") is pleased to announce the audited consolidated results and financial position of the Company and its subsidiaries (collectively the "Group") for the fifteen months ended 31 March 2022 together with the comparative figures for the previous year ended 31 December 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the fifteen months ended 31 March 2022

	Notes	**Period from 1 January 2021 to 31 March 2022** ***RMB'000***	Year ended 31 December 2020 *RMB'000*
REVENUE	5	**11,799,624**	9,085,402
Cost of sales		**(14,453,445)**	(8,550,165)
Gross (loss)/profit		**(2,653,821)**	535,237
Other income and gains	5	**5,775,615**	583,075
Selling and distribution expenses		**(307,704)**	(323,672)
Administrative expenses		**(444,447)**	(534,920)
Impairment losses on financial assets, net		**–**	(16,965)
Other expenses and losses		**(1,578,869)**	(485,058)
Finance costs	6	**(548,451)**	(1,030,769)
Share of losses of associates		**(697)**	(3,809)
PROFIT/(LOSS) BEFORE TAX	7	**241,626**	(1,276,881)
Income tax expense	8	**(675,318)**	(568,157)
LOSS FOR THE PERIOD/YEAR		**(433,692)**	(1,845,038)
Profit/(loss) attributable to:			
Owners of the Company		**1,509,499**	(2,025,393)
Non-controlling interests		**(1,943,191)**	180,355
		(433,692)	(1,845,038)

		Period from 1 January 2021 to 31 March 2022 ***RMB cents***	Year ended 31 December 2020 *RMB cents*
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		
Basic		**23.53**	(31.57)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the fifteen months ended 31 March 2022

	Period from 1 January 2021 to 31 March 2022 *RMB'000*	Year ended 31 December 2020 *RMB'000*
LOSS FOR THE PERIOD/YEAR	**(433,692)**	(1,845,038)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Item that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of non-Mainland China entities' operations	**(98,870)**	46,378
	(98,870)	46,378
Item that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**69,295**	(6,938)
	69,295	(6,938)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR, NET OF TAX	**(29,575)**	39,440
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR	**(463,267)**	(1,805,598)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**1,485,807**	(1,984,930)
Non-controlling interests	**(1,949,074)**	179,332
	(463,267)	(1,805,598)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Notes	**31 March 2022** ***RMB'000***	31 December 2020 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**42,346**	87,843
Investment properties		**520,261**	1,523,097
Right-of-use assets		**4,530**	18,878
Other intangible assets		**3,018**	4,465
Investments in associates		**–**	752
Financial assets at fair value through profit or loss		**113,818**	–
Deferred tax assets		**69,515**	107,264
Total non-current assets		**753,488**	1,742,299
CURRENT ASSETS			
Properties for sale			
– under development		**7,551,322**	18,243,990
– completed		**3,093,713**	12,001,730
Inventories		**506,132**	531,193
Trade and bills receivables	10	**664,799**	1,040,140
Prepayments, other receivables and other assets		**5,014,011**	1,767,755
Income tax recoverable		**4**	685,084
Other current assets		**–**	315,227
Restricted cash		**41,971**	461,300
Cash and cash equivalents		**641,949**	1,401,854
Total current assets		**17,513,901**	36,448,273
CURRENT LIABILITIES			
Trade payables	11	**2,012,227**	4,920,330
Other payables and accruals		**4,254,000**	8,591,809
Provisions		**215,562**	78,775
Contract liabilities		**3,488,096**	10,290,733
Interest-bearing bank and other borrowings		**3,497,854**	12,173,944
Lease liabilities		**4,046**	9,454
Income tax payable		**1,302,254**	2,616,625
Total current liabilities		**14,774,039**	38,681,670
NET CURRENT ASSETS/(LIABILITIES)		**2,739,862**	(2,233,397)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,493,350**	(491,098)

	31 March 2022 RMB'000	31 December 2020 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**1,020,130**	–
Lease liabilities	**1,495**	1,118
Deferred tax liabilities	**83,188**	215,742
Total non-current liabilities	**1,104,813**	216,860
Net assets/(liabilities)	**2,388,537**	(707,958)
EQUITY		
Share capital	**545,335**	545,335
Reserves	**(1,007,416)**	(2,389,470)
Equity attributable to owners of the Company	**(462,081)**	(1,844,135)
Non-controlling interests	**2,850,618**	1,136,177
Total equity	**2,388,537**	(707,958)

NOTES:

1. GENERAL INFORMATION

Peking University Resources (Holdings) Company Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, respectively.

The Company is an investment holding company and, together with its subsidiaries (together with the Company, the "Group"), are principally engaged in distribution of information products, property development as well as property investment in Mainland China (the "PRC").

Change of accounting period

During the current financial period, the Group changed its reporting period end date from 31 December to 31 March because the Directors consider it better coincide with the seasonal operating cycle of the Group's property development business, which usually records higher sales of properties in the first quarter of each year. Such busy season demands heightened commercial efforts, and the change of financial year end date will enable the Group to better utilize its resources on executing its business plans during such busy season. Accordingly, the consolidated financial statements for the current period cover the fifteen-month period from 1 January 2021 to 31 March 2022. The corresponding comparative amounts shown for the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover 12 months from 1 January 2020 to 31 December 2020 and therefore may not be comparable with amounts shown for the current period.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Going concern basis

The Group had cash and cash equivalents amounted to approximately RMB641,949,000 at 31 March 2022 and at that date, the Group had bank and other borrowings amounted to approximately RMB4,517,984,000, of which approximately RMB3,497,854,000 was included in current liabilities, substantially all of which represent the overdue borrowings due for immediate repayments. In addition, the Group had recorded accrued interests payable amounted to approximately RMB422,166,000 on bank and other borrowings at 31 March 2022 which was included in other payables and accruals.

The consolidated financial statements of the Group have been prepared on a going concern basis notwithstanding that the Group had significant cash shortfall of approximately RMB3,278,071,000 at 31 March 2022, which was calculated as the difference between the aggregate of the current portion of bank and other borrowings and the accrued interests payable at 31 March 2022 and the Group's cash and cash equivalents as at that date. This cash shortfall may have a significant adverse impact to the going concern of the Group.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures and plans being undertaken or will be undertaken by the Group to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(a) The Directors of the Company are considering various alternatives, including but not limited to disposal of equity interest of group entities engaging in property developments or pledges of the Group's properties for sales, to obtain additional funds to support the Group's working capital needs. As at 31 March 2022, the book value of the properties under development and properties held for sale of the Group amount to approximately RMB7,551.3 million and RMB3,093.7 million, respectively.

(b) The Group has been actively negotiating with existing lenders for loan extension, the waiver of the repayable on demand clause and breach of the undertaking and restrictive covenant requirements of certain bank and other borrowings. In particular, the Group has entered into mediation agreements with the lender in December 2021 in relation to the outstanding debts amounting to approximately RMB1,118.8 million (including outstanding principal and interest), pursuant to which the Group are required to pay the settlement amounts to the lender in instalments by 31 December 2023.

(c) The management of the Group has prepared a business strategy plan, which have been reviewed by the board of directors of the Company. The business strategy plan mainly focuses on:

(i) the acceleration of pre-sale of suitable properties of the Group

The Group formulated the sales strategy tailored to the local conditions of each property development project based on their respective product structure and actively responded to the market, so as to accelerate the pre-sale and sale of properties under development and completed properties. In addition, the Group strengthened communication and coordination with cooperative banks to speed up the receipt of proceeds from pre-sale and sale of properties under development and completed properties.

(ii) the implementation of cost control measures

The Group formulated and closely monitored the budgeted cost for each stage of properties development projects. Cost management system was adopted for real-time cost management and control. The Group has achieved product standardisation and adopted transparent tender system for centralised purchase and subcontracting with standard procedures and documents to determine reasonable and competitive bidding price. The structure of marketing expenses were adjusted in each stage so as to improve the cost-effectiveness ratio in the process of pre-sale and sale of properties under development and completed properties. The Group is also tightening cost controls over the daily administrative and other operating expenses aiming at improving the working capital and cash flow position of the Group.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due at least within the next twelve months after 31 March 2022. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their net realisable 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 effect of these adjustments has not been reflected in the consolidated financial statements.

3. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	*Covid-19 Related Rent Concessions*
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	*Interest Rate Benchmark Reform – Phase 2*

In addition, the Group has also early applied the amendment to HKFRS16 Covid-19-Related Rent Concessions Beyond 30 June 2021 in the current period.

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

Impacts on application of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 Interest Rate Benchmark Reform – Phase 2

The Group has applied the amendments for the first time in the current period. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 Financial Instruments: Disclosures.

The amendments have had no material impact on the consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the period. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for financial instruments measured at amortised cost.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	*Insurance Contracts and the related Amendments*[2]
Amendments to HKFRS 3	*Reference to the Conceptual Framework*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*[2]
Amendments to HKAS 8	*Definition of Accounting Estimates*[2]
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[2]
Amendments to HKAS 16	*Property, Plant and Equipment – Proceeds before Intended Use*[1]
Amendments to HKAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[1]
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2018–2020*[1]

[1] Effective for annual periods beginning on or after 1 January 2022.
[2] Effective for annual periods beginning on or after 1 January 2023.
[3] Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all the other new and amendments to HKFRSs not effective will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to Hong Kong Accounting Standard ("HKAS") 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

The executive directors of the Company (the “Executive Directors”) are regarded as the chief operating decision-maker. The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources. Operating segments were determined based on these reports.

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the distribution of information products segment sells information products;

(b) the property development segment sells properties; and

(c) the property investment segment leases and subleases properties.

The Executive Directors monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group’s profit/(loss) before tax except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude restricted cash, cash and cash equivalents, income tax recoverable, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, income tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

For the fifteen months ended 31 March 2022

	Distribution of information products *RMB'000*	Property development *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue, other income and gains *(note 5)*				
Revenue from external customers*	**7,371,025**	**4,332,820**	**95,779**	**11,799,624**
Other income and gains	**1,675**	**5,728,906**	**18**	**5,730,599**
	7,372,700	**10,061,726**	**95,797**	**17,530,223**
Segment profit/(loss)	**40,212**	**1,078,004**	**(335,038)**	**783,178**
Interest income				**45,016**
Corporate and unallocated expenses				**(38,117)**
Finance costs				**(548,451)**
Profit before tax				**241,626**
Segment assets	**4,786,085**	**12,118,723**	**638,304**	**17,543,112**
Elimination of inter-segment receivables				**(101,052)**
Corporate and other unallocated assets				**825,329**
Total assets				**18,267,389**
Segment liabilities	**2,101,978**	**7,657,294**	**317,204**	**10,076,476**
Elimination of inter-segment payables				**(101,052)**
Corporate and other unallocated liabilities				**5,903,428**
Total liabilities				**15,878,852**

	Distribution of information products *RMB'000*	Property development *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Other segment information				
Share of losses of associates	**697**	**–**	**–**	**697**
Fair value gains on transfer from properties for sale – completed to investment properties	**–**	**–**	**–**	**–**
Reversal of impairment of trade receivables	**6,500**	**–**	**–**	**6,500**
Reversal of impairment of financial assets included in prepayments, other receivables and other assets, net	**–**	**18,642**	**–**	**18,642**
Impairment of inventories, net	**8,535**	**–**	**–**	**8,535**
Impairment of properties for sale, net				
– under development	**–**	**1,331,721**	**–**	**1,331,721**
– completed	**–**	**2,468,013**	**–**	**2,468,013**
Depreciation and amortisation	**4,020**	**16,543**	**–**	**20,563**
Capital expenditure#	**2,923**	**6,450**	**–**	**9,373**
Other expenses and losses				
– Interest penalty on loan defaults	**–**	**685,787**	**–**	**685,787**
– Penalty on late payment of land cost	**–**	**–**	**–**	**–**
– Default penalty on late delivery of development properties sold	**–**	**88,485**	**–**	**88,485**
– Tax overdue charge	**–**	**202,016**	**5,470**	**207,486**
– Provision for expected guarantee liability	**–**	**215,562**	**–**	**215,562**
– Loss on disposal of property, plant and equipment	**1,626**	**4**	**50,849**	**52,479**
– Fair value loss on investment properties, net	**–**	**–**	**328,465**	**328,465**

* Revenue reported represents revenue generated from external customers. There were no inter-segment sales for the year.

\# Capital expenditure consists of additions to property, plant and equipment, other intangible assets and investment properties.

Year ended 31 December 2020

	Distribution of information products *RMB'000*	Property development *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Segment revenue, other income and gains *(note 5)*				
Revenue from external customers*	5,235,950	3,811,529	37,923	9,085,402
Other income and gains	524	65,090	478,617	544,231
	5,236,474	3,876,619	516,540	9,629,633
Segment profit/(loss)	28,837	(739,754)	510,883	(200,034)
Interest income				38,844
Corporate and unallocated expenses				(86,701)
Finance costs (other than interest on lease liabilities)				(1,028,990)
Loss before tax				(1,276,881)
Segment assets	4,871,369	32,103,398	685,246	37,660,013
Elimination of intersegment receivables				(2,124,943)
Corporate and other unallocated assets				2,655,502
Total assets				38,190,572
Segment liabilities	1,338,208	24,269,323	409,631	26,017,162
Elimination of intersegment payables				(2,124,943)
Corporate and other unallocated liabilities				15,006,311
Total liabilities				38,898,530

	Distribution of information products *RMB'000*	Property development *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Other segment information				
Share of losses of associates	912	2,897	–	3,809
Fair value gains on transfers from properties for sale – completed to investment properties	–	–	(478,556)	(478,556)
Impairment of trade receivables	10,846	–	–	10,846
Impairment of financial assets included in prepayments, other receivables and other assets, net	6,511	(392)	–	6,119
Reversal of impairment of inventories, net	(22,880)	–	–	(22,880)
Impairment of properties for sale, net				
– under development	–	583,253	–	583,253
– completed	–	60,808	–	60,808
Depreciation and amortisation	10,526	14,367	433	25,326
Capital expenditure#	3,216	3,323	–	6,539
Other expenses and losses				
– Interest penalty on loan defaults	–	452,081	–	452,081
– Penalty on late payment of land cost	–	32,956	–	32,956
– Default penalty on late delivery of development properties sold	–	–	–	–
– Tax overdue charge	–	–	–	–
– Provision for expected guarantee liability	–	–	–	–
– Loss on disposal of property, plant and equipment	–	21	–	21
– Fair value gain on investment properties, net	–	–	(61)	(61)

* Revenue reported represents revenue generated from external customers. There were no inter-segment sales for the year.

Capital expenditure consists of additions to property, plant and equipment, other intangible assets and investment properties.

Geographic information

(a) ***Revenue from external customers***

	Distribution of information products *RMB'000*	Property development *RMB'000*	Property investment *RMB'000*	Total *RMB'000*
Period from 1 January 2021 to 31 March 2022				
Mainland China	**7,352,556**	**4,332,820**	**95,383**	**11,780,759**
Hong Kong	**18,469**	**–**	**396**	**18,865**
	7,371,025	**4,332,820**	**95,779**	**11,799,624**
Year ended 31 December 2020				
Mainland China	5,233,024	3,811,529	35,942	9,080,495
Hong Kong	2,926	–	1,981	4,907
	5,235,950	3,811,529	37,923	9,085,402

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

(b) ***Non-current assets***

	31 March 2022 ***RMB'000***	31 December 2020 *RMB'000*
Mainland China	**569,946**	1,634,386
Hong Kong	**209**	649
	570,155	1,635,035

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

There was no revenue from sales to an external customer which accounted for 10% or more of the Group's total revenue for the current period (for the year ended 31 December 2020: Nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue from contracts with customers is as follows:

	Period from 1 January 2021 to 31 March 2022 *RMB'000*	Year ended 31 December 2020 *RMB'000*
Revenue from contracts with customers		
Sale of properties	**4,332,820**	3,811,529
Sale of information products	**7,371,025**	5,235,950
	11,703,845	9,047,479
Revenue from other sources		
Gross rental income	**95,779**	37,923
	11,799,624	9,085,402

Information about the Group's performance obligations in relation to revenue from contracts with customers is summarised below:

Sale of properties

The performance obligation is satisfied when the construction of the relevant property has been completed and the property has been delivered to the customer pursuant to the sales agreements. Payment in advance from customers is normally required and the remaining balance is settled no later than the delivery date of the property or in some circumstances, settled within an agreed period upon the delivery of the property as determined on a case-by-case basis.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2022 and 31 December 2020 are as follows:

	31 March 2022 *RMB'000*	31 December 2020 *RMB'000*
Amounts expected to be recognised as revenue		
Within one year	**3,088,402**	7,155,915
In the second year	**239,317**	6,147,754
In the third year	**–**	53,306
	3,327,719	13,356,975

The amounts disclosed above do not include variable consideration which is constrained.

Sale of information products

The performance obligation is satisfied upon delivery of goods and payment is generally due in three to six months from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2022 and 31 December 2020 are as follows:

	31 March 2022	31 December 2020
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue within one year	**46,195**	101,014

An analysis of other income and gains is as follows:

	Period from 1 January 2021 to 31 March 2022	Year ended 31 December 2020
	RMB'000	*RMB'000*
Other income		
Management and consultancy service fee income	**–**	31,974
Bank interest income	**44,069**	9,823
Other interest income from related companies	**947**	29,021
Government grants *(note (i))*	**–**	1,361
Gain on lease revision	**–**	160
Others	**35,427**	23,662
	80,443	96,001
Gains		
Profits from disposal of associates	**1,563**	–
Gains on disposal of subsidiaries *(note (ii))*	**3,928,635**	–
Gains on disposal of properties for sale under development *(note (iii))*	**1,739,832**	–
Reversal of impairment loss on trade receivables	**6,500**	–
Reversal of impairment loss on other receivables and other assets	**18,642**	–
Fair value gains on transfers from properties for sale – completed to investment properties	**–**	478,556
Fair value gain on investment properties	**–**	61
Foreign exchange gains, net	**–**	8,457
	5,695,172	487,074
	5,775,615	583,075

Notes:

(i) Various government grants have been received for investments in certain regions in the PRC in which the Company's subsidiaries operate. There are no unfulfilled conditions or contingencies relating to these grants.

(ii) The gain on disposal of the subsidiaries mainly comprised the gain on disposal of Hong Kong Huzi Limited and its subsidiaries which was completed on 25 March 2022.

(iii) The gain on disposal of properties for sale under development amounted to approximately RMB1,739,832,000 arose from the disposal of development properties to the PRC local government.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Period from 1 January 2021 to 31 March 2022 *RMB'000*	Year ended 31 December 2020 *RMB'000*
Interest on bank and other borrowings	**994,660**	1,051,682
Interest on loans from related companies	**33,661**	647,067
Interest expense arising from revenue contracts	**82,992**	700,353
Interest on discounted bills	**3,449**	1,308
Interest expense arising from lease contracts	**769**	1,779
Total interest expense	**1,115,531**	2,402,189
Less: Interest capitalised	**(567,080)**	(1,371,420)
	548,451	1,030,769

7. PROFIT/(LOSS) BEFORE TAX

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

	Period from 1 January 2021 to 31 March 2022 *RMB'000*	Year ended 31 December 2020 *RMB'000*
Cost of inventories sold	**7,135,771**	5,090,963
Cost of properties sold	**3,509,405**	2,838,021
Impairment of inventories, net	**8,535**	(22,880)
Impairment of properties for sale, net		
– under development	**1,331,721**	583,253
– completed	**2,468,013**	60,808
Cost of sales	**14,453,445**	8,550,165
Auditor's remuneration	**3,614**	4,380
Depreciation of property, plant and equipment	**9,311**	11,896
Less: Depreciation capitalised in properties under development	**(789)**	(3,437)
	8,522	8,459
Depreciation of right-of-use assets	**9,476**	11,361
Amortisation of other intangible assets	**1,776**	2,069
Impairment of financial assets, net:		
Impairment of trade receivables	**–**	10,846
Impairment of financial assets included in prepayments, other receivables and other assets, net	**–**	6,119
	–	16,965
Other expenses and losses *(note (i))*		
– Interest penalty on loan defaults	**685,787**	452,081
– Penalty on late payment of land cost	**–**	32,956
– Default penalty on late delivery of development properties sold	**88,485**	–
– Tax overdue charge	**207,486**	–
– Provision for expected guarantee liability	**215,562**	–
– Loss on disposal of property, plant and equipment	**52,479**	21
– Fair value loss on investment properties, net	**328,465**	–
Fair value loss on financial asset at fair value through profit or loss	**8,282**	–
Lease payments not included in the measurement of lease liabilities	**3,072**	9,458
Employee benefit expense (including the directors' remuneration):		
Wages and salaries	**223,128**	304,026
Pension scheme contributions *(note (ii))*	**8,815**	5,935
	231,943	309,961

Notes:

(i) These items are included in "Other expenses and losses" in the consolidated statement of profit or loss.

(ii) At 31 March 2022, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (31 December 2020: Nil).

8. INCOME TAX EXPENSE

	Period from 1 January 2021 to 31 March 2022 *RMB'000*	Year ended 31 December 2020 *RMB'000*
Provision for the period/year		
– Hong Kong profits tax	**–**	297
– PRC corporate income tax	**461,985**	203,178
– PRC LAT	**267,855**	158,280
	729,840	361,755
Deferred tax (credit)/charge	**(54,522)**	206,402
	675,318	568,157

Hong Kong profits tax

No provision of Hong Kong profits tax has been made for the period ended 31 March 2022 as the Group has no assessable profits subject to Hong Kong profits tax. Hong Kong profits tax for the year ended 31 December 2020 has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for that year.

PRC corporate income tax

PRC corporate income tax has been provided at the rate of 25% (year ended 31 December 2020: 25%) on the taxable profits of the Group's PRC subsidiaries for the reporting period.

PRC LAT

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (the "LAT") (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all gains arising from a transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures, including borrowing costs and all property development expenditures.

9. EARNINGS/LOSS PER SHARE

(a) Basic earnings/loss per share

The calculation of the basic earnings/loss per share attributable to owners of the Company is based on the following data:

	Period from 1 January 2021 to 31 March 2022	Year ended 31 December 2020
Earnings/(loss)		
Profit/(loss) for the period/year attributable to owners of the Company *(RMB'000)*	**1,509,499**	(2,025,393)
Number of shares		
Weighted average number of ordinary shares in issue *('000)*	**6,416,156**	6,416,156

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share is presented for the fifteen months ended 31 March 2022 and year ended 31 December 2020 as there were no potential ordinary shares in issue during those period/year.

10. TRADE AND BILLS RECEIVABLES

	31 March 2022	31 December 2020
	RMB'000	*RMB'000*
Trade receivables	**699,007**	1,088,687
Bills receivable	**4,075**	42,880
	703,082	1,131,567
Impairment loss on trade receivables	**(38,283)**	(91,427)
	664,799	1,040,140

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. Trade receivables are settled in accordance with the terms of the respective contracts. The credit period is generally three to six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables less loss allowance recognised, based on the invoice date and/or bills receipt date and net of loss allowance, is as follows:

	31 March 2022	31 December 2020
	RMB'000	*RMB'000*
Within 6 months	**607,961**	997,003
7 to 12 months	**3,105**	5,719
13 to 24 months	**40,781**	32,972
Over 24 months	**12,952**	4,446
	664,799	1,040,140

11. TRADE PAYABLES

	31 March 2022	31 December 2020
	RMB'000	*RMB'000*
Trade payables	**2,012,227**	4,920,330

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

	31 March 2022	31 December 2020
	RMB'000	*RMB'000*
Within 6 months	**1,570,654**	4,679,208
Over 6 months	**441,573**	241,122
	2,012,227	4,920,330

The trade payables are non-interest-bearing and are normally settled on terms of 45 to 90 days.

The following is an extract of the independent auditor's report on the consolidated financial statements for the period ended 31 March 2022:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements. 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

(a) Opening balances and corresponding figures

As detailed in the auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2020 (the "2020 Financial Statements"), the predecessor auditor disclaimed their opinion on the Group's consolidated financial statements for the year ended 31 December 2020. Accordingly, we are unable to obtain sufficient and appropriate audit evidence on the opening balances as to whether the 2020 Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance and cash flows for the year then ended. In addition, we are also unable to form an opinion as to whether the consolidated assets and liabilities of the Group at 31 December 2020 presented in the consolidated statement of financial position are appropriately carried forward and recognised as the opening balances of the Group's respective assets and liabilities as at 1 January 2021.

As detailed in note 46 to the consolidated financial statements, any adjustments to the Group's liabilities as at 1 January 2021 found necessary might impact the gain on disposal of the subsidiaries amounting to approximately RMB3,372 million reported in the consolidated financial statements of the Group for the period ended 31 March 2022, and the related disclosures as set out in the consolidated financial statements.

We also express no opinion on whether the comparative information is properly presented and the comparability of the current period's figures and the corresponding figures.

(b) Going concern

As disclosed in note 2 to the consolidated financial statements, the Group had bank and other borrowings amounted to approximately RMB4,518 million of which approximately RMB3,498 million was included in current liabilities at 31 March 2022, substantially all of which represent the overdue borrowings due for immediate repayments. In addition, the Group had recorded accrued interests payable amounted to approximately RMB422 million on bank and other borrowings at 31 March 2022 which was included in other payables and accruals. However, the Group had cash and cash equivalents amounted to approximately RMB642 million at 31 March 2022.

The Group had significant cash shortfall of approximately RMB3,278 million at 31 March 2022, which was calculated as the difference between the aggregate of the current portion of bank and other borrowings and the accrued interests payable at 31 March 2022 and the Group's cash and cash equivalents as at that date.

The consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of which depends upon the results of the successful implementation and outcome of the measures to be undertaken by the Group. In view of the material uncertainties relating to the results of those measures, as detailed in note 2 to the consolidated financial statements, to be undertaken by the Group which may cast significant doubt on the Group's ability to continue as a going concern, we have disclaimed our opinion as whether it is appropriate for the preparation of the consolidated financial statements on a going concern basis.

Should the going concern assumption be inappropriate, adjustments would have to be made to the consolidated financial statements to write down the value 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 effect of these adjustments have not been reflected in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2021, the gross domestic product reached RMB114.4 trillion in China, representing a year-on-year increase of 8.1% and an average growth of 5.1% in the past two years. Driven by both the export and real estate industry, the first half of 2021 started on an upbeat note. The construction industry, midstream manufacturing industry and pandemic-related industries recorded a strong growth while the recovery in overseas economies led to an expansion of trade. In the second half of 2021, the real estate industry cooled down rapidly under the stringent control and regulatory measures. Coupled with the tightened dual-control policies for energy consumption, the downward pressure on economic growth has intensified.

Real Estate Business

In 2021, the scale of commodity housing transactions in China reached historical high despite a significantly decelerated growth rate, and the market demonstrated a distinctive "high-to-low" trend. The sales of commodity housing in China amounted to RMB18.2 trillion, representing a year-on-year increase of 4.8%, while the sales area of commodity housing reached 1.79 billion square meters, representing a year-on-year increase of 1.9%. By quarter, the sales of commodity housing in China grew at 88.5%, 17.2%, -14.1% and -18.7%, respectively. In 2021, the new construction area of properties in China was 1.99 billion square meters, down by 11.4% year-on-year, representing a further decrease of 10.2 percentage points as compared with the previous year. The investment in real estate development in China amounted to RMB14.8 trillion, up by 4.4% year-on-year, which however, representing a decline in growth rate of 2.6 percentage points as compared with the previous year.

In the first quarter of 2022, the sales area of commodity housing nationwide amounted to 310 million square meters with a sales amount of RMB2.97 trillion, representing year-on-year decreases of 13.8% and 22.7%, respectively. The investment in real estate development increased by 0.7%, but the growth rate dropped by 24.9 percentage points as compared with the same period of 2021, while the new construction area of properties decreased by 17.5% year-on-year.

Since January 2022, new regulatory policies for the real estate industry were promulgated intensively nationwide, fostering a loosening policy environment. From the demand perspective (i.e. customers), the key policies include the reduction of interest rates of housing mortgage and the percentage of down payment, relaxation of credit limit of provident fund loans and adjustments on purchase restriction qualifications and the lock-in period, the purpose of which were to support the reasonable demands of both home buyers with rigid demands and those requiring home improvements, and to restore market confidence. From the supply perspective (i.e. real estate enterprises), the key policies include policies in relation to sales boost, lowering of the proportion of security deposit for land auctions and support for issuance of bonds by "green-tier (綠檔)" companies, with an aim to facilitate active payment collection by developers, ease the liquidity pressure of real estate enterprises, prevent the spread of default crisis of real estate enterprises and maintain healthy and stable development of the industry.

Distribution Business

Looking back at the end of 2019, the spread of Coronavirus Disease 2019 ("COVID-19") worldwide had posed increased downside risk to the global economy, which remarkably provoked instability and uncertainty in the domestic and global business environment. In the middle of every difficulty lies opportunity, and every crisis carries within it certain first-mover advantages. In 2021, under the combined effect and impact of factors such as the global pandemic and supply/demand restrictions, vast demand for online collaboration as well as remote working and learning has been released. With governments and enterprises accelerated their digital transformation, demand for ICT products also witnessed continuous growth, which has in turn driven further market expansion of the ICT distribution industry.

Characterised by high growth, high value and strong sustainability, digital economy has contributed significantly to economic growth during the pandemic and hence a key area for promoting global economic recovery and grasping the commanding heights for future development. In order to cope with various challenges, nations across the globe actively pressed ahead with their digital transformation, and digital economy has been striding towards the direction of informatization, digitization, networking and intelligence at a faster pace worldwide. The in-depth digital transformation led to direct increases in ICT expenses, especially expenses in relation to emerging ICT technologies used to support digital transformation, such as IT infrastructure, cloud computing, big data, artificial intelligence, 5G, internet security and data security.

According to Gartner's data in January 2022, given the economic recovery following the easing of COVID-19 pandemic, China's IT expenses in 2021 amounted to approximately USD500 billion, up by approximately 6.5% as compared to that of 2020. In addition, benefitted from the swift economic recovery and the accelerated digital business transformation of enterprises propelled by the pandemic, it is expected that China's IT expenses will increase by approximately 8% in 2022 as compared to that of 2021.

OVERALL PERFORMANCE

As disclosed in the announcement of the Company dated 5 January 2022, the Board resolved to change the financial year end date of the Company from 31 December to 31 March. The first reporting period of the Group following the change of financial year end date is the 15-month period from 1 January 2021 to 31 March 2022 (the "Reporting Period").

During the Reporting Period, the Group's revenue increased by 29.9% to approximately RMB11,799.6 million (year ended 31 December 2020: RMB9,085.4 million) as a result of the increase in sales of the information products distribution business (the "Distribution Business") and the increase in areas delivered of property development projects. The Group's gross loss for the Reporting Period was approximately RMB2,653.8 million (year ended 31 December 2020: gross profit of RMB535.2 million), mainly due to the net provision for impairment losses of properties under development and properties held for sales under the property development business of the Group (the "Property Development Business") of approximately RMB3,799.7 million. The Group reported a loss of approximately RMB433.7 million (year ended 31 December 2020: loss of RMB1,845.0 million) during the Reporting Period.

The decrease in loss during the Reporting Period was attributable to the combined effects of the following factors:

a. an increase in other income and gains by approximately RMB5,192.5 million to approximately RMB5,775.6 million (year ended 31 December 2020: RMB583.1 million), which mainly includes i) net gain from disposal of subsidiaries by the Group of approximately RMB3,928.6 million; and ii) gains on disposal of properties under development of approximately RMB1,739.8 million;

b. a decrease in the aggregate of selling and distribution expenses and administrative expenses by approximately RMB106.4 million to approximately RMB752.2 million (year ended 31 December 2020: RMB858.6 million) attributable to the strict control on expenses imposed by the management;

c. an increase in other expenses and losses, net by approximately RMB1,093.8 million to approximately RMB1,578.9 million (year ended 31 December 2020: RMB485.1 million) attributable to increase in claim penalty on late repayment of bank and other borrowings;

d. a decrease in finance cost by approximately RMB482.3 million to approximately RMB548.5 million (year ended 31 December 2020: RMB1,030.8 million) attributable to decrease in interest on other borrowings during the Reporting Period; and

e. an increase in income tax expenses by approximately RMB107.1 million to approximately RMB675.3 million (year ended 31 December 2020: RMB568.2 million) as a result of an increase in corporate income tax and land appreciation tax in the PRC during the Reporting Period.

The profit attributable to the owners of the Company and the loss attributable to the non-controlling interests of the Group for the Reporting Period are approximately RMB1,509.5 million (year ended 31 December 2020: loss of RMB2,025.4 million) and RMB1,943.2 million (year ended 31 December 2020: profit of RMB180.4 million) respectively.

Basic and diluted profit per share attributable to owners of the Company for the Reporting Period were approximately RMB23.53 cents (year ended 31 December 2020: loss of RMB31.57 cents).

OPERATING REVIEW

Real Estate Business

Property Development

The turnover of the Property Development Business for the Reporting Period was approximately RMB4,332.8 million (year ended 31 December 2020: RMB3,811.5 million). The segment results recorded a profit of approximately RMB1,078.0 million (year ended 31 December 2020: loss of RMB739.8 million) during the Reporting Period. The growth of segment turnover was primarily attributable to the increase in areas delivered of property development projects. The profit of segment results mainly included: (i) net gains on disposal of subsidiaries by the group of approximately RMB3,928.6 million; (ii) gains on disposal of properties for sale under development of approximately RMB1,739.8 million; and (iii) net impairment of properties under development and properties for sale completed of approximately RMB3,799.7 million.

Following the change in the composition of the Board in October 2021, the current Board has been reviewing the business operations of the Group and its financial performance and positions with a view to devising an action plan for the resumption of trading in the shares of the Company. The Company has disposed of the entire issued share capital of Hong Kong Huzi Limited (the “Disposal Company”) to Wealth Elite Group Investment Limited, for the consideration of HK$20 million on 25 March 2022 (the “Disposal”). For details, please refer to “Material acquisitions and disposals of subsidiaries, associates and joint ventures” in this announcement.

During the Reporting Period, in response to the regularized pandemic and industrial changes, the Group pushed forward the resumption of work and production actively. During the Reporting Period, the Group realized contracted sales of approximately RMB2.51 billion, with a contracted gross floor area (“GFA”) of approximately 372,000 square meters and an average selling price of approximately RMB6,748 per square meter. Among which, the Group, excluding the Disposal Company and its subsidiaries (collectively the “Disposal Group”), has completed contracted sales of approximately RMB1.29 billion, with a contracted GFA of approximately 219,000 square meters and an average selling price of approximately RMB5,911 per square meter. The Disposal Group has completed contracted sales of approximately RMB1.22 billion, with a contracted GFA of approximately 153,000 square meters and an average selling price of approximately RMB7,949 per square meter.

As at 31 March 2022, the Group had 13 property development projects across 9 cities in Mainland China. The total area of the properties held for sale, properties under development and areas pending construction amounted to approximately 3.17 million square meters.

List of Projects

As at 31 March 2022

Project Name	Project Location	Planning and Development	Planned GFA *(sq.m)*	Equity Share	Expected year of completion
Boya Binjiang	Foshan, Guangdong	Residential/ Commercial	914,183	51%	2022
Yihe Emerald Mansion	Yuxi, Yunnan	Residential/ Commercial	468,777	100%	2026
Wei Ming 1898	Kaifeng, Henan	Commercial/ Residential	297,651	100%	N/A
Boya	Chongqing	Residential/ Commercial	493,462	70%	Completed
Jiangshan Mingmen	Chongqing	Residential/ Commercial	679,223	100%	Completed
Yuelai	Chongqing	Residential/ Commercial	394,572	70%	Completed
Zijing Mansion	Chongqing	Residential/ Commercial	209,337	100%	2022
Boya City Plaza	Chengdu, Sichuan	Commercial/Office	144,008	51%	Completed
Wei Ming Mansion	Hangzhou, Zhejiang	Residential/ Commercial	193,771	68%	Completed
580 Project	Chongqing	Residential/ Commercial	613,530	100%	N/A
Lianhu Jincheng	Ezhou, Hubei	Residential/ Commercial	755,978	90%	2026
Shanshui Nianhua	Wuhan, Hubei	Residential/ Commercial	276,468	70%	N/A
Dream City	Guiyang, Guizhou	Residential/ Commercial	1,014,000	70%	2024

The Group will further focus on the expansion of its regional property development business, while pushing forward the delivery of projects actively. Facing the changes internally and externally, the Group will make responses prudently and control risks proactively so as to maintain a stable operation of its own business, thereby pushing ahead with the delivery of property projects steadily in the coming year.

Property Investment

The property investment business of the Group recorded an increase in turnover by approximately RMB57.9 million to approximately RMB95.8 million (year ended 31 December 2020: RMB37.9 million) and segment loss of approximately RMB335.0 million (year ended 31 December 2020: profit of RMB510.9 million) during the Reporting Period. The increase in segment revenue was mainly attributed to the increase in rentable floor area during the Reporting Period. The deterioration in segment results was mainly due to the fair value loss on investment properties arising from the decrease in fair value of investment properties of approximately RMB328.5 million (year ended 31 December 2020: gain of RMB478.6 million) during the Reporting Period.

Distribution of Information Products

The Distribution Business recorded a turnover of approximately RMB7,371.0 million for the Reporting Period, representing an increase of approximately RMB2,135.0 million as compared to last financial year (year ended 31 December 2020: RMB5,236.0 million). The segment results recorded a profit of approximately RMB40.2 million (year ended 31 December 2020: RMB28.8 million) during the Reporting Period. The improvement in segment results was due to the increase in turnover, strengthened control over operating costs and improved sales performance.

The Distribution Business is mainly focused on the distribution of information products such as servers, printers, switches, networking products, storage devices, workstations, optical screen products, video conference host, conference controller, codec, UPS power supply and notebook computer of a number of internationally famed and branded information product manufacturers such as HP, H3C, CommScope, Lenovo, DELL, SHARP and Joyoung. The increase in turnover during the Reporting Period was mainly attributable to increase in sales volume of information products.

As the business environment in China is becoming more competitive with the unfavorable factors arising from the macro control policies, the management of the Group will continuously refine its product structure to avoid product overlapping and minimise market risk. The Group will focus on the distribution of information products with better trading terms and exploring the more profitable value-added service business.

PROSPECTS

Real Estate Business

Since February 2020, the development of the Group's real estate business (the "Real Estate Business") has been affected by the restructuring of Peking University Founder Group Company Limited ("Peking Founder", together with its subsidiaries, the "Peking Founder Group") and four of its associates, leading to a slower pace of internal development. In continuous pursuit of lean operation, the Group has actively implemented various prudent operation measures, such as "slowing down development, ensuring delivery, destocking, facilitating returns and adjusting structure", optimising existing projects, controlling new projects, expanding sources of income, lowering expenditure, reducing costs, enhancing efficiency and strengthening risk management and control, with a view to coping with the uncertainties of the development of external environment. Meanwhile, the Group also consolidated its core strengths in terms of market, customers, products, services, channels, the supply chain, cost and cash flow control, in order to achieve the goals of improving the performance of the Real Estate Business and ensuring its sustainable development.

Looking ahead, with the concept of "houses are for living in, not for speculation" becoming more prominent, China has successively rolled out a number of control policies on the real estate sector, including "three red lines", concentration management of real estate loans and two-centralized land supply. Such policies aimed to comprehensively monitor and control the three main bodies of local government, real estate enterprises and banks, thereby forming a complete closed loop for control policies of the real estate sector. At present, China's economy is confronted with the threefold pressure of "shrinking demand, supply shock and weakening expectations", which present unprecedented challenges and opportunities to the real estate industry. The business models of relying on land dividend, demographic dividend, real estate financialization and scale-oriented competition with high turnover rate are no longer feasible. In view of the recent favourable policies introduced successively by local governments in relation to the real estate industry, the majority of real estate enterprises have taken the initiative to adjust their future development strategies and explore operating models, such as de-financialization, manufacturing, product functionalization, light asset, diversification and green ecological development, in response to the new situation and norms. Although the era of high gross profit has come to an end, there are still basic demand and room for reasonable profit margin in the market.

Since October 2021, the Group has also taken the initiative to predict market trend and optimized its development strategies. In terms of management, it implemented various measures to reinforce its internal strengths, including adjusting organizational structure, reforming and improving internal mechanism, rebuilding operation flow and enhancing organizational efficiency. In terms of operation, it carried out various measures such as in-depth customer analysis, unrivalled product optimization and strict selection of suppliers for existing projects, with a view to further improving product competitiveness and enhancing management efficiency. As for new projects, the Group has carefully studied and evaluated the market and customers, and moderately controlled the new projects while maintaining a robust cash flow. Taking into account the regional market competition, the Group also implemented differentiated competitive strategies, such as focusing on enhancing functionality and experience, improving cost-efficiency and service quality, as well as achieving a low carbon footprint and valuing ecological protection, striving to better satisfy the reasonable demand of customers under the new situation and new norms, and secure a reasonable operating profit of projects.

Distribution Business

According to Gartner's forecast, global IT expenditure is expected to reach United States Dollars ("USD") 4.5 trillion in 2022, representing a year-on-year increase of 5.1%. It is expected that IT expenditure in China will exceed USD540 billion, representing a growth rate of 7.89%. Pursuant to IDC's estimation, 65% of the world's Gross Domestic Products ("GDP") will be digitalized by 2022, signifying that the economy will embark on a journey of digital transformation. It is expected that the average growth rate of digital expenditure for the next three years (i.e., 2022-2024) will reach 17%.

Digital economy has become a crucial engine for China's economic growth. Looking forward to 2022, driving robust development of digital economy will remain as a major objective, thus the proportion of added value of the core industries of digital economy to GDP has become a new economy index in the 14th Five Year Plan. China has established development goals in the "14th Five Year Plan for the Development of the Digital Economy". By 2025, China's digital economy shall be ushered in a period of full expansion, and the added value of the core industries of digital economy shall account for 10% of GDP. The "Outline of the 14th Five Year Plan for the National Economic and Social Development of the People's Republic of China and the Long-Range Objectives through the Year 2035" highlighted the need to "accelerate digital development and build a digital China". It also proposed to embrace the digital era, activate the potential of data elements, promote the development of a strong nation through the Internet, accelerate the construction of a digital economy, a digital society and a digital government, as well as leverage digital transformation to propel changes in the ways of production, lifestyle and governance in general. With the attention and support from the government on a strategic level, digital economy will witness a development boom.

The track record of healthy operation and solid pipeline of the Distribution Business have laid a foundation for its further development. In the future, the Company will continue to optimize the layout and product structure of the Distribution Business, and expand the scale of its existing Distribution Business at a steady pace, while actively initiating in-depth cooperation with distinguished manufacturers and other partners to secure new source of business growth. Stepping up its effort to improve the profitability of Distribution Business, the Company will maintain effective control on market risk. At the same time, the Company will continue to strengthen the internal operation management and management of cost and expenses, hence improving both internal operation turnover efficiency and internal cash flow. Strict compliance management has been carried out to promote healthy and orderly business development.

Employee

The Group has developed its human resources policies and procedures based on performance and contributions of employees. The Group ensures that the remuneration levels of its employees are competitive and employees are rewarded on a performance basis within the general framework of the Group's salary and bonus systems. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance. The Group adopts share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The Group had not granted any share options to its eligible Directors and employees during the Reporting Period.

The Group had 565 employees as at 31 March 2022 (31 December 2020: 1,041).

FINANCIAL REVIEW

Liquidity, financial resources and capital commitments

During the Reporting Period, the Group generally financed its operations with internally generated resources and banking facilities provided by its principal bankers in Mainland China. As at 31 March 2022, the Group had approximately RMB4,518.0 million interest-bearing bank and other borrowings (31 December 2020: RMB12,173.9 million), of which approximately RMB456.8 million (31 December 2020: RMB469.8 million) were floating interest bearing and approximately RMB4,061.2 million (31 December 2020: RMB11,704.1 million) were fixed interest bearing. The borrowings, which were subject to little seasonality, consisted of mainly bank loans, trust receipt loans and loans from certain subsidiaries and associates of Peking Founder, and borrowings from financial institutions. Peking Founder was a former indirect controlling shareholder of the Company during the Reporting Period. Some of the interest-bearing bank and other borrowings are denominated in RMB, of which approximately RMB3,497.9 million (31 December 2020: RMB12,173.9 million) were repayable on demand or within one year and approximately RMB1,020.1 million (31 December 2020: Nil) was repayable within two years. The Group's banking facilities were secured by corporate guarantee given by the Company, Peking Founder, Founder Information (Hong Kong) Limited ("Founder Information") and Peking University Resources Group Co., Ltd. ("Resources Group") (each a former controlling shareholder of the Company during the Reporting Period), and certain properties under development, properties held for sale, the Group's stakes and assignment of return arising from the Group's certain properties under development and properties held for sale. The decrease in bank and other borrowings was mainly attributed to the repayment of bank loans for Property Development Business and the disposal of subsidiaries by the Group during the Reporting Period. The decrease in other payables and accruals by 50.5% to approximately RMB4,254.0 million (31 December 2020: RMB8,591.8 million) was due to the disposal of subsidiaries by the Group during the Reporting Period.

As at 31 March 2022, the Group recorded total assets of approximately RMB18,267.4 million (31 December 2020: RMB38,190.6 million) which were financed by liabilities of approximately RMB15,878.9 million (31 December 2020: RMB38,898.5 million), non-controlling interests of approximately RMB2,850.6 million (31 December 2020: RMB1,136.2 million) and deficit attributable to owners of the Company of approximately RMB462.1 million (31 December 2020: deficit of RMB1,844.1 million). The increase in deficit attributable to owners of the Company was due to the gain on disposal of subsidiaries during the Reporting Period. The Group's net asset value per share as at 31 March 2022 was RMB37.2 cents (31 December 2020: negative RMB11.0 cents). The increase in net asset value per share was attributable to the gain on disposal of subsidiaries during the Reporting Period.

The Group had total cash and cash equivalents and restricted cash of approximately RMB683.9 million as at 31 March 2022 (31 December 2020: RMB1,863.2 million). As at 31 March 2022, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total equity, was 1.89 (31 December 2020: negative 17.2) while the Group's current ratio was 1.19 (31 December 2020: 0.94).

As at 31 March 2022, the capital commitments for contracted, but not provided for, properties under development were approximately RMB1,829.0 million (31 December 2020: RMB4,959.2 million).

Treasury policies

The Group adopts conservative treasury policies and controls tightly over its cash and risk management. The Group's cash and cash equivalents are held mainly in Hong Kong dollars ("HKD"), RMB and USD. Surplus cash is generally placed in short term deposits denominated in HKD, RMB and USD.

Exposure to fluctuations in exchange rates and related hedges

The Group operates mainly in Mainland China and Hong Kong. For the operations in Mainland China, most of its revenues and expense are measured in RMB. For the operations in Hong Kong, most of the transactions are denominated in HKD and USD. The values of RMB against the USD and other currencies may fluctuate and is affected by, among other things, changes in the PRC's political and economic conditions. The conversion of foreign currencies into RMB is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The Group has minimal exposure to exchange rate fluctuation. No financial instrument was used for hedging purposes.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

Save as disclosed below, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

On 21 January 2022, the Company (as vendor) and Wealth Elite Group Investment Limited (as purchaser) entered into a sale and purchase agreement (the "Sale and Purchase Agreement"), pursuant to which the Company agreed to sell, and the purchaser agreed to purchase the entire issued share capital of the Disposal Company, at the consideration of HK$20,000,000.

The Disposal Company was a direct wholly-owned subsidiary of the Company. The Disposal Company is principally engaged in investment holding. The Disposal Group is principally engaged in property development business in the PRC. Each of the subsidiaries of the Disposal Company is either an intermediary holding company or a company holding property development project(s). Set out below are details of the property development projects being developed by the Disposal Group in the PRC:

List of Projects

As at 25 March 2022

Project Name	**Project Location**	**Planning and Development**	**Planned GFA** *(sq.m)*	**Equity Share**	**Expected year of completion**
Yihe Tianyue	Kunshan, Jiangsu	Residential/ Commercial	207,816	100%	2023
Jiujin Yihe	Kunshan, Jiangsu	Residential/ Commercial	725,848	51%	Completed
Time	Changsha, Hunan	Commercial/Office	130,802	63%	Completed
Ideal Home	Changsha, Hunan	Residential/ Commercial	193,316	70%	Completed
Emerald Park	Zhuzhou, Hunan	Residential	526,508	82%	2024
Resources Boya Plaza	Qingdao, Shandong	Commercial/Office	140,690	70%	Completed
Xindu Xinyuan	Qingdao, Shandong	Residential	149,434	70%	Completed
Yuefu	Dongli, Tianjin	Residential/ Commercial	271,382	70%	2023
Yuecheng	Hexi, Tianjin	City Complex Integrating Residential/ Commercial/ Office/ Apartment	437,646	60%	Completed
Tuanbo Project	Jinghai, Tianjin	Residential/ Commercial	63,033	100%	2024
Boya Gongguan	Dongguan, Guangdong	Residential/ Commercial	30,445	100%	Completed
Huangjiang Project	Dongguan, Guangdong	Residential/ Commercial	182,828	100%	2024
Phrase 1 of Wei Ming Mansion	Kaifeng, Henan	Commercial/ Residential	323,381	100%	2022
Block C, Wei Ming Mansion	Kaifeng, Henan	Commercial/ Residential	78,482	100%	Completed
Wei Ming Yangzhe	Kaifeng, Henan	Commercial/ Residential	224,671	100%	2025

Project Name	Project Location	Planning and Development	Planned GFA *(sq.m)*	Equity Share	Expected year of completion
Yannan	Chongqing	Residential	723,382	70%	N/A
Botai City	Kunming, Yunnan	Residential/ Commercial/ Office	424,598	85%	2023
Yannan International	Chengdu, Sichuan	Residential/ Commercial	542,851	70%	Completed
Park 1898	Chengdu, Sichuan	Residential	219,376	70%	Completed
Yihe Yajun	Chengdu, Sichuan	Residential	288,421	70%	Completed
Yihe Emerald Mansion	Chengdu, Sichuan	Residential/ Commercial	219,039	80%	Completed
Xinfan Project	Chengdu, Sichuan	Commercial/Office	223,126	70%	N/A
Xishanyue	Chengdu, Sichuan	Residential	56,821	70%	Completed
Zhongbei Road Project (Founder International Financial Building)	Wuhan, Hubei	Commercial/ Apartment/ Office	204,671	100%	Completed

At the special general meeting of the Company held on 25 March 2022, the shareholders of the Company approved the Disposal and completion of the Disposal took place in accordance with the terms of the Sale and Purchase Agreement on 25 March 2022. Upon completion, the Disposal Company has ceased to be a subsidiary of the Company, and the Company has ceased to have any interest in the Disposal Company, but the Group still had total receivables from the Disposal Group of approximately RMB3,475.2 million. The Group recorded a net gain from the Disposal of approximately RMB3,372.0 million, before taking into account the expenses in relation to the Disposal and after taking into account the market value of the properties and property development projects attributable to the Disposal Group, minority interests of the Disposal Group and the impairment of the receivable from the Disposal Group of RMB nil.

The Disposal constituted a major transaction of the Company under Chapter 14 of the Listing Rules. Please refer to the announcement of the Company dated 21 January 2022, the circular of the Company dated 4 March 2022 and the announcement of the Company dated 25 March 2022 for other details of the Disposal.

Future plans for material investments or capital assets

The Group did not have any concrete future plans for material investments or capital assets as at 31 March 2022 (31 December 2020: Nil). However, the Group always seeks for new investment opportunities in the Real Estate Business and Distribution Business to broaden the revenue and profit potential of the Group and enhance shareholders' value in long term.

Charges on assets

As at 31 March 2022, properties under development of approximately RMB2,425,2 million (31 December 2020: RMB12,176.1 million), properties held for sale of approximately RMB912.3 million (31 December 2020: RMB5,451.7 million), certain equity interests of certain subsidiaries and the assignment of returns arising from certain properties under development and properties held for sale of the Group were pledged to banks to secure general banking facilities granted, as deposits for construction of the relevant properties and as guarantees deposits for certain mortgage loans granted by banks to purchasers of the Group's properties.

Contingent liabilities

As at 31 March 2022, the Group had contingent liabilities relating to guarantees mainly in respect of mortgages granted by certain banks to certain purchasers of the Group's properties amounting to approximately RMB3,136.7 million (31 December 2020: RMB7,886.6 million). This represented the guarantees in respect of mortgages granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled (but not limited to) to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the date of grant of the relevant mortgage loans and ends upon issuance of the building ownership certificates which are generally available within one to two years after the purchasers take possession of the relevant properties. The fair value of the guarantees is not significant and the Directors consider that in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made for the guarantees in the consolidated financial statements for the Reporting Period (31 December 2020: Nil).

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed below, there is no other significant event affecting the Group after the Reporting Period and up to the date of this announcement:

(a) On 21 April 2022, Chongqing Ruihesheng Project Management Co., Limited* ("Chongqing Ruihesheng"), an indirectly wholly-owned subsidiary of the Company, entered into the equity transfer agreement (the "Equity Transfer Agreement") with certain independent third parties, Chengdu Moding Zhishi Investment Management Co., Limited* ("Chengdu Moding"), Chengdu Yizhong Wisdom Investment Management Co., Limited* ("Chengdu Yizhong"), and Chongqing Shengfu Future Industry Co., Limited* ("Cheongqing Shengfu"), pursuant to which Chengdu Moding has agreed to acquire 26% equity interest of Chongqing Xinlongrui Information Technology Co., Limited* ("Chongqing Xinlongrui") from Chongqing Ruihesheng at the consideration of RMB51,240,392, Chengdu Yizhong has agreed to acquire 17% equity interest of Chongqing Xinlongrui from Chongqing Ruihesheng at the consideration of RMB33,503,333, and Chongqing Shengfu has agreed to acquire 8% equity interest of Chongqing Xinlongrui from Chongqing Ruihesheng at the consideration of RMB15,766,275, respectively.

    Chongqing Xinlongrui is an investment holding company and, through its subsidiaries, are principally engaged in property development business in the PRC. Completion of the disposal has taken place on 10 June 2022. Details of the disposal are set out in the announcement of the Company dated 21 April 2022.

(b) According to the announcement of the Company dated 8 April 2022, the Company was informed that a civil compliant has been filed by CITIC Trust Co., Ltd.* ("CITIC Trust") in the Beijing Financial Court against two indirectly wholly-owned subsidiaries of the Company, namely Hong Kong Tianhe Holdings Limited ("HK Tianhe") and Ezhou Jinfeng Property Development Co., Limited* ("Ezhou Jinfeng"), and one non wholly-owned subsidiary of the Company, namely Tianhe Property Development Co., Limited* ("Tianhe Property") as defendants in respect of the outstanding debts under the contract for transfer of equity proceeds (the "New Litigation"). CITIC Trust requested that (i) HK Tianhe and Tianhe Property shall repay the debts amounting to approximately RMB1.05 billion (calculated up to 10 November 2021); and (ii) CITIC Trust shall have the priority in compensation over the proceeds from the auction or sale of the 90% equity interests in Tianhe Property held by HK Tianhe and the land use rights in several properties held by Ezhou Jinfeng. As at the date of this announcement, the case has not been heard. Details of the New Litigation are set out in the announcement of the Company dated 8 April 2022.

MAJOR LITIGATION

As at 31 March 2022, the Group has been involved in the following significant legal proceedings and has been proactively responding to the cases:

(1) In August 2021, Shanghai International Trust Company Limited* ("Shanghai Trust") filed a civil complaint in the Shanghai Financial Court against the indirectly wholly-owned subsidiaries of the Company, namely Chongqing Yingfeng Property Co., Ltd.* ("Chongqing Yingfeng"), Kunshan Fangshi Property Development Co., Limited* ("Kunshan Fangshi") and Hong Kong Yingfeng Holdings Limited ("Hong Kong Yingfeng") in respect of the outstanding debts amounting to RMB413,640,127.62. In December 2021, a mediation agreement was entered into between the relevant subsidiaries and Shanghai Trust. In January 2022, a civil mediation letter was issued by the Shanghai Financial Court, pursuant to which the defendants were required to pay the settlement amounts in instalments to Shanghai Trust by 31 December 2023. Details of this legal proceeding are set out in the announcements of the Company dated 15 October 2021 and 27 January 2022.

(2) In August 2021, Shanghai Trust filed a civil complaint in the Shanghai Financial Court against Beijing Founder Century Information System Co., Ltd.* ("Beijing Founder") and Chongqing Yingfeng in respect of the outstanding debts amounting to RMB716,171,285.90 (including outstanding principal and interest). In December 2021, a mediation agreement was entered into between the relevant subsidiaries and Shanghai Trust. In January 2022, a civil mediation letter was issued by the Shanghai Financial Court, pursuant to which the defendants were required to pay the settlement amounts in instalments to Shanghai Trust by 31 December 2023. Details of this legal proceeding are set out in the announcements of the Company dated 15 October 2021 and 27 January 2022.

(3) In August 2021, Minmetals International Trust Co., Ltd ("Minmetals International") filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against Dongguan Yihui Property Co., Limited* ("Dongguan Yihui"), Yuxi Runya Property Company Limited* ("Yuxi Runya") and Chongqing Yingfeng in respect of the outstanding debts amounting to approximately RMB1,510 million (Minmetals International changed the amount of outstanding debts of the case to RMB1,458,513,421.66 in December 2021). In February 2022, the Intermediate People's Court of Xining, Qinghai Province issued a civil judgement of Qing 01 Min Chu No.537 (2021), which ruled that Dongguan Yihui and Yuxi Runya shall jointly repay to Minmetals International the principal amount of the borrowings of RMB1,458,513,421.66 together with the corresponding interest and the attorney fee, and Minmetals International has the priority of the compensation from the proceeds of auction and sale of the collateral provided by Yuxi Runya and Chongqing Yingfeng. The relevant companies have appealed the judgement to the Higher People's Court of Qinghai Province. As at the date of this announcement, the second instance proceeding is still on-going.

(4) In August 2021, Minmetals International filed a civil complaint in the Intermediate People's Court of Xining, Qinghai Province against Wuhan Tianhe Jinrui Property Development Company Limited* ("Wuhan Tianhe"), Yuxi Runya and Peking University Resources Group Investment Company Limited* ("Resources Investment") in respect of the outstanding entrusted loans amounting to approximately RMB631 million (including outstanding principal of RMB620 million and outstanding interest and default interest as at 19 August 2021). In February 2022, the Intermediate People's Court of Xining, Qinghai Province issued a civil judgement of Qing 01 Min Chu No.538 (2021), which ruled that Wuhan Tianhe and Yuxi Runya shall jointly repay to Minmetals International the outstanding principal of RMB620 million together with the interest and attorney fees, and Minmetals International has the priority of compensation from the proceeds of auction and sale of the collateral provided by Wuhan Tianhe and Resources Investment. The relevant companies have appealed the judgement to the Higher People's Court of Qinghai Province. As at the date of this announcement, the second instance proceeding is still on-going.

(5) The New Litigation.

RESUMPTION GUIDANCE

On 23 July 2021 and 18 January 2022, the Company received the following resumption guidance from the Stock Exchange (the "Resumption Guidance"):

(i) publish the revised consolidated financial statements of the Company for the year ended 31 December 2020 and address any audit modifications;

(ii) demonstrate the Company's compliance with Rule 13.24 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules");

(iii) announce all material information for the Company's shareholders and investors to appraise the Company's position;

(iv) publish all outstanding financial results and address any audit modifications;

(v) conduct an independent investigation into the Misappropriation and Misconduct (as defined in the announcement of the Company dated 10 December 2021), announce the investigation findings, assess and announce the impact on the Company's financial and operation position, and take appropriate remedial actions; and

(vi) 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.

Details of the Resumption Guidance are set out in the announcements of the Company dated 28 July 2021 and 21 January 2022, respectively.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial statements and results of the Group for the fifteen months ended 31 March 2022.

CORPORATE GOVERNANCE

The Company has fully complied with the code provisions set out in the Corporate Governance Code, as set out in Appendix 14 to the Listing Rules throughout the Reporting Period except for the following deviations:

Code Provisions	Comments of the Board
D.1.2 Management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13.	During the Reporting Period, the Company lacks a monthly reporting system and did not prepare and provide all members of the Board with monthly assessment reports on the overall monthly performance, operations and target adjustments of the Group. As a rectification measure, the management of each subsidiary of the Company has submitted to the Board monthly reports on the performance, operations and recommendations on adjustments of the performance targets of each subsidiary of the Company, which covers areas including but not limited to the monthly management and budget accounts, operations, asset security, litigations and contingent liabilities. These reports were presented to the Board after review and approval by the board of directors of each subsidiary of the Company. The Board has reviewed and provided to each Director assessment reports of the overall monthly performance, operations and target adjustments of the Group.

Code Provisions	Comments of the Board
D.2.1 The board should oversee the issuer's risk management and internal control systems on an ongoing basis, ensure that a review of the effectiveness of the issuer's and its subsidiaries' risk management and internal control systems has been conducted at least annually and report to shareholders that it has done so in its Corporate Governance Report. The review should cover all material controls, including financial, operational and compliance controls.	During the Reporting Period, the Company failed to establish effective risk management and internal control systems within the Group. To fulfil the resumption guidance sets out by the Stock Exchange, the Company has engaged an external internal control consultant firm to conduct an independent internal control review to assess the effectiveness of the overall internal control system of the Group and to provide recommendations for the improvement and enhancement of the internal control system and procedures. The second phase of the internal control review was completed in May 2022. For those major internal control deficiencies identified, the Group had implemented corresponding remedial measures which had been reviewed by the internal control consultant.
D.2.6 The issuer should establish a whistleblowing policy and system for employees and those who deal with the issuer (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the audit committee (or any designated committee comprising a majority of independent non-executive directors) about possible improprieties in any matter related to the issuer.	During the Reporting Period, while the Company has established a whistleblowing policy and system, it is unable to encourage its employees, management and the Directors to report possible improprieties to the Board or the audit committee. As a rectification measure, the Company has adopted a new enterprise management system which enables the employees of the Company to raise concerns, in confidence and anonymity, about possible improprieties directly to the Board or the audit committee.

Code Provisions	Comments of the Board
F.2.2 The chairman of the board should attend the annual general meeting. The chairman of the board should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval.	Only Mr. Wong Kai Ho, the Chairman of the Board and Mr. Chung Wai Man, an independent non-executive Director, the chairman of the remuneration committee and a member of the nomination committee, have attended the annual general meeting of the Company held on 1 March 2022. The other Directors were unable to attend the annual general meeting as they had other engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard as set out in the Model Code (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry by the Company, all Directors (save that the Company did not receive the confirmations from Mr. Cheung Shuen Lung (a former Director who resigned on 10 November 2021), Mr. Zeng Gang (a former Director who resigned on 12 November 2021), Ms. Sun Min (a former Director who was removed on 10 November 2021), Mr. Ma Jian Bin (a former Director who was removed on 10 November 2021), Ms. Liao Hang (a former Director who was removed on 10 November 2021), Mr. Lai Nga Ming, Edmund (a former Director who resigned on 30 September 2021) and Mr. Lau Ka Wing (a former Director who resigned on 30 September 2021)) have confirmed that they have complied with the Model Code regarding directors' securities transactions throughout the Reporting Period.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities throughout the Reporting Period.

SCOPE OF WORK OF CCTH CPA LIMITED ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and related notes thereto for the period from 1 January 2021 to 31 March 2022 as set out in this announcement have been agreed by the Group's auditors, CCTH CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the period ended 31 March 2022. The work performed by CCTH CPA Limited 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 CCTH CPA Limited on this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report of the Company for the fifteen months ended 31 March 2022 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the Stock Exchanges's website (www.hkexnews.hk) and the Company's website (www.pku-resources.com) in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 26 April 2021 and will remain suspended until further notice. The Company will publish further announcement(s) and quarterly updates to keep its shareholders and potential investors informed of the latest resumption progress and other update and development of the Company as and when appropriate.

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
Peking University Resources (Holdings) Company Limited
Wong Kai Ho
Chairman

Hong Kong, 28 June 2022

As at the date of this announcement, the Board comprises executive Directors of Mr. Wong Kai Ho (Chairman), Mr. Wang Guiwu, Mr. Zheng Fu Shuang and Mr. Huang Zhuguang; and the independent non-executive Directors of Mr. Chu Kin Wang, Peleus, Mr. Chin Chi Ho, Stanley, Mr. Chung Wai Man, Mr. Hua Yichun and Mr. Wang Bingzhong.

* *For identification purposes only*