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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Peking University Resources (Holdings) Company Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities mentioned herein.

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# 资源控股

RESOURCES HOLDINGS

## Peking University Resources (Holdings) Company Limited

### 北大资源(控股)有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00618)**

## MAJOR TRANSACTION FORMATION OF A LIMITED PARTNERSHIP AND DISPOSAL OF SHAREHOLDING INTEREST IN A SUBSIDIARY ENGAGED IN PROPERTY DEVELOPMENT AND NOTICE OF SGM

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A notice convening the SGM to be held at Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, at 10:00 a.m. on Wednesday, 16 July 2025 is set out on pages SGM-1 to SGM-2 in this circular.

A form of proxy for the SGM is enclosed with this circular. Such form of proxy is also published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.pkurh.com](http://www.pkurh.com)). Whether or not you are able to attend the SGM, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. not later than 10:00 a.m. on Monday, 14 July 2025), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish.

26 June 2025

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 7 May 2025 in relation to, among other things, the Disposal
“Aoze Fund”	Suzhou Aoze Private Equity Fund Management Co., Ltd.* (蘇州遨澤私募基金管理有限公司), a professional private equity fund company registered with the Asset Management Association of China
“Beijing Deyuehe”	Beijing Deyuehe Project Management Co., Ltd.* (北京德悅合項目管理有限公司), a subsidiary of the Disposal Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws for the time being adopted by the Company and as amended from time to time
“Chongqing Jingjiahui”	Chongqing Jingjiahui Industry Co., Ltd.* (重慶京嘉匯實業有限公司), a limited liability company established under the laws of PRC
“Chongqing Shiteng”	Chongqing Shiteng Property Company Limited* (重慶世騰置業有限公司), a subsidiary of the Disposal Company
“Chongqing Yayuan Henghui”	Chongqing Yayuan Henghui Information Technology Co., Ltd.* (重慶雅源恒輝信息技術有限公司), a subsidiary of the Disposal Company
“Chongqing Yingfeng”	Chongqing Yingfeng Property Co., Ltd.* (重慶盈豐地產有限公司), a subsidiary of the Disposal Company, which has provided guarantee to the Huzi Group
“Chongqing Yuanchuang Target”	Chongqing Yuanchuang Target Real Estate Co., Ltd.* (重慶源創目標置業有限公司), a subsidiary of the Disposal Company
“Chongqing Yueruihe”	Chongqing Yueruihe: Chongqing Yueruihe Real Estate Co., Ltd.* (重慶悅睿和置業有限公司), a subsidiary of the Disposal Company

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## DEFINITIONS

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“Company”	Peking University Resources (Holdings) Company Limited, a company incorporated in the Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00618)
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Disposal”	the making of the capital commitment by the Company under the Partnership Agreement by injecting 100% of the shareholding interest in the Disposal Company to the Partnership
“Disposal Company” or “On Tai International”	ON TAI INTERNATIONAL INVESTMENT GROUP (HONG KONG) LIMITED (安泰國際投資集團(香港)有限公司), a limited liability company incorporated under the laws of British Virgin Islands and, as at the Latest Practicable Date, a wholly-owned subsidiary of the Company
“Disposal Group”	the Disposal Company and its subsidiaries
“Director(s)”	the director(s) of the Company
“Dongguan Yihui”	Dongguan Yihui Property Co., Limited* (東莞億輝地產有限公司), a subsidiary of HK Huzi and a former subsidiary of the Group
“GFA”	gross floor area
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HK Huzi”	Hong Kong Huzi Limited (香港號諮有限公司), a company incorporated in Hong Kong with limited liability, a former subsidiary of the Group and disposed by the Group on 25 March 2022
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Resources”	Hong Kong Resources Yingyue Limited (香港資源盈悅有限公司), a subsidiary of the Disposal Company

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## DEFINITIONS

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“Hong Kong Yingfung”	Hong Kong Yingfung Holding Limited* (香港盈豐控股有限公司), a subsidiary of the Disposal Company
“Huzi Group”	HK Huzi and its subsidiaries
“Independent Third Party(ies)”	person(s) or company(ies), who or which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning ascribed thereto under the Listing Rules
“Kaifeng Boming”	Kaifeng Boming Real Estate Development Co., Ltd.* (開封博明房地產開發有限公司), a subsidiary of HK Huzi and a former subsidiary of the Group
“Kaifeng Boyuan”	Kaifeng Boyuan Real Estate Development Co., Ltd.* (開封博元房地產開發有限公司), a subsidiary of the Disposal Company, which has provided guarantee to the Huzi Group
“Latest Practicable Date”	25 June 2025, being the latest practicable date for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Partnership”	the partnership to be constituted under the Partnership Agreement, with the proposed name of Suzhou Aoze No. 2 Investment Partnership (Limited Partnership)* (蘇州遨澤貳號投資合夥企業(有限合夥)), subject to the approval by the relevant governmental authorities
“Partnership Agreement”	the partnership agreement dated 7 May 2025 and further amended by the partners’ resolution dated 18 June 2025 entered into among Suzhou Aoze (as general partner), the Company (as subordinated limited partner) and Chongqing Jingjiahui (as preferred limited partner), pursuant to which the Partnership shall be constituted

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## DEFINITIONS

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“Previous Discloseable Transaction Announcement”	the announcement of the Company dated 8 August 2024 in relation to, among other things, the formation of Joint Venture (as defined therein)
“Retained Group”	the Company and its subsidiaries following the completion of the Disposal
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at 10:00 a.m. on Wednesday, 16 July 2025 at Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the purpose of considering and, if thought fit, approving, among other things, the Partnership Agreement and the transactions contemplated thereunder (including the Disposal), or any adjournment thereof
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Suzhou Aoze”	Suzhou Aoze Enterprise Management Co., Ltd.* (蘇州遨澤企業管理有限公司), a limited liability company established under the laws of the PRC
“Tung Yuen Resources (HK)”	Tung Yuen Resources (HK) Limited (東原資源(香港)有限公司), a subsidiary of the Disposal Company
“Wuhan Jinxiang”	Wuhan Jinxiang Asset Management Co., Ltd.* (武漢錦祥資產管理有限公司), a subsidiary of the Disposal Company
“Wuhan Tianhe”	Wuhan Tianhe Jinrui Property Development Company Limited (武漢天合錦瑞房地產開發有限公司), a subsidiary of HK Huzi and a former subsidiary of the Group

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## DEFINITIONS

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“Wuhan Tianhe Jincheng”	Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.* (武漢天合錦程房地產發展有限公司), a subsidiary of the Disposal Company
“Wuhu Xinying Investment Partnership”	Wuhu Xinying Investment Partnership Enterprise (Limited Partnership)* (蕪湖信盈投資合夥企業(有限合夥)), a subsidiary of the Disposal Company
“Yuxi Hongyue Commercial”	Yuxi Hongyue Commercial Operational Management Co., Ltd.* (玉溪鴻悅商業運營管理有限公司), a subsidiary of the Disposal Company
“Yuxi Runya”	Yuxi Runya Property Company Limited* (玉溪潤雅置業有限公司), a subsidiary of the Disposal Company, which has provided guarantee to the Huzi Group
“Zhejiang Peking University Resources” or “Zhejiang Resources”	Zhejiang Peking University Resources Real Estate Co., Ltd.* (浙江北大資源地產有限公司), a subsidiary of the Disposal Company
“%”	per cent

\* *for identification purposes only*

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LETTER FROM THE BOARD

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**资源控股**  
RESOURCES HOLDINGS

**Peking University Resources (Holdings) Company Limited**

**北大资源(控股)有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00618)**

*Executive Directors:*

Mr. Wong Kai Ho (*Chairman*)

Mr. Huang Zhuguang

Mr. Hou Ruilin

Mr. Xia Ding

*Registered office:*

Victoria Place, 5th Floor

31 Victoria Street

Hamilton HM 10

Bermuda

*Independent Non-executive Directors:*

Mr. Chin Chi Ho, Stanley

Ms. Xu Nan

Prof. Cheung Ka Yue

*Head office and principal place of  
business in Hong Kong:*

Room 2303, 23/F

COFCO Tower

262 Gloucester Road

Causeway Bay

Hong Kong

26 June 2025

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
FORMATION OF A LIMITED PARTNERSHIP AND  
DISPOSAL OF SHAREHOLDING INTEREST IN A SUBSIDIARY  
ENGAGED IN PROPERTY DEVELOPMENT  
AND  
NOTICE OF SGM**

**A. INTRODUCTION**

Reference is made to the Announcement and the Previous Discloseable Transaction Announcement. The purpose of this circular is to provide you with, among other things: (i) details of the Partnership Agreement and the transactions contemplated thereunder (including the Disposal); (ii) a notice convening the SGM together with a form of proxy; and (iii) other information as required under the Listing Rules.



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## LETTER FROM THE BOARD

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### **B. FORMATION OF A LIMITED PARTNERSHIP AND DISPOSAL OF SHAREHOLDING INTEREST IN A SUBSIDIARY ENGAGED IN PROPERTY DEVELOPMENT**

On 7 May 2025, the Company (as subordinated limited partner) entered into the Partnership Agreement with Suzhou Aoze (as general partner) and Chongqing Jingjiahui (as preferred limited partner). Pursuant to the Partnership Agreement, the Company, Suzhou Aoze and Chongqing Jingjiahui agreed to establish the Partnership with the aggregate capital commitment of RMB100,010,000, which shall be contributed by: (i) Suzhou Aoze as to RMB10,000; (ii) the Company as to RMB30,000,000; and (iii) Chongqing Jingjiahui as to RMB70,000,000.

The capital commitment of the Company shall be settled by way of injecting the entire shareholding interest in the Disposal Company, a wholly-owned subsidiary of the Company as at the Latest Practicable Date, to the Partnership. As such, the entering into of the Partnership Agreement by the Company and the capital contribution to be made by the Company to the Partnership will lead to the Disposal of the Company's shareholding interest in the Disposal Company.

### **PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT**

The principal terms of the Partnership Agreement are as follows:

#### **Date**

7 May 2025 (subsequently amended by the partners' resolution dated 18 June 2025)

#### **Parties**

- (i) Suzhou Aoze, as general partner;
- (ii) The Company, as subordinated limited partner; and
- (iii) Chongqing Jingjiahui, as preferred limited partner.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Suzhou Aoze and Chongqing Jingjiahui and their respective ultimate beneficial owners were third parties independent of the Company and connected persons of the Company.

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## LETTER FROM THE BOARD

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### **Purpose of the Partnership**

On 18 June 2025, the partners of the Partnership passed a resolution to amend the purpose of the Partnership. Pursuant to the resolution, the primary purpose of the Partnership is to invest, directly or indirectly, in special opportunity assets and partnership and other interests in one or more collective investment vehicles related thereto.

The aforesaid “special opportunity assets” refers to the Disposal Group, which is principally engaged in property development business in the PRC. The investment by the Partnership towards the Disposal Group represents the injection of new capital and funding into the business of the Disposal Group. By entering into the Partnership Agreement, a professional asset manager (that is, the general partner) will be introduced to: (a) implement post-investment management methods to oversee the liquidation of the Disposal Group’s inventories and recouping of funds in the market; and (b) conduct debt restructuring in respect of existing property development projects and revitalise struggling assets.

### **Term of the Partnership**

The term of the Partnership shall be ten (10) years. The partners may by consent extend the Partnership term.

### **Capital commitment**

The Partnership has a subscribed capital of RMB100,010,000, which shall be composed of:

- (i) RMB10,000 from Suzhou Aoze, as general partner, representing approximately 0.01% of the interest in the Partnership;
- (ii) RMB30,000,000 from the Company, as subordinated limited partner, representing approximately 30.00% of the interest in the Partnership; and
- (iii) RMB70,000,000 from Chongqing Jingjiahui, as preferred limited partner, representing approximately 69.99% of the interest in the Partnership.

The capital commitments under the Partnership Agreement were determined after arm’s length negotiation among the parties thereto with reference to (i) the preliminary business plan of the Partnership, which currently expects the Partnership will take a 3-year period to formulate and implement debt restructuring plan, introducing new funding to the projects held by the Disposal Group and restart developing; (ii) the expected capital requirements in relation to operation costs of the Disposal Group in such 3-year period and possible fees and expenses in relation to the debt restructuring plans; and (iii) the parties’ respective interest in the Partnership. There is no expected further capital commitment to the Partnership to be made by the Company.

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## LETTER FROM THE BOARD

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The shareholding split made by each of Suzhou Aoze, Chongqing Jingjiahui and the Company was determined after taking into account: (i) Suzhou Aoze is the general partner and does not invest funds into the Partnership, so it only subscribes for 0.01% interest of the Partnership; (ii) Chongqing Jingjiahui agrees to invest funding into the Partnership, thus it holds majority interest in the Partnership; and (iii) the Group maintains a 30% interest in the Partnership, therefore it may still benefit from the operations of Disposal Group in the future through its interest in the Partnership. Further, given that the Group has better understanding of the business operations of the Disposal Group and has continuing communications with the relevant creditors of the Disposal Group, the Group's continued involvement in the Partnership will facilitate debt restructuring and potential development activities of the Disposal Group.

### **Capital contribution**

The capital contributions to be made by Suzhou Aoze and Chongqing Jingjiahui shall be paid in cash.

The Company shall contribute capital by way of injecting the entire shareholding interest in the Disposal Company, a wholly-owned subsidiary of the Company as at the Latest Practicable Date, to the Partnership. The unaudited net liabilities of the Disposal Company was approximately RMB1,282.5 million as at 31 December 2024.

Subsequent to the Company's contribution of the entire shareholding interest in the Disposal Company, the Disposal Company will cease to be a subsidiary of the Company, and its results, assets and liabilities will no longer be consolidated in the consolidated financial statements of the Group. The Company will account for the 30% interest in the Partnership following the Disposal as an associated company using the equity method.

### **Condition precedent**

Completion of capital contribution under the Partnership Agreement is conditional upon fulfilment of the following condition:

- (i) passing by the Shareholders (other than those prohibited from voting under the Listing Rules, if applicable) resolution(s) at the general meeting of the Company approving the Partnership Agreement and the transactions contemplated thereunder; and
- (ii) all representations, undertakings, and warranties made by each party under the Partnership Agreement shall be true, accurate, and correct in all material respects as of the completion date.

As at the Latest Practicable Date, no condition precedent had been fulfilled or satisfied. Neither the Company, Suzhou Aoze or Chongqing Jingjiahui shall be entitled to waive any of the conditions above.

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## LETTER FROM THE BOARD

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### Management of the Partnership

The general partner of the Partnership has the power to manage, operate, control, and make decisions regarding the Partnership and its affairs, and also has the authority to represent the Partnership in relevant matters. Limited partners, including the Company, do not participate in the management, operation, or control of the Partnership and do not have the authority to represent the Partnership in relevant matters.

The general partner shall be entitled to charge a management fee equivalent to 0.5% per annum with reference to the amount of actual capital contribution made by the partners. The management fee was arrived upon arm's length negotiation between the partners with reference to (i) the market rate of management fee payable for provision of similar services for limited partnerships of similar size and nature of the Partnership, which varies based on the management scale and the complexity of the business, generally ranging from 0.1% to 2.0% of the managed capital; (ii) the investment management and administrative services expected to be provided by Suzhou Aoze to the Partnership; and (iii) the terms of the Partnership.

The Partnership will establish an investment decision-making committee to decide on matters such as the Partnership's external financing, providing guarantee, investment, withdrawal of investments and asset disposal. The investment decision-making committee's members shall be designated by the partners of the Partnership and initially comprise a representative from each of Suzhou Aoze, the Company and Chongqing Jingjiahui. Upon the withdrawal of a partner from the Partnership, the member of the investment decision-making committee appointed by such partner shall immediately resign. Voting rights of the investment decision-making committee shall be exercised on a one-vote-per-member basis. Pursuant to the Partnership Agreement, significant matters require approval from more than two-thirds of the committee members. Such significant matters include (i) decision-making on the Partnership's external investment and financing, providing external guarantees and incurring external liabilities; and (ii) as a shareholder of the Disposal Company, decide major matters of the Disposal Group, including division or merger, distribution of profits, external investment and financing, providing external guarantees or assumption/joining of debts, disposal of assets (except for the sale of properties in accordance with approved sales plans), amendment of the articles of association. Apart from significant matters listed above, all other matter of the investment decision-making committee shall be approved by a simple majority of the committee members. When a partner transfers its interests or a new partner joins the Partnership, the composition of the investment decision-making committee shall be re-determined at a partners' meeting.

The partners' meeting is convened and chaired by the general partner and attended by all partners of the Partnership. The following matters of the Partnership shall be approved at the partners' meetings unanimously:

- (i) determining the entry, withdrawal, replacement or transfer of interests of partners;
- (ii) determining the conversion of a limited partner into a general partner and vice versa;
- (iii) resolving to amend or supplement the Partnership Agreement;

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## LETTER FROM THE BOARD

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- (iv) resolving to change the name, domicile, investment period or operating period of the Partnership;
- (v) resolving to terminate, dissolve, or liquidate the Partnership;
- (vi) resolving to increase or decrease the subscribed capital and paid-up capital of the Partnership;
- (vii) determining the merger, division or change of the corporate form of the Partnership;
- (viii) approving the Partnership's bank borrowings or any other form of financing;
- (ix) approving the provision of guarantees by the Partnership for third parties;
- (x) determining the composition of the investment decision-making committee; and
- (xi) other major matters that should be decided by the partners' meetings as stipulated by laws and regulations, the Partnership Agreement and other agreements.

### **Liability proportion and profit distribution**

The liability of each of the limited partners shall be limited to their respective capital commitment, while the general partner shall have unlimited liability. The loss incurred by the Partnership shall be borne by the partners in proportion to their capital commitments.

The Partnership may distribute its income after deducting liabilities and expenses in the following order:

- (1) distribution of benchmark returns to preferred limited partner(s), where:
  - (a) preferred limited partner benchmark returns =  $\sum (\text{preferred limited partner actual capital contributions} \times \text{preferred limited partner expected benchmark return rate} \times \text{preferred limited partner actual contribution days} \div 360 \text{ days})$  (calculated on a 360-day basis per year);
  - (b) the preferred limited partner expected benchmark return rate is 10.0%;
- (2) distribution to preferred limited partner(s) until they have received distribution equal to their actual capital contributions to the Partnership;
- (3) distribution to the general partner until it has received distribution equal to its actual capital contributions to the Partnership;
- (4) distribution to subordinated limited partner(s) until they have received distribution equal to their actual capital contributions to the Partnership; and
- (5) distribution of excess returns as follows: (a) 5% to general partner; (b) 15% to preferred limited partner(s); and (c) 80% to subordinated limited partner(s).

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## LETTER FROM THE BOARD

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### INFORMATION ON THE PARTIES

The Company is an exempted company incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 00618). The Group is principally engaged in medical and pharmaceutical retail, e-commerce and distribution of appliances and information products, property development as well as property investment and management in the PRC, Singapore and Hong Kong.

Suzhou Aoze is a limited liability company established under the laws of the PRC. Suzhou Aoze is principally engaged in investment management and asset management. Suzhou Aoze is ultimately owned by Ge Simin (葛思敏) and Zhu Hong (朱宏) as to 60% and 40%, respectively. Suzhou Aoze is a wholly owned subsidiary of Aoze Fund, a professional private equity fund company registered with the Asset Management Association of China. Aoze Fund has extensive experience in fund management and is principally engaged in, among others, investment management and asset management in healthcare industry. By providing invested companies with various support such as capital, management improvement, as well as merger and acquisition services, Suzhou Aoze promotes the rapid growth of enterprises and realize the appreciation of investment value, thereby creating more optimal investment returns for fund investors. Aoze Fund's core strength lies in its experienced management team, having over 15 years in the healthcare sector on average. Aoze Fund has successfully managing multiple healthcare-focused funds with the accumulated assets under management of over RMB100 million. Moreover, the Group acquired Wuhan Yekaitai Pharmaceutical Chain Co., Ltd.\* (武漢葉開泰藥業連鎖有限公司) (“**Wuhan Yekaitai**”) from Suzhou Aoze Pharmaceutical Investment Partnership (Limited Partnership)\* (蘇州遨澤醫藥投資合夥企業(有限合夥)), of which Aoze Fund acted as general partner in 2023. Further, the Group and Suzhou Aoze jointly established Suzhou Aoze No. 1 Investment Partnership (Limited Partnership)\* (蘇州遨澤壹號投資合夥企業(有限合夥)) in 2024, as a recognition of Suzhou Aoze's professional capabilities.

Chongqing Jingjiahui is a limited liability company established under the laws of the PRC. Chongqing Jingjiahui principally engaged in distribution of construction materials and mechanical equipment, engineering management services, project planning, public relations services and marketing planning. Chongqing Jingjiahui is ultimately owned by Sun Jianjun (孫建軍) and Li Ziewei (李自偉) as to 70% and 30%, respectively. Chongqing Jingjiahui was introduced to the Group by Suzhou Aoze, the general partner. As a preferred limited partner, Chongqing Jingjiahui provides funding and enjoys preferred returns.

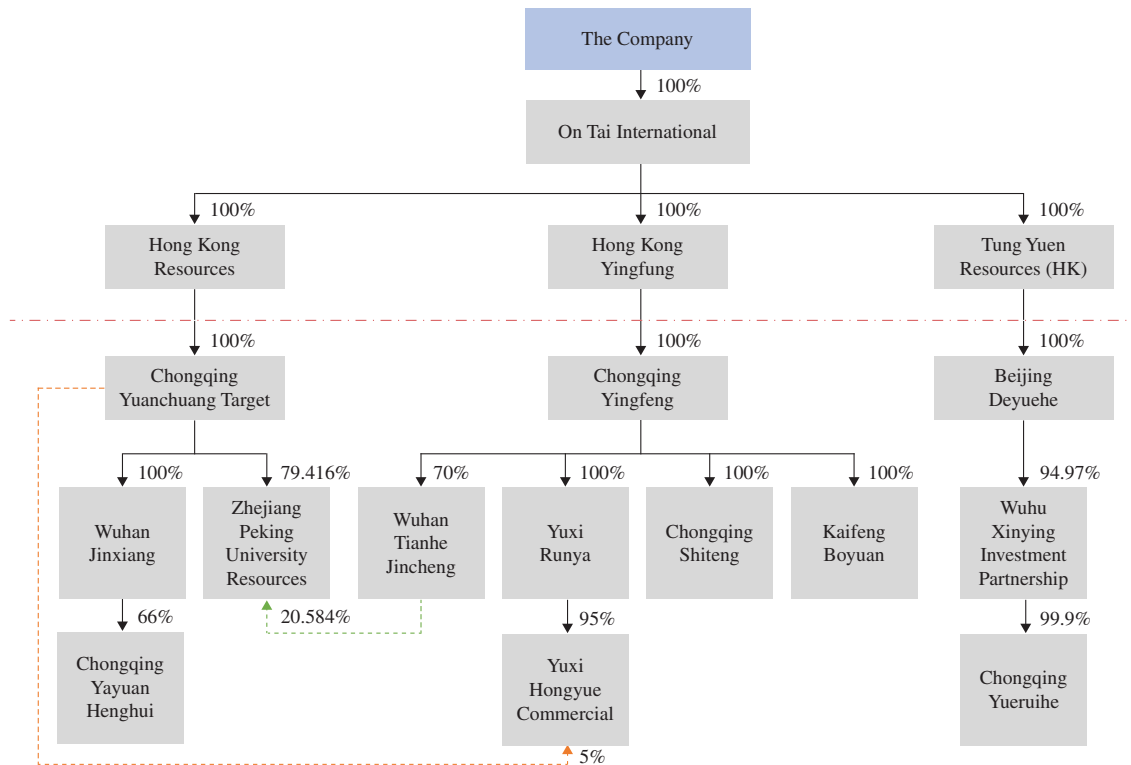
To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Suzhou Aoze and Chongqing Jingjiahui and their respective ultimate beneficial owners were third parties independent of the Company and connected persons of the Company.

## LETTER FROM THE BOARD

### INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is a limited liability company incorporated under the laws of British Virgin Islands, and a wholly-owned subsidiary of the Company as at the Latest Practicable Date. The Disposal Company is principally engaged in investment holding.

The Disposal Group comprises the Disposal Company and 16 subsidiaries held by the Disposal Company, of which six carry on substantive business, 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) in the PRC. The shareholding structure of the Disposal Group as at the Latest Practicable date is as follows:



## LETTER FROM THE BOARD

Set out below are details of (i) the property development projects being developed by the Disposal Group in the PRC; and (ii) inventories of completed projects held by the Disposal Group:

### Property development projects held by the Disposal Group

Location in the PRC	Project name	Effective equity interest	Planned development	Planned GFA (Note 5) (m <sup>2</sup> )	Expected year of completion	Appraised value by the valuer as at 31 March 2025 (Note 2) (RMB million)	Projected outstanding construction costs required to complete the project (finance costs not included) (RMB million)	Reference to the valuation report
Yuxi, Yunnan	Yi He Fei Cui Fu (Note 3)	100%	Residential/ Commercial	456,507	2026 (under construction)	No commercial value (market value for reference purpose is 1,004.0)	1,087.0	Appendix II Property Valuation Report — Valuation Summary — No. 4
Kaifeng, Henan	Wei Ming 1898	100%	Residential/ Commercial	384,569	2025 (under construction)	908.0	266.0	Appendix II Property Valuation Report — Valuation Summary — No. 5
Chongqing	580 Project (Note 4)	100%	Residential/ Commercial	434,167 (Note 1)	N/A (Note 1)	No commercial value (market value for reference purpose is 1,520.0)	1,736.7 (Note 1)	Appendix II Property Valuation Report — Valuation Summary — No. 1
Total appraised value by the valuer as at 31 March 2025						908.0 (including market value for reference purpose regarding the properties with no commercial value is 3,432.0)		

#### Notes:

- (1) Expected year of completion cannot be provided for this project as it is still in the planning phase, and has neither received the planning approval nor commenced the construction. The planned GFA is preliminarily estimated based on the planning conditions stipulated in the state-owned land use rights assignment contract, which may be adjusted during the planning approval process. Based on best estimation of the Company's management and with reference to the recent average construction cost per square meters in Chongqing and the planned construction area, the projected outstanding construction costs required to complete the project is RMB1,736.7 million.



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## LETTER FROM THE BOARD

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- (2) The values of the property development projects were determined based on the valuation of the property development projects as at 31 March 2025 as appraised by Ravia Global Appraisal Advisory Limited, an independent valuer. The valuation report of the property development projects is shown in Appendix II to this circular. The valuer attributed no commercial value to the following properties: No. 4 Yi He Fei Cui Fu, the real estate title certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole; and No. 1 Jiangshan Mingmen, the real estate title certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole. For these properties, the market value for reference purpose as set out above is appraised by the valuer assuming that such properties can be freely transferred in the market without restrictions.
- (3) The first phase of this project was completed and its properties completed for sale were summarised in below table.
- (4) Both this project and Jiangshan Mingmen in below table belong to Chongqing Yingfung.
- (5) The planned GFA reported is a descriptive figure representing the overall scale of the development project, including the portions under construction, completed but unsold, and already sold, to provide investors with an understanding of the scale of each project. It reflects the total planned development GFA and does not correspond to the scope of property valuation disclosed in the valuation report as set out in Appendix II to this circular. The valuation report focuses on specific property interests as at the valuation date and does not cover the entire planned development area (including the portion that was completed and sold).

The aggregate appraised value of the property development projects held by the Disposal Group as at 31 March 2025 was approximately RMB3,432.0 million without taking into account the projected outstanding construction costs required (finance costs not included) to complete the projects of approximately RMB3,089.7 million.

## LETTER FROM THE BOARD

### Inventories of completed projects held by the Disposal Group

Location in the PRC	Project name	Effective equity interest	Type and number of properties held	GFA (sq.m)	Appraised value by the valuer as at 31 March 2025 (Note 1) (RMB million)	Reference to the valuation report
Hangzhou, Zhejiang	Wei Ming Mansion	94%	276 car parking spaces	7,342	No commercial value (market value for reference purpose is 23.2)	Appendix II Property Valuation Report — Valuation Summary — No. 2
Chongqing	Zijing Mansion	100%	70,579 m <sup>2</sup> Residential units, 4,217 m <sup>2</sup> Commercial units, 1,203 car parking spaces	116,981	No commercial value (market value for reference purpose is 973.2)	Appendix II Property Valuation Report — Valuation Summary — No. 6
Chongqing	Jiangshan Mingmen	100%	102 m <sup>2</sup> Residential units, 31,358 m <sup>2</sup> Commercial units, 2,989 car parking spaces	126,562	No commercial value (market value for reference purpose is 315.0)	Appendix II Property Valuation Report — Valuation Summary — No. 1
Yuxi, Yunnan	Yi He Fei Cui Fu	100%	5,865 m <sup>2</sup> Residential units, 3,431 m <sup>2</sup> Commercial units, 412 car parking spaces	19,830	No commercial value (market value for reference purpose is 127.0)	Appendix II Property Valuation Report — Valuation Summary — No. 4
Wuhan, Hubei	Shanshui Nianhua	70%	413 m <sup>2</sup> Commercial units	413	No commercial value (market value for reference purpose is 5.4)	Appendix II Property Valuation Report — Valuation Summary — No. 3
Kunming Yunnan	Boyue	100%	305 m <sup>2</sup> Commercial units	305	1.9 (Note 2)	Appendix II Property Valuation Report — Valuation Summary — No. 7
Total appraised value by the valuer as at 31 March 2025					1.9 (including market value for reference purpose regarding the properties with no commercial value is 1,445.7)	

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## LETTER FROM THE BOARD

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*Notes:*

- (1) The values of the property development projects were determined based on the valuation of the property development projects as at 31 March 2025 as appraised by Ravia Global Appraisal Advisory Limited, an independent valuer. The valuation report of the property development projects is shown in Appendix II to this circular. The valuer attributed no commercial value to the following properties: No. 2 Wei Ming Mansion, the property was under seizure and not transferable as at the date of valuation; No. 1 Jiangshan Mingmen, the real estate title certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole; No. 3 Shanshui Nianhua, the properties were not transferable as the Group has entered into sale and purchase agreements with certain purchasers, namely Yang Ruixue, Gui Jing and Yang Xiya, all of whom is an Independent Third Party and such agreements have been registered with Wuhan Comprehensive Real Estate Market Management Platform (武漢市房地產市場綜合管理平台) under the names of purchasers. The Group is obligated to deliver the properties to the purchasers upon receipt of the payment and to complete the registration of the transfer of property rights, thus is not able to sell the properties freely to others. The transfer of these properties are expected to be completed by December 2025; No. 4 Yi He Fei Cui Fu, the real estate title certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole; and No. 6 Zijing Mansion, the real estate title certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole. For these properties, the market value for reference purpose as set out above is appraised by the valuer assuming that such properties can be freely transferred in the market without restrictions. Suzhou Aoze and Chongqing Jingjiahui are aware that the valuer attributed no commercial value to the aforesaid properties and that the properties listed under No. 3 Shanshui Nianhua will be disposed of.
- (2) These properties for sale were purchased from certain subsidiary of HK Huzi before the Disposal of HK Huzi.

Although the properties to which the valuer attributed no commercial value may lack legal title or transferability, these portions still retain land use rights vested in the registered owner. The Company considers that such portions possess capital value due to their income-generating potential and has accordingly adopted the “market value for reference purpose” as stated in the valuation report as set out in Appendix II to this circular. The Board is of the view that the non-transferability of these properties would not affect (i) the completion of the Disposal, since the Disposal will not result in the change of holders of such properties; and (ii) the operations of the Partnership including fund raising for the purpose of re-commencing the development for the properties which ceased construction due to lack of funding.

The aggregate appraised value of the completed projects held by the Disposal Group as at 31 March 2025 was approximately RMB1,445.7 million. The Disposal Group record deposits received from the pre-sold of the inventories of completed projects as “contract liabilities” in its statement of financial position. As at 31 December 2024, the amounts of deposits received in respect of the inventories of completed projects held by the Disposal Group were approximately RMB758.9 million. As the deposits received from the pre-sold of the inventories of completed projects of the Disposal Group are held by the Disposal Group and not by the Retained Group, the deposits received from the pre-sold of the inventories of completed projects will be acquired by the Partnership after the completion of the Disposal.

The Disposal Group has a total of 7 property projects. As of 31 March 2025, the aggregate appraised value of the property development projects and completed projects held by the Disposal Group is approximately RMB4,877.7 million, accounting for 69.4% of the total appraised value of the property development projects and completed projects held by the Group.

## LETTER FROM THE BOARD

Set out below is the consolidated financial information of the Disposal Company for the periods indicated prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants:

	<b>As at 31 March</b>		<b>As at 31 December</b>
	<b>2023</b>	<b>2024</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Total assets	7,317,488	6,356,544	5,888,182
Net assets/(liabilities)	2,180,723	103,222	(1,282,549)(Note)

	<b>For the years ended</b>		<b>For the nine months ended</b>
	<b>31 March</b>	<b>31 March</b>	<b>31 December</b>
	<b>2023</b>	<b>2024</b>	<b>2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	1,103,805	278,660	359,725
Net profit/(loss) before taxation	723,098	(2,079,903)	(1,724,697)
Net profit/(loss) after taxation	642,887	(2,077,533)	(1,699,797)

*Note:* As of 31 December 2024, investment properties of the Disposal Group are measured at fair value based on independent appraisals. Properties held for sale of the Disposal Group are carried at the lower of historical cost and net realizable value. According to the property valuation report as set out in Appendix II to this circular, the aggregate appraised value of the Disposal Group's properties amounts to RMB4,877.7 million as at 31 March 2025, which is RMB600.0 million higher than the aggregate carrying value of the Disposal Group's properties as at 31 December 2024. That's because properties held for sale of the Disposal Group are carried at the lower of historical cost and net realizable value as of 31 December 2024, which resulted in lower carrying value of the Disposal Group's properties. There is no increase in the appraised value of the Disposal Group's properties from 31 December 2024 to 31 March 2025. Nevertheless, after taking into account of the aforesaid increased value of the properties, the Disposal Group still maintains a substantial net debt position of RMB682.5 million.

Further, as at 31 December 2024, the Disposal Group: (i) had external debts in the aggregate amount of approximately RMB1,457.0 million; and (ii) had guaranteed in favour of third parties in the aggregate amount of approximately RMB4,108.6 million.

The Partnership will adopt various measures to accelerate the recovery of funds based on the specific circumstances of each project, including: (i) selling or leasing out properties of the completed projects held by the Disposal Group; and (ii) developing or selling properties of property development projects held by the Disposal Group.

## LETTER FROM THE BOARD

### INFORMATION ON THE RETAINED GROUP

#### Property development projects held by the Retained Group

Details of the four property development projects that would be held by the Retained Group are as follows:

No.	Project Name	Location	Planning and Development	Planned GFA (sq.m)	Equity interests held by the Retained Group	Unsold properties as at 31 December 2024 (Note)	
						GFA (sq.m)	Book value (RMB million)
1.	Boya Binjiang	Foshan, Guangdong	Residential/ Commercial	909,598	51%	151,877	600.3
2.	Boya	Chongqing	Residential/ Commercial	499,947	43%	52,317	191.7
3.	Yuelai	Chongqing	Residential/ Commercial	425,947	43%	70,159	197.7
4.	Boya City Plaza	Chengdu, Sichuan	Commercial/ Office	144,008	25%	96,893	831.0
				<b>1,979,500</b>		<b>371,246</b>	<b>1,820.7</b>

*Notes:*

- (1) The unsold GFA of the Boya Binjiang project is 151,877 square meters, with a total book value of RMB600.3 million, all held for sale and classified as inventory;
- (2) The unsold GFA of the Boya project is 52,317 square meters, with a total book value of RMB191.7 million, including: i. Inventory (held for sale): GFA of 50,206 square meters, book value of RMB181.5 million; ii. Investment property (held for lease): GFA of 2,111 square meters, book value of RMB10.2 million;
- (3) The unsold GFA of the Yuelai project is 70,159 square meters, with a total book value of RMB197.7 million, including: i. Inventory (held for sale): GFA of 68,311 square meters, book value of RMB178.7 million; ii. Investment property (held for lease): GFA of 1,848 square meters, book value of RMB19.0 million;
- (4) The unsold GFA of the Boya City Plaza project is 96,893 square meters, with a total book value of RMB831.0 million, including: i. Inventory (held for sale): GFA of 16,320 square meters, book value of RMB26.5 million; ii. Investment property (held for lease): GFA of 80,573 square meters, book value of RMB804.5 million;
- (5) The book value of inventory held for sale is measured at the lower of historical cost and net realizable value; the book value of investment property held for lease is measured at fair value.

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## LETTER FROM THE BOARD

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The construction phase of all of the above projects has been completed and thus no substantial funds are expected to be incurred further. The Retained Group will sell or lease out the unsold properties of the above projects depending on market conditions. The Company currently has no intention to dispose of, downsize or terminate any of its existing businesses apart from the Disposal Group.

### **Business model, intention and business plan for each business segment of the Retained Group**

#### ***Medical and pharmaceutical retail segment***

The medical and pharmaceutical retail business of the Group comprises:

- (i) operation of chained retail pharmacies (47 chained retail pharmacies in Wuhan, China);
- (ii) operation of Chinese medicine clinics (ten Chinese medicine clinics in Wuhan, China and one in Hangzhou, China);
- (iii) operation of dermatological clinics (two dermatological clinics in Singapore and one in Wuhan, China); and
- (iv) online pharmaceutical retail (through such platforms as Pinduoduo (拼多多), Jingdong (京東), Tmall (天貓), Douyin (抖音) and Meituan (美团)).

The Group's chained retail pharmacies, Chinese medicine clinics and online pharmacy are operated under the reputable brand of "Yekaitai". Capitalizing on the Chinese medicine and pharmaceutical resources of Wuhan Yekaitai, the Group has upgraded some of its pharmacies to the model of "pharmacy + Chinese medicine + peripheral Chinese pharmaceuticals" such as Chinese herbal tea, Chinese medicinal cuisine. The Group sets up Chinese medicine clinics in some of the retail pharmacies to realize the integration of medicine and pharmaceutical. Wuhan Yekaitai provides pharmaceutical and Chinese medicine services to customers, covering diagnosis, treatment, rehabilitation, physical therapy, medication consultation and other diversified and distinctive services. It also utilises information technology to carry out services as online remote prescription review, medication guidance, customized health management plans and medical big data query. Through developing online multi-channel marketing such as B2C and O2O, Wuhan Yekaitai is reforming its retail pharmacies and endeavours to becoming an integrated platform for Chinese and Western medicine resources.

The Group holds various operating qualifications, including Pharmaceutical Operation License (藥品經營許可證), Internet Drug Information Services Qualification License (互聯網藥品信息服務資格證書) and Chinese Medicine Clinic Filing Record (中醫診所備案證).

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## LETTER FROM THE BOARD

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The Group owns registered trademarks including “Yekaitai” (class 35) for pharmaceutical retailing, and “Yekaitai” (class 44) for medical clinic services. The “Yekaitai” brand dates back to 1637 and has been recognized as a “Chinese Time-Honored Brand” (中華老字號) by the Ministry of Commerce of the PRC.

Following the Disposal, the Group will continue to operate its medical and pharmaceutical retail business segment.

### *E-commerce and Distribution Business*

The e-commerce and distribution business (the “**Distribution Business**”) of the Group involves the selling of IT products (such as smartphones and tablets manufactured by Huawei, computers manufactured by HP), appliances (such as air-conditioners manufactured by Xiaomi, kitchen appliances manufactured by Joyoung) and other products through e-commerce platforms, as well as other distributors.

Under the Group’s Distribution Business, the Group first procures the goods from upstream suppliers, inspects and stores them as inventories, after which the control of those goods will have passed from the suppliers to the Group. Subsequently, the Group will either: (i) sell the goods through e-shops operated by the Group on prominent e-commerce retail platforms such as Douyin (抖音), Jingdong (京東) and Pinduoduo (拼多多); or (ii) distribute the goods to downstream customers such as Beijing Jingdong Century Information Technology Co., Ltd. (北京京東世紀信息技術有限公司). The Group plays a key intermediary role between brand operators and e-commerce platforms by offering them a full chain of integrated online operation and sales services. The Distribution Business of the Group involves not only sourcing products from suppliers and selling them to customers, but also offering IT solutions, digital content marketing, livestreaming marketing and other critical support services to help brand operators better promote and sell their products in the digital era. The Group has developed six distinctive service modules for its e-commerce platform, namely store diagnosis, operation and maintenance, digital marketing, content marketing, live streamers and private domain operation, through which the Group has tapped into all stages of the distribution chain, thus becoming a “super brand partner for digital operation”.

Following the Disposal, the Group will continue to operate its e-commerce and distribution business segment.

## LETTER FROM THE BOARD

### *Property investment and management*

The Group's property investment and management segment involves leasing properties and providing property management services. The Retained Group would continue to hold seven investment properties in the PRC following the Disposal, details of which are as follows:

No.	Location	Purpose	GFA (m <sup>2</sup> )	Leased Area (m <sup>2</sup> )	Leasing rate	Equity interest held by the Retained Group	Book value as at 31 December 2024 (RMB million)
1.	Chengdu, Sichuan	Office	80,573	80,573	100%	25%	804.5
2.	Chongqing	Commercial	2,111	2,111	100%	43%	10.2
3.	Chongqing	Commercial	1,848	1,848	100%	43%	19.0
4.	Chongqing	Car parking spaces	10,662	10,662	100%	34%	17.7
5.	Chengdu, Sichuan	Office	14,063	10,057	72%	49%	124.2
6.	Chongqing	Commercial	14,194	1,963	14%	62%	69.0
7.	Kunming, Yunan	Commercial	1,840	Vacant	–	100%	12.3
			<b>125,291</b>	<b>107,214</b>	<b>86%</b>		<b>1,056.9</b>

*Notes:*

- (1) The Retained Group currently has seven investment properties with a total GFA of 125,291 square meters and a total book value of RMB1,056.9 million. Among these, 107,214 square meters (86%) are leased, generating an annual rental income of approximately RMB42.2 million. The leasing status of each property is as follows:

Property No. 1: An office property located in Chengdu, Sichuan, with a leased area of 80,573 square meters. The lease term exceeds 15 years, which is ending on 31 December 2040. Based on a rental standard of RMB36.1/square meter/month, the annual rental income is RMB34.9 million. It is currently leased by one company, with a remaining lease term of over 15 years.

Property No. 2: A commercial property located in Chongqing, with a leased area of 2,111 square meters. The lease term exceeds 15 years, which is ending on 2 July 2035. Based on a rental standard of RMB24.4/square meter/month, the annual rental income is RMB0.6 million. It is currently leased by one company, with a remaining lease term of over 10 years.

Property No. 3: A commercial property located in Chongqing, with a leased area of 1,848 square meters. The lease term exceeds 14 years, which is ending on 15 April 2035. Based on a rental standard of RMB20.8/square meter/month, the annual rental income is RMB0.5 million. It is currently leased by one company, with a remaining lease term of over 10 years.

Property No. 4: A parking property located in Chongqing, with a leased area of 10,662 square meters. The lease term is 5 years, which is ending on 30 September 2029. Based on a rental standard of RMB10.7/square meter/month, the annual rental income is RMB1.4 million. It is currently leased by one company, with a remaining lease term of over 4 years.



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## LETTER FROM THE BOARD

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Property No. 5: An office property located in Chengdu, Sichuan, with a leased area of 10,057 square meters. The lease term is 10 years, which is ending on 30 November 2033. Based on a rental standard of RMB36.5/square meter/month, the annual rental income is RMB4.4 million. It is currently leased by three companies, with a remaining lease term of over 8 years.

Property No. 6: A commercial property located in Chongqing, with a leased area of 1,963 square meters. The lease term is 6 years, with a specific lease period ending on 31 August 2029. Based on a rental standard of RMB17.0/square meter/month, the annual rental income is RMB0.4 million. It is currently leased by three individual tenants, with a remaining lease term of over 4 years.

- (2) Properties listed under items 1 to 3 include investment properties with an aggregate GFA of 84,532 sq.m and an aggregate book value of RMB833.7 million. Items 1 to 3 were part of Boya, Yuelai and Boya City Plaza, the property development projects under items 2 to 4 in table under the paragraph headed “Information on the Retained Group – Property development projects held by the Retained Group” in this circular. Such properties were leased out, and are managed as investment properties.

Following the Disposal, the Group will continue to lease and provide property management services to the investment properties listed above.

### FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Disposal, the Company will have injected 100% of the shareholding interest in the Disposal Company to the Partnership. Upon completion of the Disposal, the Disposal Company will cease to be a subsidiary of the Company and its results, assets and liabilities will no longer be consolidated in the consolidated financial statements of the Group. Based on the existing information available to the Company and given that the Disposal Group has net liabilities, the expected gain from the Disposal as at 31 December 2024 will be approximately RMB1,653.7 million, mainly comprising approximately RMB1,282.5 million of reduction of net liabilities, the derecognition of non-controlling interest amounted to approximately RMB341.3 million, and the Group’s deemed contribution to the Partnership of RMB30.0 million. After considering the appraisal surplus of RMB600.0 million based on the property valuation report as set out in Appendix II to this circular, the expected gain from the Disposal will be approximately RMB1,053.7 million.

## LETTER FROM THE BOARD

The following table sets out the calculation of the financial effects of the Disposal:

Items	31 December 2024 RMB'000	Note
Property, plant and equipment	542	
Deferred tax assets	11,573	
Investment properties	12,000	(1)
Properties for sale	4,265,676	(1)
Prepayment, other receivables and other assets	606,546	(2)
Amounts due from the Group	847,778	
Cash and cash equivalents	144,067	
Trade and bills payables	(309,482)	
Other payables and accruals and other liabilities	(1,484,229)	
Amounts due to the Group	(251,082)	
Contract liabilities	(758,915)	
Interest-bearing bank and other borrowings	(1,456,990)	
Tax payables	(419,371)	
Deferred tax liabilities	(56,224)	
Provision	(2,434,438)	(3)
<b>Net (liabilities)/assets arising from the Disposal</b>	<b>(1,282,549)</b>	
Consideration for the Disposal	30,000	(4)
Non-controlling interests	341,193	
<b>Gain on the Disposal</b>	<b>1,653,742</b>	

*Notes:*

- (1) As of 31 December 2024, investment properties are measured at fair value with reference to the appraisal value, and properties available for sale are measured at the lower of historical cost and net recoverable value. According to the property valuation report as set out in Appendix II to this circular, the aggregate appraised value of the Disposal Group's properties amounts to RMB4,877.7 million as at 31 March 2025, with an appraisal surplus of RMB600.0 million. The Disposal Group remains in a significant net liability position.
- (2) Prepayment, other receivables, and other assets include approximately RMB1,292.3 million receivable from the Huzi Group, with an impairment provision of RMB985.1 million already made, resulting in a net amount of RMB307.2 million.
- (3) The provision is due to the Company's subsidiaries providing guarantees for loans taken by the Huzi Group from financial institutions, where defaults by the relevant debtors could result in the Group assuming guarantee liabilities. These guarantors are all within the Disposal Group, and upon completion of the Disposal, the provision will be removed from the Group's consolidated financial statements.
- (4) The Group's contribution to the Partnership of RMB30 million was taken into account when calculating the financial effects of the Disposal because following the Disposal, the Company will account for such RMB30 million capital contribution as investment in an associated company.

## LETTER FROM THE BOARD

Upon completion of the Disposal, it is expected that the consolidated total assets of the Group would decrease by approximately RMB5,607.1 million and the consolidated total liabilities of the Group would decrease by approximately RMB6,322.9 million. As at 31 December 2024, the Disposal Group has provided guarantee to the Huzi Group in respect of the loans of approximately RMB4,108.6 million, recording a corresponding provision for guarantee liabilities totalling RMB2,434.4 million. Such provision was made taking into account Huzi Group's own assets which could be utilised for the repayment of its debts and interests when making the provision. Other contingent liabilities and/or provisions of the Disposal Group, apart from the contingent liabilities relating to guarantees and related litigations, include guarantees of approximately RMB749.1 million mainly in respect of mortgage facilities granted by certain banks to certain purchasers of the Group's properties. Upon completion of the Disposal, the Group will no longer bear the said guarantees, and the provision of expected guarantee liabilities and litigation in the total amount of RMB2,434.4 million in relation to the debts of Huzi Group will be fully removed from the Group's consolidated financial statements. Assuming the Disposal is completed, the Huzi Group will owe the Group outstanding amount of approximately RMB518.5 million as at 31 December 2024, with a low likelihood of recovery. Full provisions for such outstanding amounts have already been made by the Group in previous financial years. In light of the above, assuming the Disposal is completed, as of 31 December 2024, the Group's total consolidated assets would decrease by approximately RMB5,607.1 million, while the total consolidated liabilities would decrease by approximately RMB6,322.9 million:

	<b>Total assets</b>	<b>Total liabilities</b>	<b>Net Assets/ (liabilities)</b>
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
<b>Disposal Group</b>	5,888.2	7,170.7	(1,282.5)
<b>Investment in Partnership</b>	(30.0)	0.0	(30.0)
<b>Receivables/Payables to the Retained Group</b>	(251.1)	(847.8)	596.7
<b>Total</b>	<u>5,607.1</u>	<u>6,322.9</u>	<u>(715.8)</u>

The aforesaid estimation is for illustrative purpose only and does not purport to represent how the financial position of the Group will be after the Disposal.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in medical and pharmaceutical retail, e-commerce and distribution of appliances and information products, property development as well as property investment and management in the PRC, Singapore and Hong Kong. As at the Latest Practicable Date, the Group conducts the majority of its property development business in the PRC through the Disposal Group.

The principal business of the Disposal Group is property development in the PRC. Since early 2022, the PRC real estate market has been in a prolonged downturn, with an ongoing decline in both investment and sales of property nationwide. While a series of supportive demand-side policies have been rolled out over the past three years by the PRC government, including the relaxation of home purchase restrictions, cuts in mortgage rates and lower down payment requirements, sales of properties have not recovered as expected. Inventory levels of property developers in the PRC have been rising as a result of the decreased property demand and transaction volume. Historically, the Disposal Group's property development business relies heavily on the cash flows generated from the sale and rental of properties developed, in order to finance its further development and cover the costs of its operation. In light of the current market sentiment, as set out in the section headed "Information of the Disposal Group" in this circular above, for the year ended 31 March 2024, the Disposal Group recorded a considerable year-on-year decrease in revenue, and recorded net loss as compared to net profit for the year 31 March 2023.

As set out in the section headed "Information of the Disposal Group" in this circular above, the Disposal Group has 3 property development projects which are still in the development and construction stage and require additional financing to continue with the development. Based on the estimates of the management of the Group, the aggregate amount of funding required for the development projects is approximately RMB3,089.7 million. The Partnership plans to carry out debt restructuring plan with respect to the property development projects of the Disposal Group. After the establishment of the Partnership, it will seek new investors to provide the required funding to finance the outstanding construction costs and restart developing. The Partnership currently has not identified any new investor who will provide the required funding for the outstanding construction costs and restart development. In view of the aforesaid current market conditions and the current financial position of the Disposal Group, it is unlikely that the Disposal Group will be able to finance its property development project with its internal resources or by way of debt financing and there is significant uncertainty on the Disposal Group's property development projects and prospect.

Further, as set out in the section headed "Information of the Disposal Group" in this circular above, as at 31 December 2024, the Disposal Group: (i) had external debts in the aggregate amount of approximately RMB1,457.0 million; and (ii) had guaranteed in favour of the Huzi Group in the aggregate amount of approximately RMB4,108.6 million, of which RMB2,434.4 million of impairment provision was recognised by the Group as at 31 December 2024.

## LETTER FROM THE BOARD

Prior to the disposal of the Huzi Group in March 2022, the Group provided guarantees to three subsidiaries of HK Huzi, namely Dongguan Yihui, Wuhan Tianhe and Kaifeng Boming (being the Group's then wholly owned subsidiaries), to obtain financing in the course of the Group's normal business operation. The guarantees provided to the Huzi Group subsisted after the disposal of HK Huzi because (i) there were no guarantee or litigation related liabilities for that were recognized by the Group at the time of the disposal of HK Huzi, given that the fair value of the properties owned by each of Dongguan Yihui, Wuhan Tianhe and Kaifeng Boming at that time were sufficient to cover their respective repayment obligations; and (ii) since the relevant debts have already entered litigation stage while the outcome of the related litigations remained uncertain, coupled with the then financial situation of the Huzi Group, it would be impossible for the Group to negotiate with the relevant creditors to release the guarantee and/or pledge provided by the Group in relation to the relevant debts prior to the disposal of HK Huzi.

The following table set out the subsequent movements (including movement of provisions made) regarding the guarantees and the related litigations:

	<b>As at 31 December 2024</b>	<b>As at 31 March 2024</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
	<i>(RMB million)</i>			
Aggregate amount of principal and interest of the guaranteed loan	4,108.6	3,679.8	3,225.9	2,906.7
Provision of expected guarantee liabilities and related litigations	2,434.4	1,328.4	584.3	215.6
Provision or reversal amount for the relevant period	1,106.0	744.1	368.7	215.6

The significant increase in provision of expected guarantee liabilities and related litigations is primarily due to:

- (1) in recent years, the sluggish real estate market in the Mainland China has caused a continuous decline in the fair value of land properties held by Dongguan Yihui, Wuhan Tianhe and Kaifeng Boming and thereby has increased the amount that the Group might be required to repay as the guarantor;
- (2) the construction works of the project held by Dongguan Yihui has been suspended and Dongguan Yihui became unable to repay any overdue interest and penalties, leading to an increase in the outstanding guaranteed loans;

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- (3) sales of properties by Kaifeng Boming declined sharply due to unfavourable market conditions and the drop in property prices, so that Kaifeng Boming was unable to repay overdue interest and penalties in full, leading to the increase in outstanding guaranteed loans; and
- (4) in September 2023, Kaifeng Bureau of Natural Resources and Planning (開封市自然資源和規劃局) ordered to resume the stated-owned land use rights in respect of a land parcel held by Kaifeng Boming without compensation, as such the land was deemed as idle lands, leading to a reduction in assets held by Kaifeng Boming and increase in the amounts that the Group may be required to repay as the guarantor.

Furthermore, the significant increase in provision of expected guarantee liabilities and related litigations during 2024 was mainly due to the compulsory sale of Dongguan Yihui's land by other creditors in 2024, leaving no residual value to settle the debt guaranteed by Yuxi Runya, which resulted in an additional provision of RMB900.1 million.

As at the Latest Practicable Date, the Group has not settled any of the loans of the Huzi Group as guarantor since completion of the disposal of the Huzi Group. As at 30 April 2025, the aggregate amount of principal and interest of the guaranteed loan was approximately RMB4,404.5 million, and the provisions of guarantee liabilities and related litigations amounted to RMB2,908.7 million.

According to the property valuation report as set out in Appendix II to this circular, the aggregate appraised value of the Disposal Group's properties amounts to RMB4,877.7 million as at 31 March 2025, reflecting an increase of RMB600.0 million as compared to the aggregate carrying value of the Disposal Group's properties as at 31 December 2024. Nevertheless, after taking into account of the aforesaid increased value of the properties, the Disposal Group still maintains a substantial net debt position of RMB682.5 million. Further, although the Disposal Group held deposits of approximately RMB758.9 million in respect of the inventories of completed projects, these deposits were received from the pre-sold of properties and were recognized as "contract liabilities" in the Disposal Group's statement of financial position. The Disposal Group has significant overdue debts and guarantees liabilities, along with substantial losses. The Company's contribution of RMB30 million represents a premium over the net deficit position of the Disposal Group. As such, the Board considered that the terms of Partnership is fair and reasonable to the Group.

Meanwhile, as disclosed in the circular of the Company dated 4 March 2022 in relation to the disposal of HK Huzi, the Huzi Group was indebted to the Group in the amount of approximately RMB6,097.0 million as at 30 November 2021. As disclosed in the Company's 2021/22 annual report published on 26 July 2022, the gross amount due by the Huzi Group to the Group at completion of the disposal of the Huzi Group was in aggregate approximately RMB6,985.8 million. Such receivables from the Huzi Group were intra-group borrowings prior to the disposal. As a real estate developer, the Group have multiple ongoing projects, each at different development phases with different funding needs. The Group would arrange subsidiaries with surplus funds to provide loans to other subsidiaries with funding needs. After

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the disposal of Huzi Group, the Group successively disposed of several subsidiaries, including Founder Data Corporation International Limited (“**Founder Data**”), Chongqing Yueyingya Enterprise Management Co., Ltd.\* (重慶悅盈雅企業管理有限公司) (“**Chongqing Yueyingya**”) and Ezhou Jinfeng Property Development Co., Limited\* (鄂州金豐房地產開發有限公司) (“**Ezhou Jinfeng**”). These subsidiaries were also creditors of the Huzi Group. Following the disposal of the aforementioned subsidiaries, the amount owed by Huzi Group to the Group decreased by approximately RMB3,062.0 million. The Group also completed a very substantial acquisition through entering into debt settlement agreements to acquire certain pledged assets from the Huzi Group for final consideration of approximately RMB2,434.5 million for partial settlement of the debts of HK Huzi, further to reduce the amount owed by the Huzi Group to the Group by approximately RMB2,434.5 million. After the disposal of the Huzi Group, the Group continued to monitor the financial status of the relevant debtors and actively pursued the collection of the outstanding receivables, recovering approximately RMB197.0 million in total. Taking into account the aforementioned events, as of 31 December 2024, the Group still had outstanding receivables from the Huzi Group amounting to approximately RMB1,292.3 million, with impairment provisions of RMB985.1 million, and a net amount after deducting impairment provisions of approximately RMB307.2 million. Included in the outstanding receivables from the Huzi Group, approximately RMB375.9 million was related to a subsidiary of HK Huzi (the “**Relevant Debtor**”), which was fully impaired in 2022. Subsequently, a subsidiary of the Company has obtained an order from the court to seize a property of and the estimated sale proceeds of such seized property of RMB307.2 million shall be used to repay an outstanding debt owed by Relevant Debtor and a reversal of impairment of RMB307.2 million was made. Such payment would only be made after the land is further transferred and the local government receives the land transfer fee from the new assignee. The Group has been in constant contact with the local government. Despite these efforts, the Group understands that there is no definite timeline for the aforementioned transaction. The timing of the transfer remains uncertain and will be determined by the local government based on the prevailing conditions of the real estate market. Upon the completion of the Disposal, the outstanding amount owed by Huzi Group to the Group (before impairment) of approximately RMB1,292.3 million (including the aforesaid receivable of RMB375.9 million with impairment of RMB307.2 million) as of 31 December 2024 will be reduced to RMB518.5 million (before impairment). Such outstanding amounts of RMB518.5 million has been fully impaired by the Group in previous years. For further details on the disposal of Founder Data, please refer to the Company’s announcements dated 19 October 2022, 10 November 2022 and 17 January 2023 and circular dated 2 December 2022. For details on the disposal of Hong Kong Tianhe Holdings Limited (“**Hong Kong Tianhe**”) and Chongqing Yueyingya, please refer to the Company’s announcement dated 11 May 2023.



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The following table sets out the movements of the receivables due from the Huzi Group:

<b>RMB'million</b>	<b>Total</b>	<b>Impairment</b>	<b>Net Amount</b>
As at 30 November 2021	6,097.0	(3,357.5)	2,739.5
Change ( <i>Note 1</i> )	888.8	(153.1)	735.7
As at 31 March 2022 (Audited)	6,985.8	(3,510.6)	3,475.2
<b>Disposal (<i>Note 2</i>)</b>			
Disposal of Founder Data in December 2022	(1,610.3)	–	(1,610.3)
Disposal of Chongqing Yueyingya in May 2023	(983.6)	983.6	–
Disposal of Ezhou Jinfeng in May 2024	(468.1)	468.1	–
	<b>(3,062.0)</b>	<b>1,451.7</b>	<b>(1,610.3)</b>
<b>Acquisition of Non-Controlling Interests (March 2023 Acquisition) (<i>Note 3</i>)</b>	<b>(2,434.5)</b>	<b>1,134.2</b>	<b>(1,300.3)</b>
Funds recovered from Huzi Group ( <i>Note 4</i> )	<b>(197.0)</b>		<b>(197.0)</b>
<b>Impairment</b>			
Reversal of Impairment Provision ( <i>Note 5</i> )	–	307.2	307.2
Provision for Impairment ( <i>Note 6</i> )	–	(367.6)	(367.6)
	–	<b>(60.4)</b>	<b>(60.4)</b>
<b>31 December 2024</b>	<b>1,292.3</b>	<b>(985.1)</b>	<b>307.2</b>
Current Disposal ( <i>Note 7</i> )	(773.8)	466.6	(307.2)
the Retained Group ( <i>Note 5</i> )	<b>518.5</b>	<b>(518.5)</b>	<b>0.0</b>

*Notes:*

- (1) As disclosed in the Company's circular dated 4 March 2022, regarding the disposal of HK Huzi, the Huzi Group was indebted to the Group in the amount of approximately RMB6,097.0 million as at 30 November 2021. The indebted amounts were intra-group fund borrowings prior to the disposal of HK Huzi. The loans bear annual interest ranging from 10% to 15%, with no collateral or guarantees provided. As disclosed in the Company's 2021/22 annual report published on 26 July 2022, (a) the gross amount due by the Huzi Group to the Group at completion of the disposal of the Huzi Group was in aggregate approximately RMB6,985.8 million, representing an increase of RMB888.8 million, which was due to interest accrued from RMB6,097.0 million; and (b) the impairment made was RMB3,510.6 million, representing an increase of RMB153.1 million, which was due to the reassessment of the recoverability of such receivables after considering the assets and financial conditions of the debtors, with the estimated recoverable amount being RMB3,475.2 million.
- (2) After the disposal of the Huzi Group, the Group subsequently sold several subsidiaries, including Founder Data, Hong Kong Tianhe, Chongqing Yueyingya, and Ezhou Jinfeng. These subsidiaries were also creditors of the Huzi Group. Following the disposal of the aforementioned subsidiaries, the amount owed by the Huzi Group to the Group was reduced by approximately RMB3,062.0 million.
- (3) The Group also completed a very significant acquisition by entering into a debt settlement agreement, acquiring certain pledged assets from the Huzi Group at a final consideration of approximately RMB2,434.5 million. This was used to partially repay the debts of HK Huzi, thereby further reducing the amount owed by the Huzi Group to the Group by approximately RMB2,434.5 million.



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- (4) After the disposal of the Huzi Group, the Group continued to monitor the financial status of the relevant debtors and actively pursued the collection of the outstanding receivables, recovering approximately RMB197.1 million in total mainly through legal proceedings against the two debtor entities by disposing unsold property assets held by two debtor entities.
- (5) As of 31 December 2024, the Group had an outstanding receivable from the Huzi Group amounting to RMB307.2 million (before impairment: approximately RMB1,292.3 million, with an impairment of RMB985.1 million already recognized). A subsidiary of the Company had a receivable of approximately RMB375.9 million due from the Relevant Debtor, with an estimated recoverable amount of RMB307.2 million, secured by the seized property of the Relevant Debtor. Following the Disposal, the Retained Group will record a receivable from the subsidiaries of HK Huzi, namely Beijing Gangtong Resources Enterprise Management Co., Ltd.\* (北京港通資源企業管理有限公司), Chengdu Ourun Zhiyuan Co., Ltd.\* (成都市歐潤智遠有限公司), and Kunshan Fangshi Real Estate Development Co., Ltd.\* (昆山方實房地產開發有限公司), of RMB482.5 million, RMB21.0 million, RMB15.0 million, respectively, due to Foshan Peking University Resources Property Co., Ltd.\* (佛山北大資源地產有限公司), Chongqing Yihe Real Estate Co., Ltd.\* (重慶頤合置業有限公司) and Chongqing Ruihesheng Project Management Co., Ltd.\* (重慶睿和升項目管理有限公司), all of which were subsidiaries of the Retained Group. The total receivable amounted to RMB518.5 million (before impairment) and had been fully impaired by the Group in prior years.
- (6) After the disposal of the Huzi Group, the Group continued to monitor the financial status of the relevant debtors and made additional impairment of RMB367.6 million on the outstanding receivables based the expected recoverable amount.
- (7) Upon completion of current Disposal, the outstanding amounts owed to the Disposal Group by Huzi Group of RMB773.8 million (with an impairment of RMB466.6 million already recognized) will be removed from the consolidated financial statement of the Group, among which approximately RMB375.9 million is due from the Relevant Debtor, the remaining are due from Beijing Gangtong Resources Enterprise Management Co., Ltd.\* (北京港通資源企業管理有限公司), Chongqing PKU Resource Real Estate Co., Ltd.\* (重慶北大資源地產有限公司) and Dongguan Yihui (all of which are subsidiaries of HK Huzi).

To recover the outstanding balance, the Group designated specific legal personnel, namely Mr. Jiang Xiaoping, the deputy chief executive officer of the Company, to monitor the financial status and assets of the Huzi Group. Since the subsidiaries of the Company, including Yuxi Runya, Chongqing Yingfeng and Kaifeng Boyuan, were the co-defendants of the relevant litigations with respect to the guarantee liabilities, the Group has been actively participating in the relevant litigations and promoting settlement negotiations between the Huzi Group and the relevant financial institutions. Further, the Group is the primary creditor of the Huzi Group and has the right to take legal actions against the Huzi Group for the repayment of the indebtedness owed to the Group. Therefore, the Huzi Group is willing to cooperate with the Group to resolve the outstanding debts owed to the Group. Upon the Group's request, all subsidiaries of the Huzi Group which have outstanding debts owed to the Group provide the Group financial information and operational status updates on a monthly basis. The Group also performs inspection over the internal management and financial systems of these subsidiaries of the Huzi Group from time to time. If the Huzi Group refuses to co-operate, the Group has the right to take necessary legal actions, including applying for freezing of assets, initiating winding up proceeding to ensure the Group's continued access to the financial and operational information of Huzi Group for monitoring and to secure repayments. Furthermore, as mentioned in the circular of the Company dated 4 March 2022 in relation to the disposal of the Huzi Group, Beijing Gangtong Resources Enterprise Management Co., Ltd.\* (北京港通資源企業管理有限公司), formerly known as Peking University Resources Group Investment Co., Ltd.\* (北大資源集團投資有限公司) ("**BG Resources**"), being the principal subsidiary of Huzi Group and

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one of the Group's debtors, was involved in a litigation with the Company's former controlling shareholder, Peking University Resources Group Co., Ltd. ("**Resources Group**"), which claimed that BG Resources owed approximately RMB7,926 million to Resources Group. In the course of the litigation, the court has frozen all bank accounts, equity investments and major assets of BG Resources. The Group will continue to monitor the progress of the litigation. If the freezing measures on BG Resources' assets are lifted, there will be available assets to repay the outstanding amounts owed to the Group. Assuming the freezing measures on BG Resources' assets are lifted, the available assets of BG Resources for debt repayment consist of bank deposits totalling RMB24.0 million. Other assets of BG Resources primarily comprising equity investments in and receivables from its subsidiaries, which are of remote recoverability since these subsidiaries also incurred great loss. Apart from the amount of RMB307.2 million, the Company currently anticipates that there are no other recoverable assets if the freezing measures on BG Resources' assets are not lifted. As a result, a full impairment loss has been recognized on all remaining outstanding amounts. The Group also performs inspection over the internal management and financial systems of these subsidiaries of the Huzi Group from time to time. The Group continues to regularly review Huzi Group's assets and liabilities along with its litigation status to assess whether there are new assets available for repayment. Given the absence of identifiable recoverable assets and cost-benefit concerns, apart from the legal actions against the Relevant Debtor for pursuing the RMB307.2 million receivable, no other legal actions or preservation measures have been initiated against Huzi Group at this stage. Once the Group identifies new available assets, the Group will take appropriate legal action or preservation measures in a timely manner. Given the unfavourable market sentiment and the recent operational and financial performance of the Disposal Group as illustrated above, the business of the Disposal Group will not be sustainable on its own in the short term, and may lead to depletion of its existing cash and assets. In August 2024, the Company planned to dispose of certain property development projects with overdue debts and significant losses. It negotiated with Suzhou Aoze and formulated the disposal plan by transferring the equity interest of the Disposal Company into a fund, which will be responsible for subsequent debt restructuring, development, and sales of these property development projects. The Partnership currently intends to invest in the Disposal Group only. It will subsequently explore other investment opportunities in special opportunity assets if there are available resources. Future investments in other distressed opportunities will be considered based on the Partnership's future development. However, the investment scope, target industries, and objectives have not been specifically defined, and no commitments or plans have currently been established. The daily affairs of the Partnership will be executed by the general partner. An investment decision-making committee will be established to decide on matters such as external financing or guarantees, investments and exits, and asset disposals. The members of the investment decision-making committee shall be appointed by the partners of the Partnership and currently consist of three members, each appointed by a partner. Voting rights shall be exercised on a one-vote-per-member basis, and significant matters require approval from more than two-thirds of the committee members. The Partnership, as the shareholder of the Disposal Group, will regularly review and adjust the organizational structure and personnel based on the specific circumstances of each project in the Disposal Group when

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appropriate. It will also oversee the corporate governance structure, lead negotiations for debt restructuring with major creditors, establish significant procurement and sales internal control policies, and implement appropriate measures to strengthen management, including overseeing the funding of each project.

The Disposal Group has significant overdue debts and guarantees liabilities, along with substantial losses. The future returns of the Partnership depends on the progress of the debt restructuring of the projects and market conditions of the PRC real estate market, which is highly uncertain. As of 31 December 2024, the outstanding amount owed by the Retained Group to the Disposal Group was approximately RMB847.8 million, whereas the outstanding amounts owed by the Disposal Group to the Retained Group was RMB251.1 million, resulting in a net amount due to the Partnership of approximately RMB596.7 million. Such receivables from and payables to the Disposal Group were arising from the intra-group funding arrangements between the Disposal Group and the Retained Group. In practice, the Group centrally managed operating funds for its subsidiaries across China. Certain companies lend their idle funds to other subsidiaries and borrow from other subsidiaries when they have funding needs. Apart from receivable from the Disposal Group of approximately RMB18.9 million, which would not be offset before completion of the Disposal, as such receivable were incurred outside China, and could not be off-set by the payable to the Disposal Group incurred within China due to foreign exchange controls, other receivables from and payables to the Disposal Group will be off-set prior to the completion of the Disposal. The receivable from the Disposal Group of RMB18.9 million is expected to be settled by the end of this year. The Company is negotiating a settlement plan with the general partner of the Partnership, with a preliminary plan to settle such receivables from and payables to the Disposal Group within three years. The Group maintains a 30% interest in the Partnership after considering (i) the Group may still benefit from the operations of Disposal Group in the future through its interest in the Partnership; and (ii) given that the Group has better understanding of the business operations of the Disposal Group and has continuing communications with the relevant creditors of the Disposal Group, the Group's continued involvement in the Partnership will facilitate debt restructuring and potential development activities of the Disposal Group. The Company currently has no plan to increase or dispose of its interests in the Partnership. After the completion of the Disposal, the Retained Group will have no property project in the development stage and currently has no plan to acquire new land for development. The Retained Group will continue to sell unsold properties from completed projects in its ordinary course of business. Save for the cessation of property development business, the Group has no plan to dispose of, downsize or discontinue other existing businesses of the Group. Moreover, all the subsidiaries of the Group currently acting as the guarantors to the Huzi Group's debts, including Yuxi Runya, Chongqing Yingfeng and Kaifeng Boyuan, belong to the Disposal Group. Following the Disposal, the relevant guarantors will no longer be members of the Group and thus the Group's provision of expected guarantee liabilities and litigation in relation to the debts of the Huzi Group would be removed from the consolidated financial statement of the Group. The Disposal would not affect the provision of expected guarantee liabilities made by the relevant guarantors, namely, Yuxi Runya, Chongqing Yingfeng and Kaifeng Boyuan and the

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provision previously made by these guarantors for the guarantee liabilities would be maintained by the Disposal Group. Immediately following the Disposal, the Retained Group will no longer assume any guarantee liabilities for the Huzi Group or other former subsidiaries that have been disposed of.

The Group possesses rich experience and expertise in the management of investments. The Group's wholly owned subsidiary, Peking University Resources Asset Management Limited, has been granted a Type 9 (asset management) license by the Securities and Futures Commission in April 2023 to carry out regulated activities of asset management as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The chairman of the Board, Mr. Wong Kai Ho, has experience in the advisory and asset management industry since March 2014 and is responsible for managing client portfolios, overseeing company operations and exploring potential merger and acquisition opportunities. The deputy chief executive officer of the Company since 8 October 2021 and the president of several subsidiaries of the Company, Mr Jiang Xiaoping, has worked for various law firms and companies in the financial industry, responsible for equity investment, corporate restructuring and mergers and acquisitions of various companies.

The management of the Group is of the view that the transactions under the Partnership Agreement and the Disposal will bring about the following benefits:

- (i) by entering into the Partnership Agreement, a professional asset manager (that is, the general partner) will be introduced to: (a) implement post-investment management methods to oversee the liquidation of the Disposal Group's inventories and recouping of funds in the market; and (b) conduct debt restructuring in respect of existing property development projects, and revitalise struggling assets. The preferred limited partner and the subordinated limited partner have similar roles and responsibilities in the Partnership. However, since the preferred limited partner will contribute substantial funds into the Partnership, it is entitled to a major shareholding split and prioritised allocation of a benchmark return, at an expected benchmark return rate of 10.0%. The Company, as the subordinated limited partner, who will contribute equity interest of the Disposal Company into the Partnership. Considering the net liabilities position of the Disposal Group and the highly uncertain of future returns of the Partnership, the Company agreed to act as a subordinate limited partner and it does not receive benchmark return but can obtain 80% of excess returns. The Board considers that the terms of the Partnership Agreement are fair and reasonable as the Disposal Group has significant overdue debts and guarantee liabilities, along with substantial losses, and the risk of investment into the Partnership was relatively high. To attract investors who will inject funding into the Partnership and bear certain financial risks, the Partnership Agreement stipulated stable return incentives and gives the priority in distributions to the investor;

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- (ii) new capital and funding will be injected into the business of the Disposal Group by preferred limited partner(s). As discussed above, the Disposal Group has property development projects which are still in the development and construction stage and require additional financing to continue with the development projects. The injection of new funding would render the Group more likely to receive returns from the property development projects in the future;
- (iii) as illustrative above, the Disposal Group recorded a considerable year-on-year decrease in revenue and a net loss for the year ended 31 March 2024. Further, as at 31 December 2024, the Disposal Group: (i) had net liabilities of RMB1,282.5 million; (ii) had external debts in the aggregate amount of approximately RMB1,457.0 million; and (iii) had guaranteed in favour of third parties in the aggregate amount of approximately RMB4,108.6 million. The Disposal would significantly improve the Group's financial position by significantly lowering the scale and ratio of debts, as well as reducing the provisions made by the Group for the guarantee liabilities given by the Disposal Group in favour of third parties. The management of the Group is of the view that such change in the Group's financial structure would lead to improvement regarding the Group's valuation. All the material litigations set out in the section headed "9. Litigation" in Appendix III to this circular are litigations involving the Disposal Group, immediately following the Disposal, all the debts and guarantee liabilities associated with such litigations will no longer be included in the Group's consolidated financial statements;
- (iv) the transaction streamlines the Group's business operations, and reduce the uncertainties of the Group's future development. In particular, the Disposal aligns with the Group's development strategy to deploy its resources in a more optimal way by concentrating the resources on driving the growth of the Group's medical and pharmaceutical retail as well as other asset-light businesses, which the Group believes to have better prospects, growth opportunities and profitability, as the Group will have no other property development projects in the development stage after the completion of the Disposal; and
- (v) under the profit distribution mechanism pursuant to the Partnership Agreement, the Group may still benefit from the operations of Disposal Group in the future through the Partnership's distribution of 80% excess returns.

Amid cautious real estate investment sentiment, the Disposal Group's material debt obligations, guarantee liabilities and accumulated losses, significant concessions from existing creditors on the debt are essential to restore viability. Compared to the direct sales of the equity interests of the Disposal Company, entering into the Partnership Agreement allows a more efficient and effective settlement process for ameliorating the current net liability situation by leveraging the general partner's professional asset management experiences as well as the Company's familiarity with the creditors and ability to assist in negotiations. Additionally, since the Company enjoys 80% of excess returns from the Partnership, any such returns achieved through operation of the Partnership would directly benefit the Company.

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In light of the above, the Directors consider that the terms of the Partnership Agreement and the transactions contemplated thereunder (including the Disposal) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **C. LISTING RULES IMPLICATIONS**

As the counterparty of the Joint Venture Agreement (as defined in the Previous Discloseable Transaction Announcement) is Suzhou Aoze, being also a counterparty of the Partnership Agreement, the transaction contemplated under the Partnership Agreement are aggregated with the transactions under the Joint Venture Agreement pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratios for the transactions contemplated under Partnership Agreement, when calculated on an aggregate basis with transactions under the Joint Venture Agreement, exceeds 25% but is less than 75%, the transaction under the Partnership Agreement constitutes a major transaction for the Company under the Listing Rules and is subject to the announcement, circular and shareholders' approval requirements under the Listing Rules.

### **D. SGM**

A notice convening the SGM to be held at 10:00 a.m. on Wednesday, 16 July 2025 at Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong, is set out on pages SGM-1 to SGM-2 of this circular. The SGM will be convened for the purpose of considering and, if thought fit, approving the Partnership Agreement and the transactions contemplated thereunder (including the Disposal).

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder has a material interest in the transactions contemplated under the Partnership Agreement, and no Shareholder is required to abstain from voting on the relevant resolution(s) to be proposed at the SGM in respect of the Partnership Agreement. No Director has any material interest in the Partnership Agreement and is required to abstain from voting on the resolutions passed by the Board to approve the foregoing matters.

A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.pkurh.com](http://www.pkurh.com)). Whether or not you are able to attend the SGM, please complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. not later than 10:00 a.m. on Monday, 14 July 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish.



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Pursuant to Rule 13.39(4) of the Listing Rules and bye-law 70 of the Bye-laws, each of the resolutions set out in the notice of the SGM will be put to the vote by way of a poll. An announcement on the poll results will be published by the Company after the SGM in the manner prescribed under the Listing Rules.

### **E. CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE**

For the purpose of determination of entitlement to attend and vote at the SGM to be held on Wednesday, 16 July 2025, the register of members of the Company will be closed from Friday, 11 July 2025 to Wednesday, 16 July 2025 (both days inclusive), during which period no transfer of the Shares will be registered. In order to qualify for attending and voting at the SGM, all Share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 10 July 2025.

### **F. RECOMMENDATIONS**

The Directors consider that the terms of the Partnership Agreement are fair and reasonable, the transactions contemplated under the Partnership Agreement (including the Disposal) are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the relevant resolution approving the Partnership Agreement and the transactions contemplated thereunder (including the Disposal) at the SGM.

### **G. GENERAL**

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,

By order of the Board

**Peking University Resources (Holdings) Company Limited**

**Wong Kai Ho**

*Chairman*

**1. FINANCIAL INFORMATION**

Details of the financial information of the Group for the fifteen months ended 31 March 2022, the year ended 31 March 2023, the year ended 31 March 2024 and the six months ended 30 September 2024 were disclosed in the following documents which have been published on both the website of the Company ([www.pkurh.com](http://www.pkurh.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) as follows:

- the annual report of the Group for the fifteen months ended 31 March 2022 published on 26 July 2022 (pages 78 to 203):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0726/2022072600035.pdf>

- the annual report of the Group for the year ended 31 March 2023 published on 26 July 2023 (pages 102 to 237):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0726/2023072600957.pdf>

- the annual report of the Group for the year ended 31 March 2024 published on 30 July 2024 (pages 129 to 262):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0730/2024073001272.pdf>

- the interim report of the Group for the six months ended 30 September 2024 published on 27 December 2024 (pages 23 to 53):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1227/2024122700717.pdf>

**2. STATEMENT OF INDEBTEDNESS OF THE GROUP**

As at the close of business on 30 April 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following indebtedness:

**(i) Bank Borrowings**

As at 30 April 2025, the Group had total bank and other borrowings of approximately RMB1,730.2 million, comprising secured bank and other borrowings approximately RMB1,592.9 million and unsecured bank and other borrowings of approximately RMB137.3 million. The secured bank and other borrowings were secured by the Group's properties for sale – completed, investment properties, trade receivables, restricted cash, equity interests of certain subsidiaries and former fellow subsidiaries of the Group and the assignment of returns arising from certain properties under development for sale and completed properties for sale of the Group.



**(ii) Guarantees**

As at 30 April 2025, the Group had guarantees (i) given in favour of the banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of approximately RMB749.1 million; and (ii) given in favour of the banks and other institutions in respect of facilities granted to related parties and other parties in the amount of approximately RMB4,404.5 million.

**(iii) Lease liabilities**

As at 30 April 2025, the Group had lease liabilities of approximately RMB19.5 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, or term loans, or other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, or mortgages and charges, and there were no other material contingent liabilities nor guarantees at the close of business on 30 April 2025.

**3. SUFFICIENCY OF WORKING CAPITAL**

The Directors, after due and careful enquiries and taking into consideration (i) the financial resources available to the Group, including banking facilities, other internal resources, and (ii) the completion of the Disposal (assuming an acceptance level of at least 50% from the Shareholders), are of the opinion that the Group will have sufficient working capital for at least the next 12 months commencing from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

**4. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group is principally engaged in medical and pharmaceutical retail, e-commerce and distribution of appliances and information products, property development as well as property investment and management in the PRC, Singapore and Hong Kong.

As at the Latest Practicable Date, the Group conducts the majority of its property development business in the PRC through the Disposal Group. As illustrated in the section headed "Reasons for and Benefits of the Transaction" in the Letter from the Board in this circular above, the management of the Group believes the entering into of the Partnership Agreement and the Disposal represent a good opportunity to: (i) revitalise the Disposal Group's business and underlying assets; (ii) introduce new funding to improve the Group's prospect to

receive return from the Disposal Group's business and underlying assets; (iii) significantly improve the Group's financial position, financial performance and valuation; and (iv) to streamline the Group's business operations, and reduce the uncertainties of the Group's future development.

Following the completion of the Disposal, the Retained Group will only retain a small scale of its property development business. The Retained Group will still have four property development projects with a total planned gross floor area of approximately 1,979,500 square meters. As at 31 December 2024, such projects have all been completed, with a total unsold area of approximately 371,246 square meters, of which 84,532 square meters are held for rental and 286,714 square meters are held for sale. Following the Disposal, the Retained Group no longer holds any project in the development stage and currently has no plan to acquire new land for development. As such, the Retained Group will cease the property development business after the Disposal. The Retained Group will continue to sell unsold properties from completed projects in its ordinary course of business. The Company does not intend to change the current holding strategy for the relevant assets. Properties accounted for as investment properties will remain available for lease, while those classified as inventory will continue to be sold. Save for the cessation of property development business, the Group has no plan to dispose of, downsize or discontinue other existing businesses of the Group.

Further, the Disposal aligns with the Group's development strategy to deploy its resources in a more optimal way by concentrating the resources on driving the growth of the Group's medical and pharmaceutical retail as well as other asset-light businesses, which the Group believes to have better prospects, growth opportunities and profitability. The Group believes such strategy will create sustainable and stable value growth for the Shareholders.

The Group will keep actively exploring new business models, partners and new profit growth drivers. The Group will continue to enhance cost management, strengthen internal operation management and improve turnover efficiency in order to improve internal cash flow and ensure healthy and orderly business development.

*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Ravia Global Appraisal Advisory Limited, an independent valuer, in connection with its valuation as at 31 March 2025 of the properties in the PRC.*



17/F., 83 Wan Chai Road  
Wan Chai  
Hong Kong

26 June 2025

**Peking University Resources (Holdings) Company Limited**

Room 2303, 23/F,  
COFCO Tower,  
262 Gloucester Road,  
Causeway Bay, Hong Kong

Dear Sirs/Madams,

**Re: Valuations of various properties situated in the People's Republic of China**

In accordance with the instructions of Peking University Resources (Holdings) Company Limited (the "Company", and together with its subsidiaries, the "Group") to value the properties held by the Group in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 March 2025 (the "Valuation Date") for your public documentation purpose.

**1. BASIS OF VALUATIONS**

Our valuations of the properties are our opinion of the market values of the properties which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

## **2. VALUATION METHODOLOGY**

For the properties which are completed, we have valued such properties by direct comparison approach assuming sale of the properties in the existing state with the benefit of vacant possession and by making reference to comparable recent sales transactions and/or asking evidence of properties with similar characteristics as available in the relevant market.

For the properties which are under development, we have valued the properties on the basis that the properties will be developed and completed in accordance with the latest development schemes provided to us by direct comparison approach. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been/could be obtained without onerous conditions or delays. We have also taken into consideration the development costs incurred and the estimated outstanding development costs to complete the developments.

## **3. TITLE INVESTIGATION**

We have been provided with copies or extracts of title documents relating to the properties in the PRC and have been confirmed by the Group that no further relevant documents have been produced. However, we have not inspected the original documents to verify the ownership or to verify any amendments which may not appear on the copies handed to us. In the course of our valuations, we have relied upon the legal opinion (the “Legal Opinion”) given by the Group’s PRC legal advisor, Liaoning Pu Da Law Firm (遼寧普達律師事務所) (the “PRC Legal Adviser”), regarding the titles of the properties located in the PRC.

## **4. VALUATION ASSUMPTIONS**

Our valuations have been made on the assumptions that the owners sell the properties in the open market as at the Valuation Date in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the market values of the properties. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties. No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale.

Unless otherwise stated, we have assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect the market values; all relevant land premiums and other costs of ancillary utility services have been settled in full; the title owners of the properties have free and uninterrupted rights to occupy and use the properties during the whole of the remaining land lease terms; and the existing use of the properties are in compliance with the local planning regulations and have been approved by the relevant authorities; and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

**5. SOURCE OF INFORMATION**

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of the properties, particulars of occupations, floor areas and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and have no reason to suspect that any material information has been withheld.

**6. VALUATION CONSIDERATION**

We have inspected the exterior and, where possible, the interior of certain properties. No structural survey has been made in respect of the properties. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurements to verify the site/floor areas of the properties under consideration, but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the properties, we have complied with the HKIS Valuation Standards (2024 Edition) published by The Hong Kong Institute of Surveyors.

**7. CURRENCY**

Unless otherwise stated, all monetary amounts stated in our valuations are in Renminbi (RMB), the lawful currency of the PRC.

**8. REMARKS**

In accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents and neither the whole, nor any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

Our Valuation Summary and Valuation Certificates are attached herewith.

Yours faithfully,

For and on behalf of

**RAVIA GLOBAL APPRAISAL ADVISORY LIMITED**

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**Dr. Alan Lee**

*PhD (BA) MFin BCom (Property)*

*MHKIS RPS (GP) AAPI CPV CPV (Business)*

**Director**

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**Nancy Chan**

*Bsc (Hons) Surveying*

*MHKIS MRICS RPS (GP) MCIREA*

**Associate Director**

*Notes:*

Dr. Alan Lee is a Registered Professional Surveyor (General Practice) in Hong Kong. He is a Member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 20 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

Ms. Nancy Chan is a Registered Professional Surveyor (General Practice) in Hong Kong. She is a Member of the Royal Institution of Chartered Surveyors and a Member of the Hong Kong Institute of Surveyors in the General Practice Division. She has over 10 years' experience in valuation of properties in the Mainland China and Hong Kong.

## VALUATION SUMMARY

No.	Property	Market Value in Existing State as at 31 March 2025
1	The unsold portion of Jiangshan Mingmen and land portion of 580 Project, 599 Haier Road, Jiangbei District, Chongqing City, the PRC (Chongqing Yingfeng Property Co., Ltd.) (重慶盈豐地產有限公司)	No commercial value
2	The unsold portion of Wei Ming Fu, Yuhang Road and Jingzhang Avenue, Yuhang District, Hangzhou City, Zhejiang Province, the PRC (Zhejiang Peking University Resources Real Estate Co., Ltd.) (浙江北大資源地產有限公司)	No commercial value
3	The unsold portion of Shanshui Nianhua, 999 Gaoxin Avenue, Jiangxia District, Wuhan City, Hubei Province, the PRC (Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.) (武漢天合錦程房地產發展有限公司)	No commercial value
4	The completed and under-construction portions of Yi He Fei Cui Fu, Kang Xi Road, Hongta District, Yuxi City, Yunnan Province, the PRC (Yuxi Runya Property Company Limited) (玉溪潤雅置業有限公司)	No commercial value
5	The under-construction portion and land portion of Wei Ming 1898, Shisi Avenue, Longting District, Kaifeng City, Henan Province, the PRC (Kaifeng Boyuan Real Estate Development Co., Ltd.) (開封博元房地產開發有限公司)	RMB908,000,000
6	The unsold portion of Zijing Fu, Tianwen North Road, Nanan District, Chongqing City, the PRC (Chongqing Yueruihe Real Estate Co., Ltd.) (重慶悅睿和置業有限公司)	No commercial value
7	Units 1-3 on 4/F, Block 7, Bo Yue Cheng, 191 Renmin West Road, Xishan District, Kunming City, the PRC (Wuhan Jinxiang Asset Management Co., Ltd.) (武漢錦祥資產管理有限公司)	RMB1,900,000
<b>Total:</b>		<b>RMB909,900,000</b>

**Summary of the Valuation Apportionment**  
**Category I – Value Apportionment of the Under Development Portion**

Property No.	Property Status	Project Name	Market Value in Existing State as at 31 March 2025 (Note 1)	Market Value for Reference Purpose as at 31 March 2025 (Note 2)
4	Under-construction	Yi He Fei Cui Fu	No commercial value	RMB1,004,000,000
5	Under-construction and Land	Wei Ming 1898	RMB908,000,000	–
1	Land	580 Project	No commercial value	RMB1,520,000,000
<b>Sub-total:</b>			<b>RMB908,000,000</b>	<b>RMB2,524,000,000</b>

**Category II – Value Apportionment of the Completed Portion**

Property No.	Property Status	Project Name	Market Value in Existing State as at 31 March 2025	Market Value for Reference Purpose as at 31 March 2025
2	Unsold	Wei Ming Mansion	No commercial value	RMB23,200,000
6	Unsold	Zijing Mansion	No commercial value	RMB973,200,000
1	Unsold	Jiangshan Mingmen	No commercial value	RMB315,000,000
4	Completed	Yi He Fei Cui Fu	No commercial value	RMB127,000,000
3	Unsold	Shanshui Nianhua	No commercial value	RMB5,400,000
7	–	Boyue	RMB1,900,000	–
<b>Sub-total:</b>			<b>RMB1,900,000</b>	<b>RMB1,443,800,000</b>
<b>Grand-total:</b>			<b>RMB909,900,000</b>	<b>RMB3,967,800,000</b>

*Notes:*

- (1) Market Value in Existing State refers to the market value of the property based on its current physical and legal condition as at the valuation date, in accordance with the valuation basis stated on page II-1 of the valuation report.
- (2) Market Value for Reference Purpose is provided under certain hypothetical assumptions, such as the property being freely transferable without restrictions. The detailed explanation of this value can be found in the notes of the respective valuation certificates. It is intended solely for reference from property perspective and does not represent the actual market value under existing conditions (e.g. legal status).



**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2025
1.	The unsold portion of Jiangshan Mingmen and land portion of 580 Project, 599 Haier Road, Jiangbei District, Chongqing City, the PRC  (Chongqing Yingfeng Property Co., Ltd.)  (重慶盈豐地產有限公司)	The property comprises a residential unit with a gross floor area of about 102.32 sq.m, various commercial units with a total gross floor area of about 31,357.53 sq.m. and 2,989 car parking spaces (95,102.26 sq.m.); and a parcel of land with a site area of about 233,603 sq.m.  The property was completed in between 2014 to 2019 by phases.  The land use rights of the property have been granted for a term expiring 30 December 2046 for commercial use and 30 December 2056 for urban residential use.	According to the information provided by the Group, a lettable area of approximately 4,263 sq.m. of the property was subject to various tenancies with the latest expiry date on 14 May 2029 at a total current monthly rental of about RMB73,379 inclusive of tax and exclusive of management fee and other relevant utility charges.  As advised by the Group, the remaining area of approximately 122,299 sq.m. of the property was vacant.	No commercial value (see Note 4)

*Notes:*

1. Details of the Real Estate Title Certificates are summarized in the following table:

No.	Certificate No.	Name of Building	Use of Building	Gross Floor Area (sq.m.)	Site Area Being Covered (sq.m.)	Use of Site
1	000170015	海爾路603號	Commercial	15,675.03	24,339.60	Other Commercial Services
2	36176	海爾路599號14幢	Commercial	1,244.87	20,370.00	Other Commercial Services
3	11067	海爾路599號15幢 附1號1-1、2-1 及儲藏室	Commercial	26,645.74	20,370.00	Other Commercial Services
4	36258	海爾路599號附2號	Commercial	4,649.72	20,370.00	Other Commercial Services
5	20296	海爾路601號	Commercial	3,528.56	24,339.60	Other Commercial Services
6	11443	海爾路603號附12號、附13號	Commercial	8,452.01	24,339.60	Other Commercial Services
7	11125	海爾路603號附13號	Commercial	10,141.34	24,339.60	Other Commercial Services
8	000079388	康百路26號附1號 至10號、12號 至22號、11號 2-1至21	Commercial	2,446.11	66,213.90	Other Commercial Services

## APPENDIX II

## PROPERTY VALUATION REPORT

No.	Certificate No.	Name of Building	Use of Building	Gross Floor Area (sq.m.)	Site Area Being Covered (sq.m.)	Use of Site
9	000429345	康百路30號附1號至附33號	Commercial	2,549.27	2,945.90	Other Commercial Services
10	000529565	康百路30號附34號	Commercial	32,462.16	13,581.40	Other Commercial Services
11	000105529	康百路30號附36號至59號	Commercial	1,602.02	2,225.10	Other Commercial Services
12	000336127	康百路30號附61號至附72號	Commercial	816.46	1,002.00	Other Commercial Services
13	000804536	康百路32號1幢	Residential Apartment	25,229.92	798.80	Urban Residential
14	000811385	康百路32號2幢	Residential Apartment	27,644.38	882.00	Urban Residential
15	000804910	康百路32號3幢	Residential Apartment	23,923.26	764.20	Urban Residential
16	000804990	康百路32號4幢	Residential Apartment	8,373.40	1,002.00	Urban Residential
17	000103747	康百路32號5幢	Residential Apartment	5,139.76	2,225.10	Urban Residential
18	000157851	康百路32號6幢	Residential Apartment	5,139.76	2,225.10	Urban Residential
19	000103578	康百路32號7幢	Residential Apartment	5,139.76	2,945.90	Urban Residential
20	000103504	康百路32號8幢	Residential Apartment	5,139.76	2,945.90	Urban Residential
21	000662309	康百路34號附1號至附7號	Commercial	914.80	523.10	Other Commercial Services
22	000596971	康百路59號1幢	Residential Apartment	12,852.77	19,385.70	Urban Residential
23	000866646	康百路59號2幢	Residential Apartment	17,450.11	19,385.70	Urban Residential
24	000597738	康百路59號3幢	Residential Apartment	16,071.38	19,385.70	Urban Residential
25	000530049	康百路59號負1號	Carpark	20,306.61	19,385.70	Other Commercial Services
26	000667366	康百路59號附1號至附12號	Commercial	2,439.14	19,385.70	Other Commercial Services
27	000465872	海爾路407號儲物間	Storage	19.65	19,385.70	Other Commercial Services
28	000461594	海爾路407號附1號至附20號 附22號至附30號	Commercial	3,511.86	19,385.70	Other Commercial Services
29	000465844	海爾路407號附21號	Residential/ Restaurant	4,908.17	19,385.70	Other Commercial Services
30	000005927	康百路26號D3幢	Residential Apartment	28,977.70	66,213.90	Urban Residential
31	000006226	康百路26號D4幢	Residential Apartment	29,386.97	66,213.90	Urban Residential
32	000006693	康百路26號D5幢	Residential Apartment	26,569.60	66,213.90	Urban Residential
33	000008042	康百路26號D6幢	Residential Apartment	26,569.60	66,213.90	Urban Residential

No.	Certificate No.	Name of Building	Use of Building	Gross Floor Area (sq.m.)	Site Area Being Covered (sq.m.)	Use of Site
34	000762850	康百路27號附1號至附6號、附8號至附26號、附7號2-1至附7號2-27	Commercial	2,395.85	16,350.10	Other Commercial Services
35	000079388	康百路26號附1號至10號、12號至22號、11號2-1至21	Commercial	2,446.11	66,213.90	Other Commercial Services
36	000762034	康百路27號1幢	Residential Apartment	23,817.26	16,350.10	Urban Residential
37	000825991	康百路27號負1號	Carpark	7,473.61	16,350.10	Other Commercial Services
38	000763496	康百路27號附23號至25號	Other	1,084.84	16,350.10	Urban Residential
39	000089256	康百路26路1幢	Residential Apartment	26,685.38	66,213.90	Urban Residential
40	000090333	康百路26路2幢	Residential Apartment	26,516.22	66,213.90	Urban Residential
41	000580746	康居路35號	Education	3,578.02	3,878.60	Science Education
42	000003456	康居路4號	Education	12,998.84	15,269.20	Science Education
43	000006890	康居路4號	Education	653.39	15,269.20	Science Education
Total:				<u>513,571.17</u>	<u>977,149.10</u>	

2. We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:
  - a. Chongqing Ying Feng Real Estate Limited (重慶盈豐地產有限公司) is in possession of a proper legal title with a gross floor area of approximately 102.32 sq.m. of the property for residential, gross floor area of approximately of 32,992.07 sq.m for commercial and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
  - b. The Real Estate Title Certificates of the car parking spaces of the property cannot be obtained by the Group and the car parking spaces of the property is not transferable; and
  - c. Portion of property is subject to mortgage with China Hua Rong Asset Management Holdings Limited Beijing Branch (中國華融資產管理股份有限公司北京市分公司).
3. The portion of nursery within commercial portion has gross floor area of 3,578.02 sq.m. and its value is RMB11,986,000.
4. Pursuant to the legal opinion provided by the Group's PRC Legal Adviser in Note 2, since the Real Estate Title Certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole. Consequently, we have attributed no commercial value to the property under these restrictions. For reference purpose, assuming that the property can be freely transferred in the market without restrictions, the Market Value in existing state as at the Date of Valuation is RMB1,835,000,000.
5. The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2025
2.	The unsold portion of Wei Ming Fu, Yuhang Road and Jingzhang Avenue, Yuhang District, Hangzhou City, Zhejiang Province, the PRC  (Zhejiang Peking University Resources Real Estate Co., Ltd.)  (浙江北大資源地產有限公司)	The property comprises 276 car parking spaces (gross floor area of about 7,342 sq.m.). The property was completed in about 2018.  The land use rights of the property have been granted for a term expiring 6 November 2055.	As advised by the Group, portion of the property was vacant and a lettable area of approximately 1,623 sq.m. of the property was subject to various tenancies with the latest expiry date on 3 March 2026 at a total current monthly rental of about RMB20,950 inclusive of tax and management fee, exclusive of other relevant utility charges.  As advised by the Group, the remaining area of approximately 5,719 sq.m. of the property was vacant.	No commercial value (see Note 3)

*Notes:*

1. Pursuant to a Certificate of Real Estate Ownership (不動產權證), Zhe (2019) Yuhang Qu Bu Dong Chan Quan Di No. 0002350 (浙(2019)余杭區不動產權第0002350號), dated 8 January 2019 issued by Hangzhou Natural Resources Bureau (杭州市國土資源局), the land use rights of property with gross floor area of 34.68 sq.m. has been granted to 浙江北大資源地產有限公司 for a term expiring on 6 November 2055 for commercial/non domestic uses.
2. We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:
  - a. Zhejiang Peking University Resources Real Estate Co., Ltd (浙江北大資源地產有限公司) is in possession of a proper legal title with a total gross floor area of approximately 34.68 sq.m. of the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government; and
  - b. 120 car parking spaces of the property is under seizure and 120 car parking of the property is not transferable.
3. Pursuant to the legal opinion provided by the Group's PRC Legal Adviser in Note 2, the property was under seizure and not transferable as at the Date of Valuation. Therefore, we have attributed no commercial value to the property. For reference purpose, assuming that the property can be freely transferred in the market without restrictions, the Market Value in existing state as at the Date of Valuation is RMB23,200,000.
4. The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2025
3.	The unsold portion of Shanshui Nianhua, 999 Gaoxin Avenue, Jiangxia District, Wuhan City, Hubei Province, the PRC  (Wuhan Tianhe Jincheng Real Estate Development Co., Ltd.)  (武漢天合錦程房地產發展有限公司)	The property comprises various commercial units with a total gross floor area of about 412.56 sq.m.  The property was completed in between 2016 to 2017 by phases.  The land use rights of the property have been granted for a term expiring 31 December 2083.	As advised by the Group, the property was vacant.	No commercial value (see Note 4)

*Notes:*

1. Pursuant to the State-owned Land Use Rights Certificate, Wu Xin Guo Yong (2014) Di. No. 033 (武新國用(2014)第033號), issued by The People's Government of Wuhan (武漢市人民政府) dated 6 May 2014, the land use rights of the property with a site area of 123,949.05 sq.m. have been granted to 武漢天合錦程房地產發展有限公司 for a term expiring 31 December 2083 for urban residential use.
2. Pursuant to the Construction Project Planning Permit (建設工程規劃許可証), Jian Zi Di Wu Gui (Dong Kai) Jian (2014) No. 092 (建字第武規(東開)建(2014)092號) issued by Wuhan City Natural Resources and Planning Bureau (武漢市國土資源和規劃局) dated 8 October 2014, the permission for the development with a total GFA of approximately 88,554.65 sq.m. was granted.
3. We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:
  - a. Wuhan Tianhe Jincheng Real Estate Development Co., Ltd (武漢天合錦程房地產發展有限公司) is in possession of a proper legal title with a total gross floor area of approximately 412.56 sq.m. of the property and the Group has entered into sale and purchase agreements with certain purchasers and such agreements have been registered with Wuhan Comprehensive Real Estate Market Management Platform (武漢市房地產市場綜合管理平台) under the names of purchasers. The Group is obligated to deliver the properties to the purchasers upon receipt of the payment and to complete the registration of the transfer of property rights, so it is not transferable in the open market.
4. Pursuant to the legal opinion provided by the Group's PRC Legal Adviser in Note 3, the property was not transferable as the Group has entered into sale and purchase agreements with certain purchasers and such agreements have been registered with Wuhan Comprehensive Real Estate Market Management Platform (武漢市房地產市場綜合管理平台) under the names of purchasers. Therefore, we have attributed no commercial value to the property. For reference purpose, assuming that the property can be freely transferred in the market without restrictions, the Market Value in existing state as at the Date of Valuation is RMB5,400,000.
5. The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2025
4.	The completed and under-construction portions of Yi He Fei Cui Fu, Kang Xi Road, Hongta District, Yuxi City, Yunnan Province, the PRC	The completed portion of the property comprises various residential units with a total gross floor area of about 5,864.85 sq.m., various commercial units with a total gross floor area of about 3,431.35 sq.m. and 412 car parking spaces (10,534.24 sq.m.).	According to the information provided by the Group, portion of the property was under construction and a lettable area of approximately 516 sq. m. of the property was subject to various tenancies with the latest expiry date on 22 December 2030 at a total current monthly rental of about RMB6,241 inclusive of tax and exclusive of management fee and other relevant utility charges.	No commercial value (see Note 6)
	(Yuxi Runya Property Company Limited)	The completed portion of the property was completed in about 2022.		
	(玉溪潤雅置業有限公司)	The under-construction portion of the property comprises, upon completion, various commercial units with a total gross floor area of about 13,908 sq.m., various residential units with a total gross floor area of about 225,272 sq.m. and 2,790 car parking spaces. As advised by the Group, the outstanding construction cost of the under-construction portion is estimated to be approximately RMB1,087 million. The estimated completion year is in about 2026.	As advised by the Group, the remaining area of approximately 19,314 sq.m. of the property was vacant.	
		The land use rights of the property have been granted for a term expiring 15 July 2089.		

*Notes:*

- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yun (2019) Hongta Qu Bu Dong Chan Quan Di No. 0013413 (雲(2019)紅塔區不動產權第0013413號), issued by Yuxi City Hongta Qu Natural Resources Bureau (玉溪市紅塔區自然資源局), the land use rights of property with site area of 36,868.65 sq.m. has been granted to 玉溪潤雅置業有限公司 for a term commencing on 16 July 2019 and expiring on 15 July 2089 for urban residential uses.
- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yun (2019) Hongta Qu Bu Dong Chan Quan Di No. 0013416 (雲(2019)紅塔區不動產權第0013416號), issued by Yuxi City Hongta Qu Natural Resources Bureau (玉溪市紅塔區自然資源局), the land use rights of property with site area of 36,905.32 sq.m. has been granted to 玉溪潤雅置業有限公司 for a term commencing on 16 July 2019 and expiring on 15 July 2089 for urban residential uses.
- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yun (2019) Hongta Qu Bu Dong Chan Quan Di No. 0013405 (雲(2019)紅塔區不動產權第0013405號), issued by Yuxi City Hongta Qu Natural Resources Bureau (玉溪市紅塔區自然資源局), the land use rights of property with site area of 57,983.84 sq.m. has been granted to 玉溪潤雅置業有限公司 for a term commencing on 16 July 2019 and expiring on 15 July 2089 for urban residential uses.

4. As advised by the Group, approximately RMB775 million of construction costs had been incurred for the under-construction portion and the outstanding construction cost is estimated to be approximately RMB1,087 million. The estimated completion year of the under-construction portion is in about 2026 and the capital value upon completion is estimated to be about RMB2,256 million (aggregating the estimated capital values after completion of the commercial units, residential units, and car parking spaces).
5. We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:
  - a. Yuxi Run Ya Real Estate Limited (玉溪潤雅置業有限公司) is in possession of a proper legal title with a total gross floor area of approximately 5,864.85 sq.m. for residential and 3,431.35 sq.m. for commercial property and 14,974.89 sq.m. for car parking spaces of the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
  - b. The Real Estate Title Certificates of the car parking spaces of the property cannot be obtained by the Group and the car parking spaces of the property are not transferable; and
  - c. Portion of property is subject to mortgage with Wu Kuang Trust (五礦信託).
6. Pursuant to the legal opinion provided by the Group's PRC Legal Adviser in Note 5, since the Real Estate Title Certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole. Consequently, we have attributed no commercial value to the property under these restrictions. For reference purpose, assuming that the property can be freely transferred in the market without restrictions, the Market Value in existing state as at the Date of Valuation is RMB1,131,000,000, comprising the unsold portion at RMB127,000,000 and under-construction portion at RMB1,004,000,000.
7. The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2025
5.	<p>The under-construction portion and land portion of Wei Ming 1898, Shisi Avenue, Longting District, Kaifeng City, Henan Province, the PRC</p> <p>(Kaifeng Boyuan Real Estate Development Co., Ltd.)</p> <p>(開封博元房地產開發有限公司)</p>	<p>The property comprises the under construction portion and land portion of Wei Ming 1898. Upon completion, the under-construction portion of the property will comprise residential portion with a total gross floor area of about 44,945 sq.m., commercial portion with a total gross floor area of about 5,659 sq.m., office with a total gross floor area of about 79,782 sq.m. and 993 car parking spaces.</p> <p>The land portion of the property comprise a parcel of land and has a total site area of about 72,679.50 sq.m.</p> <p>As advised by the Group, approximately RMB902 million of construction cost had been incurred for the under-construction portion and outstanding construction cost is estimated to be approximately RMB266 million. The estimated completion year of the under-construction portion is in about December 2026.</p> <p>The land use rights of the property have been granted for a term expiring 9 April 2059 for commercial use and 22 March 2089 for urban residential use.</p>	<p>As advised by the Group, the property was under construction and vacant.</p>	<p>RMB908,000,000</p>

*Notes:*

- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yu (2019) Kaifeng City Bu Dong Chan Quan Di No. 0012272 (豫(2019)開封市不動產權第0012272號), issued by Kaifeng City Natural Resources Bureau (開封市國土資源局), the land use rights of property with site area of 24,512.20 sq.m. has been granted to 開封博元房地產開發有限公司 for a term commencing on 22 March 2019 and expiring on 22 March 2059 for commercial use and for a term commencing on 22 March 2019 and expiring on 22 March 2089 for urban residential use.
- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yu (2019) Kaifeng City Bu Dong Chan Quan Di No. 0015551 (豫(2019)開封市不動產權第0015551號), issued by Kaifeng City Natural Resources Bureau (開封市國土資源局), the land use rights of property with site area of 18,287.30 sq.m. has been granted to 開封博元房地產開發有限公司 for a term commencing on 9 April 2019 and expiring on 9 April 2059 for commercial use and for a term commencing on 9 April 2019 and expiring on 9 April 2089 for urban residential use.



3. Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yu (2019) Kaifeng City Bu Dong Chan Quan Di No. 0012271 (豫(2019)開封市不動產權第0012271號), issued by Kaifeng City Natural Resources Bureau (開封市國土資源局), the land use rights of property with site area of 24,512.20 sq.m. has been granted to 開封博元房地產開發有限公司 for a term commencing on 11 March 2019 and expiring on 11 March 2059 for commercial use and for a term commencing on 11 March 2019 and expiring on 11 March 2089 for urban residential use.
4. Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yu (2019) Kaifeng City Bu Dong Chan Quan Di No. 0011861 (豫(2019)開封市不動產權第0011861號), issued by Kaifeng City Natural Resources Bureau (開封市國土資源局), the land use rights of property with site area of 41,487.50 sq.m. has been granted to 開封博元房地產開發有限公司 for a term commencing on 5 March 2019 and expiring on 5 March 2059 for commercial use and for a term commencing on 5 March 2019 and expiring on 5 March 2089 for urban residential use.
5. Pursuant to the Construction Project Planning Permit (建設工程規劃許可証), Jian Zi Di Bian Zi Gui No. 2019-004 (建字第汴自規2019-004號) issued by Kaifeng City Urban Planning Bureau (開封市城鄉規劃局) dated 30 May 2019, the permission for the development of residential and commercial buildings with a total GFA of approximately 115,415.29 sq.m. was granted.
6. Pursuant to the Construction Project Planning Permit (建設工程規劃許可証), Jian Zi Di Bian Zi Gui No. 2019-003 (建字第汴自規2019-003號) issued by Kaifeng City Urban Planning Bureau (開封市城鄉規劃局) dated 30 May 2019, the permission for the development of residential, commercial buildings and underground car parks with a total GFA of approximately 65,595.04 sq.m. was granted.
7. As advised by the Group, approximately RMB902 million of construction costs had been incurred for the under-construction portion and outstanding construction cost is estimated to be approximately RMB266 million. The estimated completion year of the under-construction portion is in about December 2026 and the capital value upon completion is estimated to be about RMB798 million.
8. We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:
  - a. Kaifeng Bo Yuan Real Estate Development Limited (開封博元房地產開發有限公司) is in possession of a proper legal title with a total gross floor area of approximately 18,514.62 sq.m. for residential and 3,477.47 sq.m. for commercial property and 12,694.56 sq.m. for car parking spaces of the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government.
9. The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2025
6.	The unsold portion of Zijing Fu, Tianwen North Road, Nanan District, Chongqing City, the PRC  (Chongqing Yueruihe Real Estate Co., Ltd.)  (重慶悅睿和置業有限公司)	The unsold portion of property comprises various commercial units with a total gross floor area of about 4,216.70 sq.m., various residential units with a total gross floor area of about 70,578.69 sq.m. and 1,203 car parking spaces (42,185.55 sq.m.). The property was completed in between 2019 to 2023 by phases.  The land use rights of the property have been granted for a term expiring 7 May 2058 for commercial/carpark use and 7 May 2068 for urban residential use.	According to the information provided by the Group, a lettable area of approximately 1,582 sq. m. of the property was subject to various tenancies with the latest expiry date on 22 June 2029 at a total current monthly rental of about RMB71,798 inclusive of tax and exclusive of management fee and other relevant utility charges. As advised by the Group, the remaining area of approximately 115,399 sq.m. of the property was vacant.	No commercial value (see Note 3)

*Notes:*

1. Details of the Real Estate Title Certificates are summarized in the following table:

No.	Certificate No.	Name of Building	Use of Building	Gross Floor Area (sq.m.)	Site Area Being Covered (sq.m.)	Use of Site
1	001040986	翠峰路358號28棟	Residential Apartment	7,999.60	66,111.40	Urban Residential
2	000074519	乘文路97-111, 115-199	Commercial	5,577.80	37,148.20	Wholesale Retail
3	0008722479	乘文路113號	Carpark	18,911.51	37,148.20	Other Commercial Services
4	000824320	翠峰路13號1棟	Residential Apartment	1,761.06	37,148.20	Industrial Urban Residential
5	000824429	翠峰路13號2棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
6	001124958	翠峰路13號3棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
7	00125676	翠峰路13號4棟	Residential Apartment	1,306.15	37,148.20	Urban Residential
8	001125798	翠峰路13號5棟	Residential Apartment	1,306.15	37,148.20	Urban Residential
9	001125919	翠峰路13號6棟	Residential Apartment	1,761.06	37,148.20	Urban Residential

No.	Certificate No.	Name of Building	Use of Building	Gross Floor Area (sq.m.)	Site Area Being Covered (sq.m.)	Use of Site
10	000824546	翠峰路13號7棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
11	000824665	翠峰路13號8棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
12	000824788	翠峰路13號9棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
13	000824863	翠峰路13號10棟	Residential Apartment	2,636.84	37,148.20	Urban Residential
14	001126055	翠峰路13號11棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
15	001126182	翠峰路13號12棟	Residential Apartment	1,306.15	37,148.20	Urban Residential
16	001126267	翠峰路13號13棟	Residential Apartment	1,271.35	37,148.20	Urban Residential
17	001126360	翠峰路13號14棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
18	000824926	翠峰路13號15棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
19	000824991	翠峰路13號16棟	Residential Apartment	1,761.06	37,148.20	Urban Residential
20	000066049	翠峰路13號17棟	Residential Apartment	7,359.20	37,148.20	Urban Residential
21	000323232	翠峰路13號18棟	Residential Apartment	7,358.68	37,148.20	Urban Residential
22	000691744	翠峰路13號19棟	Residential Apartment	7,243.94	37,148.20	Urban Residential
23	000060502	翠峰路13號, 乘文路97-111, 115-199	—	—	37,148.20	Urban Residential
Total:				<u>81,649.03</u>	<u>883,371.80</u>	

2. We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:
  - a. Chongqing Yue Rui He Real Estate Limited (重慶悅睿和置業有限公司) is in possession of a proper legal title with a total gross floor area of approximately 77,373.66 sq.m. for residential and 4,450.47 sq.m. for commercial property and 44,017.47 sq.m. for car parking spaces of the property and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
  - b. The Real Estate Title Certificates of the car parking spaces of the property cannot be obtained by the Group and the car parking spaces of the property is not transferable; and
  - c. Portion of property is subject to mortgage with Xingye Trust (興業信託).
3. Pursuant to the legal opinion provided by the Group's PRC Legal Adviser in Note 2, since the Real Estate Title Certificate of the car parking spaces of the property cannot be obtained by the Group, which means the property cannot be transferred as a whole. Consequently, we have attributed no commercial value to the property under these restrictions. For reference purpose, assuming that the property can be freely transferred in the market without restrictions, the Market Value in existing state as at the Date of Valuation is RMB973,200,000.
4. The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

**VALUATION CERTIFICATE**  
**Property held for sale by the Group**

			Market Value in
			Existing State as at
No.	Property	Description and Tenure	31 March 2025
7.	Units 1-3 on 4/F, Block 7, Bo Yue Cheng, 191 Renmin West Road, Xishan District, Kunming City, the PRC	The property comprises four commercial units with a total gross floor area of about 305.16 sq.m.. The area breakdowns are as follows:	As advised by the Group, the property was vacant.
			RMB1,900,000

*Notes:*

- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yun (2023) Xishan Qu Bu Dong Chan Quan Di No. 0369910 (雲(2023)西山區不動產權第0369910號), dated 20 July 2023 issued by Kunming Natural Resources and Planning Bureau (昆明市自然資源和規劃局), the land use rights of property with gross floor area of 148.78 sq.m. has been granted to 武漢錦祥資產管理有限公司 for a term commencing on 1 September 2015 and expiring on 31 August 2055 for commercial use. The acquisition price was RMB28,399.05.
- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yun (2023) Xishan Qu Bu Dong Chan Quan Di No. 0369896 (雲(2023)西山區不動產權第0369896號), dated 20 July 2023 issued by Kunming Natural Resources and Planning Bureau (昆明市自然資源和規劃局), the land use rights of property with gross floor area of 57.46 sq.m. has been granted to 武漢錦祥資產管理有限公司 for a term commencing on 1 September 2015 and expiring on 31 August 2055 for commercial use. The acquisition price was RMB10,944.76.
- Pursuant to a Certificate of Real Estate Ownership (不動產權證), Yun (2023) Xishan Qu Bu Dong Chan Quan Di No. 0369891 (雲(2023)西山區不動產權第0369891號), dated 20 July 2023 issued by Kunming Natural Resources and Planning Bureau (昆明市自然資源和規劃局), the land use rights of property with gross floor area of 98.92 sq.m. has been granted to 武漢錦祥資產管理有限公司 for a term commencing on 1 September 2015 and expiring on 31 August 2055 for commercial use. The acquisition price was RMB18,941.90.
- We have been provided with the Legal Opinion on the property prepared by the Group's PRC Legal Adviser, which contains, inter alia, the following information:  
  
Wuhan Jin Xiang Wealth Management Limited (武漢錦祥資產管理有限公司) is in possession of a proper legal title with a total gross floor area of approximately 351.05 sq.m. for residential and is entitled to transfer the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government.
- The inspection was performed by Zhang JinRen, with 25-year valuation experience, in November 2024.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executives' interests and short positions in the securities of the Company or its associated corporations

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, were as follows:

Name of Directors/chief executives	Position	Capacity/Nature	Number of Shares held (Note 1)	Approximate % of issued share capital of the Company (Note 1)
Mr. Wong Kai Ho	Chairman and executive Director	Interest of controlled corporation	604,500,000 (L) (Note 2)	22.08% (L)
			125,000,000 (S) (Note 3)	4.57% (S)
			6,604,039 (L)	0.24% (L)
Mr. Huang Zhuguang	Executive Director	Beneficial owner Interest of controlled corporation	319,203,743 (L) (Note 4)	11.66% (L)

Name of Directors/chief executives	Position	Capacity/Nature	Number of Shares held (Note 1)	Approximate % of issued share capital of the Company (Note 1)
Mr. Hou Ruilin	Executive Director	Interest of controlled corporation	290,307,782 (L) (Note 5)	10.61% (L)
Mr. Xia Ding	Director and co-chief executive officer	Beneficial owner	9,500,000 (L)	0.35% (L)
Mr. Jiang Xiaoping	Deputy chief executive officer	Beneficial owner	8,500,000 (L)	0.31% (L)

*Notes:*

- (1) (L) refers to long position and (S) refers to short position.
- (2) Under the SFO, Mr. Wong Kai Ho is deemed to be interested in (i) the 479,500,000 Shares held by ULTRA FOUNDER INTERNATIONAL LTD (“**Ultra Founder**”), a company controlled by Mr. Wong Kai Ho; and (ii) the 125,000,000 Shares held by Eagle Wings Limited Partnership Fund (“**Eagle Wings**”), of which Mr. Wong Kai Ho is the general partner.
- (3) Eagle Wings has a short position in 125,000,000 Shares. As the general partner of Eagle Wings, Mr. Wong Kai Ho is deemed to have a short position in 125,000,000 Shares under the SFO.
- (4) Firstunion Animation Technology (HK) Co. Limited (“**Firstunion**”) is wholly-owned by Guangdong First Union Animation Technology Co., Ltd.\* (廣東順聯動漫科技有限公司) (“**Guangdong First**”), which in turn is wholly-owned by Guangdong Guancheng Industrial Investment Co., Ltd.\* (廣東貫成實業投資有限公司) (“**Guangdong Guancheng**”). Guangdong Guancheng is owned as to 90% by Mr. Huang Zhuguang. Firstunion is a controlled corporation (within the meaning of the SFO) of Mr. Huang Zhuguang. As such, under the SFO, Mr. Huang Zhuguang is deemed to be interested in the 319,203,743 Shares held by Firstunion.
- (5) Under the SFO, Mr. Hou Ruilin is deemed to be interested in the 290,307,782 Shares held by Wealth Elite Group Investment Limited (“**Wealth Elite**”), a company wholly-owned by Mr. Hou Ruilin.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares**

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Name of Shareholders	Capacity/Nature	Number of Shares held (Note 1)	Approximate % of issued share capital of the Company (Note 1)
Ultra Founder	Beneficial owner	479,500,000 (L) (Note 2)	17.52% (L)
Guangdong Guancheng	Interest of controlled corporation	319,203,743 (L) (Note 3)	11.66% (L)
Guangdong First	Interest of controlled corporation	319,203,743 (L) (Note 3)	11.66% (L)
Firstunion	Beneficial owner	319,203,743 (L) (Note 3)	11.66% (L)
Wealth Elite	Beneficial owner	290,307,782 (L) (Note 4)	10.61% (L)

Notes:

- (1) (L) refers to long position and (S) refers to short position.
- (2) Ultra Founder is wholly controlled by Mr. Wong Kai Ho.
- (3) Firstunion is wholly-owned by Guangdong First, which in turn is wholly-owned by Guangdong Guancheng. Guangdong Guancheng is owned as to 90% by Mr. Huang Zhuguang.
- (4) Wealth Elite is wholly-owned by Mr. Hou Ruilin.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company as discussed above) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### **3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 March 2024 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the businesses of the Group.

### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### **5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES**

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

### **6. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualification</b>
Ravia Global Appraisal Advisory Limited	independent professional property valuer



As at the Latest Practicable Date, the above expert did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 March 2024 (being the date to which the latest published audited financial statements of the Group were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

## 7. MATERIAL ADVERSE CHANGE

Save as disclosed in the section headed “9. Litigation” below, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statement of the Group were made up.

## 8. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and are, or may be material:

- (a) the Partnership Agreement (as amended by the partners’ resolution dated 18 June 2025);
- (b) the joint venture agreement dated 8 August 2024 entered into between Wuhan Magic Key Enterprise Management Co., Ltd.\* (武漢魔法鑰匙企業管理有限公司), an indirectly wholly-owned subsidiary of the Company, and Suzhou Aoze in relation to the formation of a joint venture whose proposed name was Suzhou Aoze No. 1 Investment Partnership (Limited Partnership)\* (蘇州遨澤壹號投資合夥企業(有限合夥)) (“SA No. 1”), while SA No. 1’s registered capital in the amount of RMB150,010,000 would be provided by the Group and Suzhou Aoze in the amount of RMB150,000,000 and RMB10,000, respectively;
- (c) the subscription agreements dated 9 February 2024 entered into between the Company, and SEA RAY INVESTMENT GROUP PTE. LTD. and SLEEK CHARM PTE. LTD. (as subscribers) respectively, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 600,000,000 shares at the subscription price of HK\$0.057 per share;

- (d) the trust agreement dated 11 December 2023 entered into between Chongqing Kunbiao Information Technology Co., Ltd.\* (重慶坤標信息技術有限公司) (as the subscriber), an indirect wholly-owned subsidiary of the Company, and Bohai International Trust Co., Ltd.\* (渤海國際信託股份有限公司) (as the trustee), pursuant to which the subscriber agreed to subscribe for category B units of the Bohai Trust•2023 Beijing Ruihe Century Pooled Fund Trust Scheme (渤海信託•2023北京睿和世紀集合資金信託計劃) at the consideration of RMB150,000,000;
- (e) the equity transfer agreement dated 1 November 2023 entered into between Beijing Deyuehe Project Management Co., Ltd.\* (北京德悅合項目管理有限公司) (as the purchaser), an indirect wholly-owned subsidiary of the Company, and Suzhou Aoze Pharmaceutical Investment Partnership (Limited Partnership)\* (蘇州遨澤醫藥投資合夥企業(有限合夥)) (“**SA Pharmaceutical**”) (as the seller) to purchase 44.4444% equity interest in Wuhan Yekaitai from SA Pharmaceutical for the consideration of RMB36,000,000;
- (f) the subscription agreements dated 25 October 2023 entered into between the Company, and CHEERING NOBLE LIMITED, SEA RAY INVESTMENT GROUP PTE. LTD., SLEEK CHARM PTE. LTD. and Whimsy Star Developments Limited (as subscribers) respectively, pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 1,220,000,000 shares at the subscription price of HK\$0.10 per share; and
- (g) the equity transfer agreement dated 16 August 2023 entered into between Magic Key (Wuhan) Holding Co., Ltd.\* (魔法鑰匙(武漢)控股有限公司) (as purchaser), an indirectly wholly-owned subsidiary of the Company, and SA Pharmaceutical (as the seller) to purchase 55.5556% equity interest in Wuhan Yekaitai from the seller at the consideration of RMB45,000,000.

## 9. LITIGATION

As at the Latest Practicable Date, save as disclosed below, to the best of the Directors’ knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group that would have a material adverse effect on the results of operations or financial conditions of the Group. All subsidiaries of the Company involved in the following litigations are subsidiaries of the Disposal Group.

- (a) In August 2021, Minmetals International Trust Co., Ltd (五礦國際信託有限公司) (“**Minmetals International**”), filed a civil complaint in the Intermediate People’s Court of Xining, Qinghai Province against a subsidiary of HK Huzi, Dongguan Yihui, and the Company’s subsidiaries, Yuxi Runya Property Company Limited\* (玉溪潤雅置業有限公司) (“**Yuxi Runya**”) and Chongqing Yingfeng Property Co., Ltd.

(重慶盈豐地產有限公司) (“**Chongqing Yingfeng**”), in respect of the outstanding debts with principal amount of approximately RMB1,458.5 million. In February 2022, the Intermediate People’s Court of Xining, Qinghai Province issued a civil judgement, which ruled that (i) Dongguan Yihui and Yuxi Runya shall jointly repay to Minmetals International the principal amount of the borrowings of approximately RMB1,458,513,000 together with the related interest and the other costs, and (ii) 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. Yuxi Runya has appealed the judgement to the Higher People’s Court of Qinghai Province. In July 2022, the Higher People’s Court of Qinghai Province issued a civil judgement, ruling that the appeal of Yuxi Runya was dismissed and the first instance judgment was upheld. Currently, Minmetals International has filed an application for enforcement with the Intermediate People’s Court of Xining. As at the Latest Practicable Date, Minmetals International, Dongguan Yihui, Yuxi Runya and Chongqing Yingfeng are actively negotiating for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022;

- (b) In August 2021, Minmetals International filed a civil complaint in the Intermediate People’s Court of Xining, Qinghai Province against Wuhan Tianhe, Peking University Resources Group Investment Company Limited\* (北大資源集團投資有限公司) (“**Resources Investment**”), both of which being subsidiaries of HK Huzi, as well as Yuxi Runya, in respect of the outstanding entrusted loans with principal of RMB620 million. In February 2022, the Intermediate People’s Court of Xining, Qinghai Province issued a civil judgement, which ruled that Wuhan Tianhe and Yuxi Runya shall jointly repay to Minmetals International the outstanding principal of RMB620 million together with the related interest and other costs 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. Wuhan Tianhe appealed the judgement to the Higher People’s Court of Qinghai Province. In July 2022, the Higher People’s Court of Qinghai Province issued a civil judgement, ruling that the appeal of Wuhan Tianhe was dismissed and the first instance judgment was upheld. As at the Latest Practicable date, Minmetals International, Wuhan Tianhe, Yuxi Runya and Resources Investment are actively negotiating for the settlement of the outstanding debts under this litigation. Details of the litigation are set out in the announcement of the Company dated 30 September 2022;
- (c) Western Trust Co., Ltd\* (西部信託有限公司) (“**Western Trust**”) filed a civil complaint in the Intermediate People’s Court of Xi’an, Shaanxi Province against Zhejiang Resources, a subsidiary of the Company which is not related to any connected persons of the Company, in respect of the outstanding debts in relation to a loan provided to Zhejiang Resources with principal amount of approximately RMB300,000,000 at interest of approximately 10.4% per annum which is secured by a land parcel in Yuhang District, Hangzhou as collateral for a term of three years, together with interest and penalty of approximately RMB389,400,000. On 1 April

2022, the court issued a first instance judgement in favour of the plaintiff, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Subsequently, Zhejiang Resources and Western Trust both appealed to the Higher People's Court of Shaanxi Province. In March 2023, the Higher People's Court of Shaanxi Province issued a civil judgement, which ruled that Zhejiang Resources shall repay the outstanding principal together with interest and penalty, and the plaintiff has the right to the proceeds of auction and sale of the land parcel collateral as payment for the judgement sum. Western Trust has applied to the Intermediate People's Court of Xi'an, Shaanxi Province for enforcement of the effective judgement. As at the Latest Practicable Date, Zhejiang Resources is actively negotiating with Western Trust for the settlement of the repayment plan under this litigation;

- (d) The Intermediate People's Court of Guiyang, Guizhou Province\* (貴州省貴陽市中級人民法院) issued a judgement on 31 March 2023 in respect of a civil legal proceeding against Kaifeng Boyuan Real Estate Development Co., Ltd.\* (開封博元房地產開發有限公司) ("**Kaifeng Boyuan**") and Chongqing Yingfeng, each an indirect subsidiary of the Company, among other co-defendants. According to the judgement, it was alleged by the plaintiff, Beijing Deyu Yuantong Technology Co., Ltd.\* (北京德隅源通科技有限公司), that Kaifeng Boming, which was a subsidiary of the Huzi Group and currently has no other relationship with the Company and its connected persons, obtained a loan from Huaneng Guicheng Trust Corp., Ltd.\* (華能貴誠信託有限公司) ("**Huaneng Trust**") in 2019 for a principal amount of RMB1 billion secured by, among others, the pledge of certain land parcels held by Kaifeng Boyuan, and the share charge of the entire equity interest in Kaifeng Boyuan held by Chongqing Yingfeng. Kaifeng Boming failed to repay the loan and the outstanding principal is RMB590 million. Huaneng Trust subsequently transferred the loan and security to the plaintiff, who initiated the litigation against the defendants. The judgement ruled that, among others: (i) Kaifeng Boming shall repay the plaintiff the outstanding principal of RMB590 million together with interest and default interest; (ii) the plaintiff has the priority in respect of the compensation from the proceeds of auction and sale of certain land parcels held by Kaifeng Boyuan; (iii) the plaintiff has the priority in respect of the compensation from the proceeds of auction and sale of the entire equity interest in Kaifeng Boyuan held by Chongqing Yingfeng; and (iv) Kaifeng Boyuan to be jointly liable for the amount payable by Kaifeng Boming mentioned in (i). Kaifeng Boming is a wholly-owned subsidiary of HK Huzi. In August 2023, the Higher People's Court of Guizhou Province issued a civil judgement, which ruled to uphold the foregoing judgment. As of the Latest Practicable Date, the plaintiff has filed an application for enforcement with the Intermediate People's Court of Guiyang; Kaifeng Boyuan, Chongqing Yingfeng and Kaifeng Boming are actively negotiating with the plaintiff for the settlement of the repayment plan under this litigation. Details of the litigation are set out in the announcements of the Company dated 21 April 2023 and 21 August 2023; and

- (e) Beijing Financial Court\* (北京金融法院) issued a judgment on 29 December 2023 in respect of a civil legal proceeding filed by Beijing Branch of China Huarong Asset Management Co. Ltd.\* (中國華融資產管理股份有限公司北京市分公司) (“**China Huarong**”) against Chongqing Yingfeng, an indirect wholly-owned subsidiary of the Company, and certain former subsidiaries of the Company and existing subsidiaries under the Huzi Group, namely, Dongguan Yihui, Dongguan Yida Property Co., Limited\* (東莞億達地產有限公司) (“**Dongguan Yida**”) and Kunshan Hi-Tech Electronic Arts Creative Industry Development Co., Limited\* (昆山高科電子藝術創意產業發展有限公司) (“**Kunshan Hi-Tech**”) in respect of a debt owed by Dongguan Yihui and Dongguan Yida to China Huarong (the “**Debt**”). According to the judgment, the court has ruled that (i) Dongguan Yihui and Dongguan Yida shall jointly repay China Huarong the Debt with the principal amount of approximately RMB130.7 million, as well as the compensation for restructuring grace period (the “**Restructuring Compensation**”) and penalties for breach of contract; (ii) China Huarong shall have the priority in compensation over the proceeds from the auction or sale of several properties held by Chongqing Yingfeng and Kunshan Hi-Tech; and (iii) Dongguan Yihui, Dongguan Yida, Kunshan Hi-Tech and Chongqing Yingfeng shall pay China Huarong attorney fee of RMB150,000. The relevant parties have been negotiating with China Huarong over the settlement of the Debt and the litigation. Dongguan Yihui, Dongguan Yida and China Huarong entered into a debt settlement agreement (the “**Debt Settlement Agreement**”) on 30 June 2022, a supplemental agreement to the Debt Settlement Agreement (the “**First Supplemental Agreement**”) on 29 December 2022 and the second supplemental agreement to the Debt Settlement Agreement on 20 December 2023 (the “**Second Supplemental Agreement**”). Under the Second Supplemental Agreement, the parties agreed that (i) Dongguan Yihui and Dongguan Yida shall repay part of the principal amount of the Debt each quarter, and all outstanding principal amount of the Debt shall be repaid by 20 December 2024; (ii) Dongguan Yihui and Dongguan Yida shall repay the Restructuring Compensation with respect to the Debt by 20 December 2024; and (iii) Dongguan Yihui and Dongguan Yida shall repay costs incurred by China Huarong in recovering the Debt. As advised by the PRC legal advisors, despite the issue of the judgement, the Second Supplemental Agreement is still legally binding and enforceable between the parties. As at the Latest Practicable Date, relevant parties are still actively negotiating with China Huarong for the settlement of the outstanding debts under this litigation. Details of the litigation are set out in the announcement of the Company dated 11 January 2024.

The Disposal Group has provided guarantees in the litigations item (a), (b), (d) and (e) above. The loan provided to Zhejiang Resources within the Disposal Group was already accounted for in the consolidated financial statements of the Disposal Group and was not subject to any guaranteed obligations. Since the assets of the relevant debtors in the above litigations have all been charged in favour of their respective creditors or are frozen by the court, the debtors are unable to make any further repayment and have been actively negotiating with their respective creditors regarding the debt restructuring and repayment plans. It is expected that the formation of the Partnership, which will facilitate and lead the negotiation for the Disposal Group with its creditors for debt restructuring and repayment plans, can accelerate the reaching of a settlement plan in light of the professional experience, connections and resources of the general partner.

Following the Disposal, the relevant guarantors in the Disposal Group will no longer be members of the Group and thus the Group's provision of expected guarantee liabilities and litigation in relation to the debts of the Huzi Group would be removed from the consolidated financial statement of the Group.

#### **10. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the website of the Company ([www.pkurh.com](http://www.pkurh.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for a period of 14 days from the date of this circular:

- (a) the Partnership Agreement (as amended by the partners' resolution dated 18 June 2025);
- (b) the property valuation report, the text of which is set out in Appendix II to this circular; and
- (c) the written consent referred to in the paragraph headed "6. QUALIFICATION AND CONSENT OF EXPERT" in this Appendix.

#### **11. MISCELLANEOUS**

- (a) The Company's registered office is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.
- (b) The Company's head office and principal place of business in Hong Kong is at Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.
- (c) The branch share register and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Leung Mei King, who is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.
- (e) In case of any inconsistency between English and Chinese versions of this circular, the English version shall prevail.



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## NOTICE OF SGM

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**资源控股**  
RESOURCES HOLDINGS

**Peking University Resources (Holdings) Company Limited**

**北大资源(控股)有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00618)**

**NOTICE IS HEREBY GIVEN THAT** the special general meeting of Peking University Resources (Holdings) Company Limited (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 16 July 2025 at Room 2303, 23/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for the purpose of considering and if thought fit, passing, with or without modifications, the following resolution as ordinary resolution of the Company:

### **ORDINARY RESOLUTION**

**“THAT:**

- (a) the partnership agreement dated 7 May 2025 and further amended by the partners’ resolution dated 18 June 2025 (the “**Partnership Agreement**”) entered into among the Company, Suzhou Aoze Enterprise Management Co., Ltd.\* (蘇州遨澤企業管理有限公司) and Chongqing Jingjiahui Industry Co., Ltd.\* (重慶京嘉匯實業有限公司), in relation to the formation of a limited partnership (a copy of which has been tabled at the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company (the “**Director**”) be and is hereby authorised to do all such acts and things and execute all such documents (whether under common seal or not) which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Partnership Agreement and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of such Director, in the interest of the Company and the Shareholders as a whole.”

By order of the Board

**Peking University Resources (Holdings) Company Limited**

**Wong Kai Ho**

*Chairman*

Hong Kong, 26 June 2025

*Notes:*

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.pkurh.com](http://www.pkurh.com)) in accordance with the Listing Rules.

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## NOTICE OF SGM

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2. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote instead of that shareholder. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by that shareholder.
3. Any Shareholder entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A Shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy needs not be a Shareholder. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the meeting (i.e., not later than 10:00 a.m. on Monday, 14 July 2025 (Hong Kong time)) or the adjourned meeting (as the case may be). To be effective, all proxy appointments must be lodged with Tricor Investor Services Limited before the deadline. Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determination of entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 11 July 2025 to Wednesday, 16 July 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 10 July 2025.
5. Where there are joint holders of any share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the meeting, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
6. A circular containing further details concerning proposed resolutions set out in this notice will be sent to all Shareholders together with this notice.
7. References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, the Board comprises executive Directors of Mr. Wong Kai Ho (Chairman), Mr. Huang Zhuguang, Mr. Hou Ruilin and Mr. Xia Ding; and the independent non-executive Directors of Mr. Chin Chi Ho, Stanley, Ms. Xu Nan and Prof. Cheung Ka Yue.*