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## **HOPEFLUENT GROUP HOLDINGS LIMITED**

**合富輝煌集團控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 733)**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “Directors”) of Hopefluent Group Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024, together with comparative figures for the corresponding period in 2023 as follows:

#### **CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
			<b>(restated)</b>
Revenue	3	<b>422,038</b>	699,901
Other income		<b>7,796</b>	8,098
Selling expenses		<b>(411,526)</b>	(601,817)
Administrative expenses		<b>(125,258)</b>	(157,781)
Loss allowance on financial assets		<b>(211)</b>	(109,289)
Other gains and losses		<b>(1,520)</b>	(909)
Finance costs	4	<b>(8,502)</b>	(16,372)
Loss before tax		<b>(117,183)</b>	(178,169)
Income tax (expense)/credit	5	<b>(94)</b>	27,119
<b>Loss for the period</b>	6	<b>(117,277)</b>	(151,050)
<b>Other comprehensive expense for the period</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translating to presentation currency		<b>(38,420)</b>	(126,734)
<b>Total comprehensive expense for the period</b>		<b>(155,697)</b>	<b>(277,784)</b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	2023
	<i>Notes</i>	<b>HK\$'000</b> <b>(unaudited)</b>	<b>HK\$'000</b> <b>(unaudited)</b>
<b>(Loss)/profit for the period attributable to:</b>			
— Owners of the Company		<b>(117,955)</b>	(151,660)
— Non-controlling interests		<b>678</b>	610
		<u><b>(117,277)</b></u>	<u>(151,050)</u>
<b>Total comprehensive (expense)/income for the period attributable to:</b>			
— Owners of the Company		<b>(156,061)</b>	(278,109)
— Non-controlling interests		<b>364</b>	325
		<u><b>(155,697)</b></u>	<u>(277,784)</u>
Dividends	7	<u><b>—</b></u>	<u>—</u>
<b>Loss per share</b>			
— Basic and diluted	8	<u><b>HK(17.50) cents</b></u>	<u>HK(22.50) cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	<i>Notes</i>	<b>30 June 2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	31 December 2023 <i>HK\$'000</i> <b>(audited)</b>
<b>NON-CURRENT ASSETS</b>			
Investment properties		<b>102,013</b>	120,377
Property, plant and equipment		<b>232,871</b>	245,676
Right-of-use assets		<b>61,330</b>	66,301
Goodwill	9	<b>11,078</b>	11,321
Interest in a joint venture		–	–
Loan receivables		<b>81,047</b>	608
Other receivables and deposits		<b>3,515</b>	3,875
Deferred tax assets		<b>194,349</b>	194,296
		<b>686,203</b>	642,454
<b>CURRENT ASSETS</b>			
Accounts receivable	10	<b>556,321</b>	577,097
Loan receivables		<b>177,903</b>	295,794
Other receivables, deposits and prepayments		<b>299,144</b>	311,378
Amount due from a joint venture		<b>14,973</b>	15,301
Financial assets at fair value through profit or loss (“FVTPL”)		<b>4,509</b>	4,383
Bank balances and cash		<b>210,646</b>	298,659
		<b>1,263,496</b>	1,502,612

		<b>30 June 2024</b>	31 December 2023
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>CURRENT LIABILITIES</b>			
Payables and accruals	<i>11</i>	<b>131,717</b>	149,794
Contract liabilities		<b>24,865</b>	21,489
Lease liabilities		<b>24,493</b>	19,597
Tax liabilities		<b>35,569</b>	38,721
Bank and other borrowings		<b>53,499</b>	122,857
		<b>270,143</b>	352,458
<b>NET CURRENT ASSETS</b>		<b>993,353</b>	1,150,154
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,679,556</b>	1,792,608
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>31,658</b>	43,387
Deferred tax liabilities		<b>93,698</b>	93,911
Bank and other borrowings		<b>86,022</b>	44,396
		<b>211,378</b>	181,694
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>6,741</b>	6,741
Share premium and reserves		<b>1,454,794</b>	1,597,148
Equity attributable to owners of the Company		<b>1,461,535</b>	1,603,889
Non-controlling interests		<b>6,643</b>	7,025
<b>TOTAL EQUITY</b>		<b>1,468,178</b>	1,610,914
		<b>1,679,556</b>	1,792,608

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited.

## 2. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial assets at FVTPL which are measured at fair value, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those set out in the Group’s annual financial statements for the year ended 31 December 2023.

In the current reporting period, the Group has applied, for the first time, the following new and amendments to HKASs and Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s unaudited condensed consolidated financial statements:

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

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period.

## 3. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

The Group has two (2023: two) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies.

The following summary describes the operations in each of the Group’s reportable segments:

- Property real estate agency is the provision of first hand real estate services and secondary real estate services to property developers, corporates and individuals; and
- Financial services is the provision of mortgage referral and loan financing services to individuals or companies.

Revenue represents agency commission in respect of real estate agency services and interest income from loan receivables, net of business tax and other taxes. An analysis of the Group's revenue for the period is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Disaggregation of revenue</b>		
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Agency commission	<u>404,543</u>	<u>672,573</u>
<b>Revenue from other sources outside the scope of HKFRS 15</b>		
Finance income		
Interest income from loan receivables	<u>17,495</u>	<u>27,328</u>
	<u><b>422,038</b></u>	<u><b>699,901</b></u>
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Timing of revenue recognition</b>		
At a point in time		
Agency commission	<u>404,543</u>	<u>672,573</u>
Over-time		
Interest income from loan receivables	<u>17,495</u>	<u>27,328</u>
	<u><b>422,038</b></u>	<u><b>699,901</b></u>

The following is an analysis of the Group's revenue and results by geographical markets.

	<b>Six months ended 30 June 2024 (unaudited)</b>		
	<b>Property real</b>	<b>Financial</b>	<b>Total</b>
	<b>estate agency</b>	<b>services</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
The People's Republic of China ("PRC")	<u><b>404,543</b></u>	<u><b>17,495</b></u>	<u><b>422,038</b></u>
	<b>Six months ended 30 June 2023 (unaudited)</b>		
	<b>Property real</b>	<b>Financial</b>	<b>Total</b>
	<b>estate agency</b>	<b>services</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
The PRC	<u><b>672,573</b></u>	<u><b>27,328</b></u>	<u><b>699,901</b></u>

The following is an analysis of the Group's revenue and results by operating and reportable segments.

	Six months ended 30 June 2024 (unaudited)		
	Property real estate agency	Financial services	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	404,543	17,495	422,038
Segment loss	(98,913)	(536)	(99,449)
Other income			7,796
Central administrative costs			(15,297)
Other gains and losses			(1,520)
Loss allowance on financial assets			(211)
Finance costs			(8,502)
Loss before tax			(117,183)
Income tax expense			(94)
Loss for the period			<u>(117,277)</u>
	Six months ended 30 June 2023 (unaudited)		
	Property real estate agency	Financial services	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> (restated)
Segment revenue	672,573	27,328	699,901
Segment loss	(36,362)	(6,676)	(43,038)
Other income			8,098
Central administrative costs			(16,659)
Other gains and losses			(909)
Loss allowance on financial assets			(109,289)
Finance costs			(16,372)
Loss before tax			(178,169)
Income tax credit			27,119
Loss for the period			<u>(151,050)</u>

Segment profit represents the profit earned by each segment without allocation of other income, central administrative costs including directors' emoluments, other gains and losses, impairment loss of finance assets and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

#### 4. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Interests on:		
Bank and other borrowings	5,264	9,263
Lease liabilities	3,238	7,109
	<u>8,502</u>	<u>16,372</u>

#### 5. INCOME TAX (EXPENSE)/CREDIT

The tax charges for both periods represent the PRC Enterprises Income Tax (“EIT”) for those periods.

EIT is provided on the estimated assessable profits of the Group’s subsidiaries in the PRC in accordance with the laws and regulations in the PRC at 25%.

No Hong Kong profits tax has been provided in both current and prior periods in the condensed consolidated financial statements as the Group has no estimated assessable profits arising in Hong Kong for both periods.

#### 6. LOSS FOR THE PERIOD

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b> <b>(restated)</b>
Loss for the period has been arrived at after charging/(crediting):		
Salaries and other benefit	353,256	462,534
Share-based payments	13,707	1,180
Retirement benefits scheme contributions	28,804	48,462
Total staff costs	<u>395,767</u>	512,176
Depreciation charges		
Property, plant and equipment	6,357	11,373
Right-of-use assets	15,460	23,151
	<u>21,817</u>	34,524
Allowance recognised/(reversed) on financial assets		
Allowance recognised on accounts receivable	3,123	640
Allowance (reversed)/recognised on loan receivables	(2,912)	108,649
	<u>211</u>	109,289
Bank interest income	(818)	(800)
Rental income net of direct expenses of HK\$512,000 (2023: HK\$543,000)	<u>(3,503)</u>	<u>(4,936)</u>



## 7. DIVIDENDS

The Directors of the Company do not recommend the payment of any dividend in respect of the six months ended 30 June 2024 (2023: HK\$nil).

## 8. LOSS PER SHARE

### (a) Basic

Basic loss per share is calculated by dividing loss for the period attributable to owners of the Company by the weighted average number ordinary shares in issue during the period.

Loss	Six months ended 30 June	
	2024 HK\$'000	2023 HK\$'000
Loss for the period attributable to owners of the Company	<u>(117,955)</u>	<u>(151,660)</u>
Weighted average number of ordinary shares in issue (thousand shares)	<u>674,150</u>	<u>674,150</u>
Basic loss per share (HK cents)	<u>(17.50)</u>	<u>(22.50)</u>

### (b) Diluted

The basic and diluted loss per share are the same for the six months ended 30 June 2024 and 2023, as the effect of the outstanding share options would be anti-dilutive and were not included in the calculation of diluted loss per share.

## 9. GOODWILL

Goodwill is allocated to the cash generating unit (“CGU”), representing primary real estate services in the PRC. As at 30 June 2024 and 31 December 2023, there is no movement in goodwill in current interim period.

During the six months ended 30 June 2024, the Directors of the Company determine that there is no impairment (2023: nil) of the CGU representing the primary real estate agency services segment in the PRC.

## 10. ACCOUNTS RECEIVABLE

The Group allows an average credit period ranging from 30 to 180 days (2023: 30 to 180 days) to its customers. The aging analysis of accounts receivable net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period is as follows:

	<b>30 June 2024 HK\$'000 (unaudited)</b>	31 December 2023 HK\$'000 (audited)
0–30 days	216,553	267,925
31–60 days	17,729	25,024
61–90 days	16,220	13,298
91–120 days	7,641	17,391
121–180 days	9,340	14,636
Over 180 days	<u>288,838</u>	<u>238,823</u>
	<u><b>556,321</b></u>	<u><b>577,097</b></u>

## 11. PAYABLES AND ACCRUALS

The payables and accruals mainly comprise accrued operating expenses, accrued staff costs and other sundry creditors.

## 12. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group had no material transactions with its related parties during the period (2023: Nil).

### 13. SHARE OPTIONS SCHEME

#### (a) Share option scheme of the Company

In order to attract and retain the best quality employees for the development of the Group's businesses and to provide additional incentives or rewards to selected qualifying participants, the Company adopted a share option scheme on 23 May 2023 (the "Scheme"). The eligible participants mainly include employees of the Group, Directors, the directors of any member of the group, the directors and employees (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company. The Scheme, unless otherwise cancelled or amended, will remain in force for 10 years since 23 May 2023.

The options may be exercised within the period commencing from the date of grant of the option and expiring on the date following 10 years from the date of grant of the options subject to terms under the Scheme. The vesting period for options shall be determined by the board (the "Board") and in any case, shall not be less than twelve (12) months. A shorter vesting period may be granted at the discretion of the Board in certain circumstances. The Board and/or the remuneration committee may determine in its absolute discretion and set any performance target or impose any condition, restriction or limitation in relation to the vesting of the options.

The subscription price of the share options is determinable by the Directors, but shall be the highest of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) business days immediately preceding the date of grant; and (iii) the 90% of the average closing price as stated in the daily quotations sheets of the Stock Exchange for the twenty (20) business days immediately preceding the date of grant.

Pursuant to the Scheme, the maximum number of shares in the Company in respect of which options may be granted when aggregated with any other share option scheme of the Company must not exceed 10% of the issued share capital of the Company as at the date of adoption of the Scheme (i.e. 67,414,998 shares). Subject to the issue of a circular and the approval of the shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may refresh the limit to 10% of the total number of shares in issue as at the date of approval by the shareholders of the Company in general meeting.

Unless shareholder approval has been obtained, no option may be granted to any person if the total number of shares of the Company already issued and issuable to him under all the options granted to him in any 12-month period up to and including the date of grant exceeding 1% of total number of shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting. Such participant and his associate (as defined in the Listing Rules) have to abstain from voting and/or comply with other requirements prescribed under the Listing Rules from time to time. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's shares in issue within any 12-month period must be approved in advance by the Company's shareholders.

Subject to the compliance of the requirements under the Scheme, the share options are exercisable only if the eligible participants remain in the service of the Group from the grant date of the share options up to the designated exercise date.

On 16 June 2023, the Company granted share options under the share option scheme under which the option holders are entitled to acquire an aggregate of 67,380,000 shares of the Company. Pursuant to the terms of the share option scheme, the options granted are subject to certain performance conditions.

The options granted to the grantees will be/have been vested based on the following rates on the vesting date for the relevant financial year, provided that the vesting conditions above are satisfied in the relevant financial year: (i) 70% and 40% of the total number of the share options to Mr. Zhu Rongbin (“Mr. Zhu”) and other grantees respectively, have been vested on 1 July 2024; (ii) 15% and 30% of the total number of the share options to Mr. Zhu and other grantees respectively, will be vested on 1 April 2025; and (iii) 15% and 30% of the total number of the share options to Mr. Zhu and other grantees respectively, will be vested on 1 April 2026. If the vesting conditions above have not been fulfilled during the relevant financial year, the corresponding percentage of the share options granted will lapse upon the expiry of the relevant validity period. All the options under the share option scheme should be exercisable after vesting but before the expiry of 10 years after the grant date at the exercise price of HK\$1.85 per share. 30,340,000 options granted to Mr. Zhu lapsed during the six months ended 30 June 2024.

	Held at 1 January 2024	Options granted during the period	Options exercised during the period	Options lapsed during the period	Option transferred during the period	Held at 30 June 2024	Exercise price HK\$
<b>The Scheme</b>							
(A) Employees	25,300,000	-	-	(3,370,000)	-	21,930,000	1.85
(B) Directors							
Zhu Rongbin (resigned on 31 May 2024)	30,340,000	-	-	(30,340,000)	-	-	N/A
Gao Bin	11,740,000	-	-	-	-	11,740,000	1.85
	<u>67,380,000</u>	<u>-</u>	<u>-</u>	<u>(33,710,000)</u>	<u>-</u>	<u>33,670,000</u>	<u>1.85</u>

Options outstanding at 30 June 2024 have the following grant date, expiry date, exercise period and exercise prices.

Grant date	Expiry date	Exercise period	Exercise prices per share HK\$	Number of options
16 June 2023	15 June 2033	Vesting date to 15 June 2033	1.85	33,670,000

During the period ended 30 June 2024, the total number of shares of the Company (the “Shares”) that may be issued in respect of options granted under the Share Option Scheme amounting of 33,670,000 (2023: 67,380,000) divided by the weighted average number of Shares of the relevant class in issue amounting of 674,149,989 (2023: 674,149,989) was approximately 4.99% (2023: 9.99%).

No share options were granted, exercised or cancelled during the six month ended 30 June 2024. During the period ended 30 June 2024, total number of options lapsed is 33,710,000, resulting approximately HK\$15,916,000 (2023: HK\$13,135,000) were transferred out of the special reserve.

As at the date of this announcement, the total number of shares of the Company available for issue under the Scheme (including Shares issuable for share options granted but not yet canceled or exercised) was 67,414,998 Shares (2023: 67,414,998 Shares), representing approximately 10% (2023: 10%) of the issued share capital of the Company as of the date thereof. The number of shares available for future grant under the mandate of the share option scheme is 33,744,998 (2023: 34,998).

The number of options available for grant under the scheme mandate of the Scheme at the beginning and the end of the financial period ended 30 June 2024 is 34,998 and 33,744,998 respectively.

The fair value of options granted during the period ended 30 June 2023 under the Scheme determined using the Binomial Option Pricing model was approximately HK\$41,648,000. The significant inputs into the model were share price of HK\$1.85, at the grant date and adjusted for the effect of the share subdivision, exercise price shown above, expected volatility is 41.29%, annual risk-free interest rate of 3.53%. Expected life of options of approximately 10 years and expected dividend yield of 4.26%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices from 16 June 2013 to 15 June 2023. During the period ended 30 June 2024, approximately HK\$13,707,000 (2023: HK\$1,180,000) were charged to the condensed consolidated statement of profit or loss.

#### **14. COMPARATIVES**

Certain comparative amounts have been reclassified to conform with current period's presentation.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### I. Market Review for First Half 2024

In the first half of 2024, the domestic real estate market continued to undergo a period of major adjustment. Property transactions declined sharply as a result of the overall economic downturn with decreasing market confidence and weak consumption. Although local governments proactively introduced various easing and stimulus measures in response to specific market conditions, the real estate downturn could not be reversed immediately. Instead, it will take time for the industry to recover and for companies to consolidate.

With the negative impact of the market, although the Group tried its best to adjust its operating strategy and explore market opportunities in an effort to reduce losses, it was unable to prevent its operating efficiency and results from being affected by external factors within a short period of time.

#### II. Business Review of the Group

For the six months ended 30 June 2024, the Group's turnover amounted to approximately HK\$422 million, a decline of approximately 40% from the same period last year (2023: approximately HK\$699.9 million), and loss attributable to shareholders amounted to approximately HK\$118 million (2023: HK\$152 million). Basic loss per share was HK17.50 cents (2023: HK22.50 cents). The Board of Directors has not recommended the payment of an interim dividend for the six months ended 30 June 2024.

Turnover of the Group's Property Real Estate Agency Business in the first half of 2024 was approximately HK\$405 million (2023: approximately HK\$673 million), accounting for 96% of the Group's turnover, while the turnover of the Financial Services Business was approximately HK\$17 million (2023: approximately HK\$27 million), accounting for 4% of the Group's turnover.

For the six months ended 30 June 2024, the Group's total value of properties transacted was approximately HK\$39.1 billion, a decline of approximately 44% from the same period last year (2023: HK\$69.5 billion), while the total gross floor area sold was approximately 1.5 million square meters.

### *1. Property Real Estate Agency Business*

In the face of a complex market landscape, the Group is committed to maintaining a healthy operating environment to support business performance, adhering to the management strategy of “reducing costs, increasing income, improving quality and efficiency”. During the Period, the Group conducted regular assessments of various businesses and projects in different regions, made targeted reforms and adjustments, optimized the allocation of manpower and resources, and improved the quality and efficiency of the business.

Responding to market changes with the strategy of “penetration’ and ‘focused”, the Group will continue to leverage its resources and layout advantages of mid- and high-end luxury properties in core cities, focusing on targeted projects and customer retention to maximize profits. At the same time, the Group continued to explore and innovate, and further intensified the development of the real estate internet marketing and new media business. Leveraging business digitalization and informatization, the Group provided comprehensive and diversified services to customers, broadened its online customer base, and promoted the growth of its property real estate agency business.

### *2. Financial Services Business*

During the Period, the Group’s financial services business focused on serving existing high-quality customers and took a prudent and pragmatic approach to implementing strict risk controls and conducting business operations. It also actively adjusted its positioning and strategies to respond to changes in the market and related regulatory policies in a timely manner.

### *3. Other value-added services*

The value research business continued to contribute to the Group. During the Period, the speed and coverage of various information dissemination projects continued to improve. At the same time, the Group provided more accurate and practical consulting products to meet the different needs of customers based on the actual situations of investors and developers, and explored new self-media application modes to support the Group’s sales capabilities, while striving to provide good services to its customers.

### **III. Prospects for Second Half 2024**

The Central Government has successively issued a number of policies to digest housing inventory and optimize new supply, actively support the acquisition of completed commercial housing for affordable housing, further ensure the delivery of housing projects, accelerate the promotion of a new real estate development model, and promote the stable and healthy development of the real estate market. The Group believes that the market will gradually stabilize, driven by a series of “property market rescue” policies.

The new situation and new opportunities in the development of the real estate industry will bring the Group unlimited business opportunities. The Group will continue to integrate its advantageous resources and optimize its service system to provide customers with professional support throughout the process, from pre-sale consultation, transaction matching to after-sale service. It will give full play to its advantages in connecting the B-end and C-end to actively promote transactions in the new and second-hand housing markets, help the market digest inventories and revitalize the existing assets, and improve the Group’s business performance by taking advantage of the steady and healthy development of the real estate industry.

The Group will make greater effort to develop and invest in digitalization and artificial intelligence to improve service efficiency and the customer experience, facilitating transactions. By using technology as a tool for empowerment, the Group will combine traditional services with advanced digital technology to enable mutual accessibility between online and offline realms, and to establish a perfect new-generation operating model that can deliver benefits to enterprises.

As always, the Group will adopt a prudent and pragmatic approach, further improve its service standards, continue to develop innovative businesses, work diligently to achieve an early business turnaround, and promote the sustainable development of the Company.



## **AUDIT COMMITTEE**

The Company established an audit committee, currently comprising the three existing independent non-executive directors, which has reviewed the unaudited interim results for the six months ended 30 June 2024 including the accounting, internal control and financial reporting issues.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2024, the Group maintained a sound financial position where the cash and bank deposits and current ratio, as a ratio of current assets to current liabilities, were approximately HK\$211 million (31 December 2023: HK\$299 million) and 4.68 (31 December 2023: 4.26) respectively. Total borrowing amounted to approximately HK\$140 million which are secured and unsecured bank loan and other borrowings (31 December 2023: approximately HK\$167 million). The Group's gearing ratio, which was computed by dividing the total borrowings by total assets, was approximately 7.2% (31 December 2023: 7.8%). The Group's borrowings are denominated in Renminbi. The Group had no material contingent liabilities as at 30 June 2024.

## **PLEDGE OF ASSETS**

As at 30 June 2024, the Group pledged its investment properties and property, plant and equipment with an aggregate amount of approximately HK\$81 million to secure bank borrowings (31 December 2023: approximately HK\$27 million).

## **FOREIGN EXCHANGE EXPOSURE**

Most of the Group's business transactions are denominated in either Hong Kong dollars or Renminbi. As such, the Group had no significant exposure to foreign exchange fluctuations.

## **EMPLOYEES**

As at 30 June 2024, the Group had approximately 4,600 full time employees. Employees are regarded as the greatest and valuable assets of the Group. Competitive remuneration packages are structured to commensurate with individual job duties, qualification, performance and years of experience.

## **INTERIM DIVIDEND**

The board of Directors resolved not to declare any interim dividend for the six months ended 30 June 2024 (2023: nil).

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Since the Listing Date, the Company has not redeemed any of its shares, and neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares.

The Company did not have any treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")) as at 30 June 2024.

## **CORPORATE GOVERNANCE**

During the six months ended 30 June 2024, the Company has complied with the code provisions set out in Part 2 of the corporate governance code ("CG Code") as stated in Appendix C1 of the Listing Rules except the following deviation (Code Provision C.6.1):

### **Company Secretary**

The Company has engaged Mr. Lo Hang Fong, a solicitor practising in Hong Kong, as its company secretary and Mr. Lo Yat Fung, an executive director of the Company, is the person whom the company secretary can contact. The Board is confident that having Mr. Lo Hang Fong as the company secretary is beneficial to the Group's compliance of the applicable laws, rules and regulations.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE") OF THE LISTING RULES**

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code for the period ended 30 June 2024 and they all confirmed that they have fully complied with the required standards as set out in the Model Code.

By Order of the Board of Directors  
**FU Wai Chung**  
*Chairman*

Hong Kong, 29 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. FU Wai Chung, Mr. GAO Bin and Mr. LO Yat Fung; the non-executive directors of the Company are Mr. FU Ear Ly and Mr. HUANG Peng; and the independent non-executive directors of the Company are Mr. LAM King Pui, Mr. CAO Qimeng and Ms. XU Jing.*