



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

2024

INTERIM REPORT



The board of directors (the “Directors”) of Hopefluent Group Holdings Limited (the “Company”) announces 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

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited) (restated)
(Loss)/profit for the period attributable to:			
— Owners of the Company		(117,955)	(151,660)
— Non-controlling interests		678	610
		(117,277)	(151,050)
Total comprehensive (expense)/income for the period attributable to:			
— Owners of the Company		(156,061)	(278,109)
— Non-controlling interests		364	325
		(155,697)	(277,784)
Dividends	8	—	—
Loss per share			
— Basic and diluted	9	HK(17.50) cents	HK(22.50) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
NON-CURRENT ASSETS			
Investment properties		102,013	120,377
Property, plant, equipment	10	232,871	245,676
Right-of-use assets	10	61,330	66,301
Goodwill	11	11,078	11,321
Interest in a joint venture		—	—
Loan receivables		81,047	608
Other receivables and deposits		3,515	3,875
Deferred tax assets		194,349	194,296
		686,203	642,454
CURRENT ASSETS			
Accounts receivable	12	556,321	577,097
Loan receivables		177,903	295,794
Other receivables, deposits and prepayments		299,144	311,378
Amount due from a joint venture		14,973	15,301
Financial assets at fair value through profit or loss ("FVTPL")	13	4,509	4,383
Bank balances and cash		210,646	298,659
		1,263,496	1,502,612
CURRENT LIABILITIES			
Payables and accruals	14	131,717	149,794
Contract liabilities		24,865	21,489
Lease liabilities		24,493	19,597
Tax liabilities		35,569	38,721
Bank and other borrowings		53,499	122,857
		270,143	352,458
NET CURRENT ASSETS		993,353	1,150,154
TOTAL ASSETS LESS CURRENT LIABILITIES		1,679,556	1,792,608

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

As at 30 June 2024

	Notes	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities		31,658	43,387
Deferred tax liabilities		93,698	93,911
Bank and other borrowings		86,022	44,396
		211,378	181,694
CAPITAL AND RESERVES			
Share capital	15	6,741	6,741
Share premium and reserves		1,454,794	1,597,148
Equity attributable to owners of the Company		1,461,535	1,603,889
Non-controlling interests		6,643	7,025
TOTAL EQUITY		1,468,178	1,610,914
		1,679,556	1,792,608

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Statutory surplus reserve HK\$'000	Translation reserve HK\$'000	Property revaluation reserve HK\$'000	Retained earnings HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	6,741	416,637	29,315	174,264	(103,418)	5,527	1,698,830	2,227,896	6,138	2,234,034
Other comprehensive expense for the period	-	-	-	-	(126,449)	-	-	(126,449)	(285)	(126,734)
(Loss)/profit for the period	-	-	-	-	-	-	(151,660)	(151,660)	610	(151,050)
Total comprehensive (expense)/income for the period	-	-	-	-	(126,449)	-	(151,660)	(278,109)	325	(277,784)
Equity-settled share-based payments	-	-	1,180	-	-	-	-	1,180	-	1,180
At 30 June 2023 (unaudited)	6,741	416,637	30,495	174,264	(229,867)	5,527	1,547,170	1,950,967	6,463	1,957,430
Other comprehensive income for the period	-	-	-	-	7,448	10,439	-	17,887	(60)	17,827
(Loss)/profit for the period	-	-	-	-	-	-	(379,290)	(379,290)	922	(378,368)
Total comprehensive income/(expense) for the period	-	-	-	-	7,448	10,439	(379,290)	(361,403)	862	(360,541)
Equity-settled share-based payments	-	-	15,253	-	-	-	-	15,253	-	15,253
Lapse of share option	-	-	(13,135)	-	-	-	13,135	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(436)	(436)
Disposal of subsidiaries	-	-	-	(928)	-	-	-	(928)	-	(928)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	136	136
Transfer	-	-	-	16	-	-	(16)	-	-	-
At 31 December 2023 (audited)	6,741	416,637	32,613	173,352	(222,419)	15,966	1,180,999	1,603,889	7,025	1,610,914
Other comprehensive expense for the period	-	-	-	-	(38,106)	-	-	(38,106)	(314)	(38,420)
(Loss)/profit for the period	-	-	-	-	-	-	(117,955)	(117,955)	678	(117,277)
Total comprehensive (expense)/income for the period	-	-	-	-	(38,106)	-	(117,955)	(156,061)	364	(155,697)
Equity settled share-based payments	-	-	13,707	-	-	-	-	13,707	-	13,707
Lapse of share option	-	-	(15,916)	-	-	-	15,916	-	-	-
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(746)	(746)
At 30 June 2024 (unaudited)	6,741	416,637	30,404	173,352	(260,525)	15,966	1,078,960	1,461,535	6,643	1,468,178

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Net cash (used in)/generated from operating activities	(42,840)	41,322
Net cash generated from /(used in) investing activities	11,812	(5,680)
Net cash used in financing activities	(49,441)	(81,711)
Net decrease in cash and cash equivalents	(80,469)	(46,069)
Cash and cash equivalents at beginning of the period	298,659	393,966
Effect of foreign exchange rate changes	(7,544)	(29,917)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	210,646	317,980

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. GENERAL INFORMATION

Hopefluent Group Holdings Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company and its subsidiaries (the “Group”) are principally engaged in provision of property real estate agency services and mortgage referral and loan financing services.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, issued by the Hong Kong Institute of Certified Public Accountant (the “HKICPA”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange.

The Interim Financial Statements have been prepared with the same accounting policies adopted in the 2023 annual financial statements, except for those relating to new periods beginning on or after 1 January 2024. Details of any changes in accounting policies are set out in note 3.

The preparation of these Interim Financial Statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. For the areas where significant judgments and estimates have been made in preparing these Interim Financial Statements, the Company’s accounting policies applied and the key sources of estimation uncertainty were the same as those that applied to 2023 annual financial statements.

These Interim Financial Statements are presented in Hong Kong dollars (“HK\$”) and all amounts are rounded to the nearest thousand (“HK\$’000”) except otherwise indicated. These interim financial statements contain consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the 2023 annual financial statements. These Interim Financial Statements and the notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and should be read in conjunction with the 2023 annual financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

3. 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.

4. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

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:

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

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

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

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 HK\$'000	Financial services HK\$'000	Total HK\$'000
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 or 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			(117,277)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

	Six months ended 30 June 2023 (unaudited)		
	Property real estate agency HK\$'000	Financial services HK\$'000	Total HK\$'000 (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 or 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			(151,050)

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.

5. FINANCE COSTS

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

6. INCOME TAX (EXPENSE)/CREDIT

The tax charges represent the PRC Enterprises Income Tax ("EIT") for both 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.

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited) (restated)
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	395,767	512,176
Depreciation charges		
Property, plant and equipment	6,357	11,373
Right-of-use assets	15,460	23,151
	21,817	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
	211	109,289
Bank interest income	(818)	(800)
Rental income net of direct expenses of HK\$512,000 (2023: HK\$543,000)	(3,503)	(4,936)

8. 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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

9. 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.

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

(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 share options outstanding were anti-dilutive and were not included in the calculation of diluted loss per share.

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the Group had addition of property, plant and equipment amounting to approximately HK\$2,313,000 (2023: HK\$7,973,000).

In addition, during the six months ended 30 June 2024, the Group disposed property, plant and equipment with a carrying amount of approximately HK\$7,010,000 (2023: HK\$186,000) for the proceeds of approximately HK\$5,776,000 (2023: HK\$172,000) resulting in a loss on disposal of approximately HK\$1,234,000 (2023: loss on disposal of HK\$14,000).

During the six months ended 30 June 2024, the Group entered into certain new lease agreements for the use of office premises for one to five years (2023: one to six years). The Group is required to make fixed monthly payment during the contract period. On lease commencement, the Group recognised approximately HK\$11,876,000 (2023: HK\$3,784,000) of right-of-use assets and approximately HK\$11,876,000 (2023: HK\$3,784,000) of lease liabilities.

11. GOODWILL

Goodwill is allocated to the cash generating unit, representing primary real estate services in the PRC. As at 30 June 2024 and 31 December 2023, there is no movement in goodwill in both current and prior periods.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

12. ACCOUNTS RECEIVABLE

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

	30 June 2024 HK\$'000 (unaudited)	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	288,838	238,823
	556,321	577,097

13. FINANCIAL ASSETS AT FVTPL

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Listed investments at fair value — Listed equity securities in Hong Kong	4,509	4,383

Fair value of the investments in listed equity securities as determined by reference to bid prices quoted in active market.

14. PAYABLES AND ACCRUALS

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

15. SHARE CAPITAL

	Number of shares	Nominal Amounts HK\$'000
Authorised: Ordinary shares of HK\$0.01 each At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	8,000,000,000	80,000
Issued and fully paid: At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	674,149,989	6,741

16. 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 six months ended 30 June 2024 (2023:Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

17. OPERATING LEASES

(a) The Group as lessee

At the end of the reporting period, the total future minimum lease payments under non-cancellable leases were payable as follows:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within one year	69,678	73,472

The Group is the lessee in respect of a number of shops with lease term of 12 months or less. The Group applies the "short-term lease" recognition exemptions for these leases and the future minimum lease payments regarding these leases are disclosed as above.

(b) The Group as lessor

Operating lease income commitments are mainly for the investment properties of the Group. At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within one year	1,134	2,200
In the second to fifth year inclusive	4,740	5,146
Over five years	1,874	2,200
	7,748	9,546

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

18. 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 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

18. SHARE OPTIONS SCHEME (Cont'd)

(a) Share option scheme of the Company (Cont'd)

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\$
The Scheme							
(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
	67,380,000	-	-	(33,710,000)	-	33,670,000	1.85

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 30 June 2024

18. SHARE OPTIONS SCHEME (Cont'd)

(a) Share option scheme of the Company (Cont'd)

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 were transferred out of the special reserve.

As at the date of the interim report, the total number of shares of the Company available for issue under the Scheme (including the above options granted but not yet cancelled 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 on 16 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.

19. COMPARATIVES

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

BUSINESS REVIEW

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

II. Business Review of the Group (Cont'd)

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.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

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 and this report 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).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, the interests of the directors and their associates in the shares of the Company or its associated corporations (within the meaning as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies (the "Model Code") in the Listing Rules were as follows:

Long positions

- (i) *Ordinary share of HK\$0.01 each and underlying shares under equity derivatives of the Company:*

Name of Director	Number of shares			Aggregate interest	Approximate percentage of the issued share capital
	Ordinary shares interests held under personal/spouse name	Ordinary shares interests held by controlled corporation/trust	Underlying shares (under equity derivatives of the Company) (Note 3)		
Director					
Mr. Fu Wai Chung ("Mr. Fu")	35,422,668 (Note 1)	160,193,644 (Note 1)	–	195,616,312	29.02%
Mr. Fu Ear Ly	–	90,319,938 (Note 2)	–	90,319,938	13.40%
Mr. Gao Bin ("Mr. Gao")	–	–	11,740,000	11,740,000	1.74%
Mr. Huang Peng	432,000 (Note 4)	–	–	432,000	0.06%

Notes:

- (1) These 29,431,304 shares are registered in the name of Fu's Family Limited which is held as to 70% by Mr. Fu, 15% by Ms. Ng Wan and the remaining 15% by Ms. Fu Man. 112,418,263 shares are registered in the name of China-net Holding Ltd. which is wholly-owned by Mr. Fu. China-net Holding Ltd. is also interested in 18,344,077 shares through its ownership of Happy Chord Limited which is wholly-owned by China-net Holding Ltd.. 28,024,334 shares are held by himself and 7,398,334 shares held by his spouse, Ms. Ng Wan.
- (2) These 78,319,938 shares are registered in the name of Rainbow Cross Limited which is wholly-owned by Mr. Fu Ear Ly. He is the son of Mr. Fu and Ms. Ng Wan, and the nephew of Ms. Fu Man.

12,000,000 shares are registered in the name of Intelligent Youth Limited which is also wholly-owned by Mr. Fu Ear Ly.
- (3) Details of share options held by directors are shown in the section of "Share Options".
- (4) 432,000 shares are held by Mr. Huang.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

Long positions (Cont'd)

(ii) Ordinary shares of US\$1.00 each in Fu's Family Limited

Name of director	Number of shares interested	Percentage of shareholding
Mr. Fu Wai Chung	70	70%
Ms. Ng Wan	15	15%
Ms. Fu Man	15	15%

(iii) Ordinary shares of US\$1.00 each in China-net Holding Ltd.

Name of director	Number of shares interested	Percentage of shareholding
Mr. Fu Wai Chung	100	100%

Share Options

On 23 May 2023, the Company adopted a share option scheme (the "Scheme") to replace the share option scheme adopted in year 2014 (the "Old Scheme").

Details of the share options under the Scheme as at 30 June 2024 were as follows:

Name or category of participant	Date of grant	Exercise period	Vesting period & Performance target	Exercise price per share	Number of Shares subject to share options				As at 30 June 2024
					As at 1 January 2024	Granted during the period	Lapsed during the period	Exercised during the period	
Directors									
Mr. Zhu (resigned on 31 May 2024)	16 June 2023	Vesting date to 15 June 2033 (Note 1)	(Note 1)	HK\$1.85	30,340,000	-	(30,340,000)	-	N/A
Mr. Gao	16 June 2023	Vesting date to 15 June 2033 (Note 1)	(Note 1)	HK\$1.85	11,740,000	-	-	-	11,740,000
Employees									
	16 June 2023	Vesting date to 15 June 2033 (Note 1)	(Note 1)	HK\$1.85	25,300,000	-	(3,370,000)	-	21,930,000
Total					67,380,000	-	(33,710,000)	-	33,670,000
							(Note 2)		

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

Long positions (Cont'd)

Share Options (Cont'd)

Notes:

- (1) First Tranche: conditional upon (i) the Group having achieved the annual performance set by the Board for the year ended 31 December 2023; and (ii) the relevant Grantees having achieved the individual's annual performance targets set by the Group for the year ended 31 December 2023, then, 70% and 40% of shares granted under the share options to Batch A Grantee and Batch B Grantees (as defined below), respectively, will be vested on 1 July 2024;

Second Tranche: conditional upon (i) the Group having achieved the annual performance set by the Board for the year ended 31 December 2024; and (ii) the relevant grantees having achieved the individual's annual performance targets set by the Group for the year ended 31 December 2024, then, 15% and 30% of shares granted under the share options to Batch A Grantee and Batch B Grantees, respectively, will be vested on 1 April 2025;

Third Tranche: conditional upon (i) the Group having achieved the annual performance set by the Board for the year ended 31 December 2025; and (ii) the relevant grantees having achieved the individual's annual performance targets set by the Group for the year ended 31 December 2025, then, 15% and 30% of shares granted under the share options to Batch A Grantee and Batch B Grantees, respectively, will be vested on 1 April 2026.

"Batch A Grantee" refers to Mr. Zhu. All options of Mr. Zhu, Batch A Grantee, lapsed during the six months ended 30 June 2024.

"Batch B Grantees" refers to Mr. Gao and the employees of the Group.

- (2) A total of 33,710,000 options lapsed during the period ended 30 June 2024.
- (3) Share options offered to Mr. Zhu and Mr. Gao are subject to approval by the shareholders at a general meeting of the Company and have been approved by the shareholders at the extraordinary general meeting held on 30 August 2023. 30,340,000 options granted to Mr. Zhu lapsed during the six months ended 30 June 2024.
- (4) The closing price of the shares immediately before the date on which the options were granted was HK\$1.85.

No share options were granted, cancelled or exercised during the period.

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.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (Cont'd)

Long positions (Cont'd)

Share Options (Cont'd)

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 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%).

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had or were deemed to have any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which has been notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At the extraordinary general meeting held on 23 May 2023 ("2023 1st extraordinary general meeting") the Company had adopted the Scheme to replace the Old Scheme. Under the Scheme, the directors of the Company may, at their discretion, invite employees of the Company or any member of the Group, including any executive, non-executive and independent non-executive directors of the Group and the directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company to take up options to subscribe for shares in the Company representing up to a maximum 10% of the shares in issue as at the date of 2023 1st extraordinary general meeting and subject to renewal with shareholders' approval.

Other than the Company's share option scheme as disclosed above, at no time during the period was the Company, or any of its subsidiaries or its fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, the interests or short positions of the substantial shareholders in the shares or underlying shares of the Company which have been disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO and have been recorded in the register kept by the Company pursuant to section 336 of the SFO:

Long positions

Name of shareholder	Capacity	Number of issued ordinary shares or security interests	Approximate percentage of the issued share capital and/or security interest of the Company
Mr. Fu	Beneficial owner/Held by controlled corporation/Spouse interests (note 1)	195,616,312	29.02%
Concrete Win Limited	Held by controlled corporation (note 2)	168,537,497	25.00%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
Country Garden Property Services HK Holdings Company Limited	Beneficial owner (note 2)	168,537,497	25.00%
	Person having security interest in shares (note 2)	67,414,999	10.00%
Country Garden Services Holdings Company Limited	Held by controlled corporation (note 2)	168,537,497	25.00%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
United Gain Group Ltd	Held by controlled corporation (note 2)	168,537,497	25.00%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
Ms. YANG Huiyan	Held by controlled corporation (note 2)	168,537,497	25.00%
	Held by controlled corporation (security interest) (note 2)	67,414,999	10.00%
Mr. CHEN Chong	Interest of spouse (note 2)	168,537,497	25.00%
	Interest of spouse (security interest) (note 2)	67,414,999	10.00%
China-net Holding Ltd.	Beneficial owner/Held by controlled corporation (note 1)	130,762,340	19.40%
Mr. Fu Ear Ly	Held by controlled corporation (note 3)	90,319,938	13.40%
Rainbow Cross Limited	Beneficial owner (note 3)	78,319,938	11.62%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (Cont'd)

Long positions (Cont'd)

Notes:

1. Under the SFO, Mr. Fu is deemed to be interested in the shares held by Fu's Family Limited and China-net Holding Ltd.. Mr. Fu's interests include 29,431,304 shares held through Fu's Family Limited, 28,024,334 shares held by himself and 7,398,334 shares held by his spouse, Ms. Ng Wan. 112,418,263 shares are registered in the name of China-net Holding Ltd. which is wholly-owned by Mr. Fu. China-net Holding Ltd. is also interested in 18,344,077 shares through its ownership of Happy Chord Limited which is wholly-owned by China-net Holding Ltd.. The entire issued share capital of Fu's Family Limited is held as to 70% by Mr. Fu, 15% by Ms. Ng Wan and 15% by Ms. Fu Man, the sister of Mr. Fu. Under the SFO, Mr. Fu is deemed to be interested in all the shares registered in the name of Fu's Family Limited.
2. 168,537,497 shares are registered in the name of Country Garden Property Services HK Holdings Company Limited, a company wholly-owned by United Gain Group Ltd. United Gain Group Ltd is owned as to 100.00% by Country Garden Services Holdings Company Limited ("CG Services"). Ms. Yang Huiyan holds a total of 16.26% shares of CG Services through Concrete Win Limited and Fortune Warrior Global Limited and holds 20.18% of the voting rights of CG Services' shares (the shares are owned by Guoqiang Public Welfare Foundation (Hong Kong) Limited), thus Ms. Yang is deemed to be interested in a total of 36.44% shares in CG Services. Mr. Chen Chong is the husband of Ms. Yang and is deemed to be interested in the shares in which Ms. Yang is interested. There is a charge over 67,414,999 shares of the Company in favour of Country Garden Property Services HK Holdings Company Limited as security for certain indemnification obligations pursuant to an equity transfer agreement dated 9th November, 2022. Therefore, Country Garden Property Services HK Holdings Company Limited is deemed to have a security interest in these shares.
3. These 78,319,938 shares are registered in the name of Rainbow Cross Limited which is wholly-owned by Mr. Fu Ear Ly.

12,000,000 shares are registered in the name of Intelligent Youth Limited which is also wholly-owned by Mr. Fu Ear Ly. He is the son of Mr. Fu and Ms. Ng Wan, and the nephew of Ms. Fu Man.

Save as disclosed above, as at 30 June 2024, the Company had not been notified of any person's interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of Part XV of the SFO.

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 Rule 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 report, 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.