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HOPE LIFE INTERNATIONAL HOLDINGS LIMITED

曠逸國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Hope Life International Holdings Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**FY2024**”), together with the audited figures for the year ended 31 December 2023 (the “**FY2023**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations			
Revenue	3	188,737	293,151
Cost of sales		<u>(152,702)</u>	<u>(232,328)</u>
Gross profit		36,035	60,823
Other income and gains	4	239	27
Selling and distribution expenses		(22,984)	(26,854)
Impairment losses under expected credit loss model, net of reversal	6	(13,056)	(1,887)
Administrative expenses		(13,061)	(19,021)
Finance costs	5	<u>(15,513)</u>	<u>(6,398)</u>
(Loss)/profit before taxation	6	(28,340)	6,690
Income tax expenses	7	<u>(2,297)</u>	<u>(5,490)</u>
(Loss)/profit for the year from continuing operations		<u>(30,637)</u>	<u>1,200</u>
Discontinued operation			
Loss for the year from discontinued operation		<u>–</u>	<u>(2,121)</u>
Loss for the year		<u>(30,637)</u>	<u>(921)</u>
Other comprehensive loss for the year, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(1,107)	(1,163)
Exchange differences on inter-company loans to subsidiaries that form part of net investment in foreign operations		<u>(6,958)</u>	<u>(1,821)</u>
Other comprehensive loss for the year		<u>(8,065)</u>	<u>(2,984)</u>
Total comprehensive loss for the year		<u>(38,702)</u>	<u>(3,905)</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company			
– from continuing operations		(32,652)	(3,514)
– from discontinued operation		–	(2,121)
		<u> </u>	<u> </u>
Loss for the year attributable to owners of the Company		(32,652)	(5,635)
		<u> </u>	<u> </u>
Profit for the year attributable to non-controlling interests			
– from continuing operations		2,015	4,714
		<u> </u>	<u> </u>
Profit for the year attributable to non-controlling interests		2,015	4,714
		<u> </u>	<u> </u>
		(30,637)	(921)
		<u> </u>	<u> </u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(40,384)	(8,495)
Non-controlling interests		1,682	4,590
		<u> </u>	<u> </u>
		(38,702)	(3,905)
		<u> </u>	<u> </u>
Total comprehensive loss attributable to owners of the Company:			
– from continuing operations		(40,384)	(6,374)
– from discontinued operation		–	(2,121)
		<u> </u>	<u> </u>
		(40,384)	(8,495)
		<u> </u>	<u> </u>
Loss per share:			
From continuing and discontinued operations			
Basic and diluted (<i>HK cents</i>)	9	(2.17)	(0.50)
From continuing operations			
Basic and diluted (<i>HK cents</i>)	9	(2.17)	(0.31)
		<u> </u>	<u> </u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		23,133	24,153
Right-of-use assets		618	842
		<u>23,751</u>	<u>24,995</u>
Current assets			
Inventories		89,315	98,846
Trade receivables	10	103,174	111,230
Contract assets		21,742	44,887
Deposits, prepayments and other receivables		168,697	160,510
Cash and bank balances		62,153	40,434
		<u>445,081</u>	<u>455,907</u>
Current liabilities			
Trade payables	11	2,488	26,648
Other borrowings		75,016	73,651
Contract liabilities		2,846	135
Lease liabilities		329	885
Income tax payable		662	1
Accrued expenses and other payables		35,595	16,111
		<u>116,936</u>	<u>117,431</u>
Net current assets		<u>328,145</u>	<u>338,476</u>
Total assets less current liabilities		<u>351,896</u>	<u>363,471</u>
Non-current liabilities			
Lease liabilities		292	–
		<u>292</u>	<u>–</u>
Net assets		<u><u>351,604</u></u>	<u><u>363,471</u></u>

	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and reserves		
Share capital	31,104	25,920
Reserves	309,768	328,501
	<hr/>	<hr/>
Equity attributable to owners of the Company	340,872	354,421
Non-controlling interests	10,732	9,050
	<hr/>	<hr/>
Total equity	351,604	363,471
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Hope Life International Holdings Limited (the “**Company**”) was incorporated in Cayman Islands on 19 January 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at No. 1012 on 10th Floor Harbour Crystal Centre No. 100 Granville Road Kowloon.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the “**Group**”) are principally engaged in construction and ancillary services, which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, and consumer goods business.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the 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 and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Amendments to HKFRSs in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(a) Analysis of revenue

Continuing operations

	2024	2023
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
Recognised on over time basis:		
Design, fitting-out and decoration service income	65,995	83,246
	65,995	83,246
Recognised on point in time basis:		
Sales of wine products	122,742	209,905
Total revenue recognised during the year	188,737	293,151

(b) Performance obligations for contracts with customers

Revenue from provision of design, fitting-out and decoration service income

Revenue from the provision of design, fitting-out and decoration service income are recognised on an over time basis, using an input method to measure progress towards complete satisfaction of the services, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method adopted by the Group recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services. The input method provides a faithful depiction of the Group's performance where reliable information is available to the Group to apply the method.

A certain percentage is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality, including repairing for any leakage, damages, works ratifying that unsatisfied by architects and the customers over a certain period as stipulated in the contracts.

For revenue from provision of design and/or decoration service and design, fitting-out and decoration service that contain variable consideration such as variations in contract work, claims and incentive payment, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transactions price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Revenue from sales of wine products

Revenue from sales of wine products is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (i.e. upon delivery). Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

The Group's obligations to provide a refund for faulty products are under the standard warranty terms. Accumulated experience is used to estimate such returns at the time of sale. It is highly probable that a significant reversal in the cumulative revenue recognised will not occur. Therefore, no refund liability for goods return was recognised. The validity of this assumption and estimate is reassessed at each reporting date.

(c) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for production and sales of wine products, provision for design and/or decoration service and design, fitting-out and declaration service such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the aforesaid contracts that had an original expected duration of one year or less.

Segment information

The executive directors of the Company, being the chief operating decision-makers (“CODM”), review the Group’s internal reporting in order to assess performance and allocate resources. Information reported to the chief operating decision marker, for the purpose of resources allocation and performance assessment, focuses on the types of goods or services delivered or provided.

For the segment reporting purpose to the CODM, the Group is currently organised into the followings two operating and reportable segments:

- (a) Construction and ancillary services – design, fitting-out, decoration, alteration and addition, construction and other related businesses.
- (b) Consumer goods business – production and sales of wine products.

An operating segment regarding the financial business was discontinued during FY2023.

Segment revenue and results

	Construction and ancillary services <i>HK\$'000</i>	Consumer goods business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2024			
Continuing operations			
Segment revenue	<u>65,995</u>	<u>122,742</u>	<u>188,737</u>
Segment results	<u>(4,912)</u>	<u>(3,702)</u>	(8,614)
Unallocated corporate income			216
Unallocated corporate expenses			<u>(19,942)</u>
Loss before taxation			(28,340)
Income tax expenses			<u>(2,297)</u>
Loss for the year			<u>(30,637)</u>

	Construction and ancillary services <i>HK\$'000</i>	Consumer goods business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2023			
Continuing operations			
Segment revenue	83,246	209,905	293,151
Segment results	(878)	22,409	21,531
Unallocated corporate income			26
Unallocated corporate expenses			(14,867)
Profit before taxation			6,690
Income tax expenses			(5,490)
Profit for the year			1,200

Unallocated corporate income mainly included certain unallocated bank interest income for the years ended 31 December 2024 and 2023.

Unallocated corporate expenses mainly include certain general office expenses, finance cost on other borrowings and employee benefit expenses.

Segment results represent the profit earned by or loss from each segment without allocation of income tax expenses, unallocated corporate income and unallocated corporate expense. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

Segment assets and liabilities

	Construction and ancillary services <i>HK\$'000</i>	Consumer goods business <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2024			
Assets			
Segment assets	52,255	416,507	468,762
Unallocated assets			70
Consolidated total assets			468,832
Liabilities			
Segment liabilities	3,576	7,025	10,601
Unallocated liabilities			106,627
Consolidated total liabilities			117,228

	Construction and ancillary services <i>HK\$'000</i>	Consumer goods business <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2023			
Assets			
Segment assets	70,281	410,557	480,838
Unallocated assets			64
Consolidated total assets			<u>480,902</u>
Liabilities			
Segment liabilities	20,665	10,565	31,230
Unallocated liabilities			86,201
Consolidated total liabilities			<u>117,431</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (mainly comprising certain unallocated cash and bank balances, and other receivables); and
- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising certain unallocated accrued expenses and other payables and other borrowings).

Other segment information

	Construction and ancillary services <i>HK\$'000</i>	Consumer goods business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2024				
Capital expenditure (<i>note (a)</i>)	–	3,820	–	3,820
Depreciation of property, plant and equipment	–	3,267	–	3,267
Depreciation of right-of-use assets	–	593	–	593
Interest on lease liabilities	–	21	–	21
Interest on other borrowings	–	–	15,492	15,492
Allowance for expected credit losses, net	<u>1,456</u>	<u>11,600</u>	<u>–</u>	<u>13,056</u>

	Construction and ancillary services <i>HK\$'000</i>	Consumer goods business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2023				
Continuing operations				
Depreciation of property, plant and equipment	–	3,157	–	3,157
Depreciation of right-of-use assets	186	918	–	1,104
Interest on lease liabilities	9	59	–	68
Interest on other borrowings	–	–	6,330	6,330
Allowance for expected credit losses, net	805	2,889	–	3,694
	<u>805</u>	<u>2,889</u>	<u>–</u>	<u>3,694</u>

Note:

(a) Capital expenditure consists of additions of property, plant and equipment and right-of-use assets.

Geographical information

The Group's operations are located in Hong Kong, Macau and People's Republic of China (the "PRC").

The Group's geographical segments are classified according to the location of provision of services and delivery of goods. There are three customer-based geographical segments. Segment revenue from continuing operations from external customers by the location of customers during the years are as follows:

Revenue from external customers

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	65,995	72,296
The PRC	122,742	177,505
Macau	–	43,350
	<u>188,737</u>	<u>293,151</u>

The Group's geographical segments are also classified by the location of assets, information about its non-current assets by geographical location are detailed below:

Non-current assets

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	618	1,136
The PRC	23,133	23,859
	<u>23,751</u>	<u>24,995</u>

Information about major customers

Revenue from continuing operations from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ²	50,116	66,353
Customer B ¹	44,500	–
Customer C ²	26,602	76,924
Customer D ²	24,896	34,689
Customer E ¹	20,800	34,033
Customer F ²	20,756	–
Customer G ¹	–	43,350
Customer H ¹	–	31,939
	<u> </u>	<u> </u>

¹ Revenue from provision of design, fitting out and decoration service.

² Revenue from sales of wine products.

4. OTHER INCOME AND GAINS

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank interest income	16	3
Gain on disposal of a subsidiary	–	24
Loss on disposal of property, plant and equipment	(120)	–
Sundry income	330	–
Gain on early termination of lease	13	–
	<u> </u>	<u> </u>
	<u>239</u>	<u>27</u>

5. FINANCE COSTS

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on other borrowings	15,492	6,330
Interest on lease liabilities	21	68
	<u> </u>	<u> </u>
	<u>15,513</u>	<u>6,398</u>

6. (LOSS)/PROFIT BEFORE TAXATION

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/profit before taxation from continuing operations has been arrived at after charging/(crediting):		
Directors' emoluments	1,063	3,654
Salaries, wages and other benefits (excluding directors' emoluments) (Note (i))	7,978	8,446
Pension scheme contributions (excluding directors' emoluments)	51	106
	<u>9,092</u>	<u>12,206</u>
Auditor's remuneration		
Audit services	1,176	1,000
Cost of inventories of wine products recognised as expenses	88,886	154,616
Cost of materials used for construction and ancillary services (included in cost of sales)	654	226
Sub-contracting charges for construction and ancillary services (included in cost of sales)	63,162	77,486
Advertisement expenses (included in selling and distribution expense)	21,492	25,008
Research and development expenses (included in administrative expenses)	510	465
Depreciation of property, plant and equipment		
– Cost of sales	3,092	3,148
– Administrative expense	175	9
Depreciation of right-of-use assets (included in administrative expenses)	593	1,104
Expense relating to short-term leases (included in administrative expenses)	2,103	1,671
Provision for impairment loss on prepayments to suppliers (included in administration expenses)	–	1,807
Provision for/(reversal of) impairment loss under expected credit loss model on:		
– Trade receivables	13,549	895
– Contract assets	(500)	992
– Deposits and other receivables (not credit-impaired)	7	–
	<u>13,056</u>	<u>1,887</u>

Note:

- (i) Total staff costs amounting to approximately HK\$1,701,000 (2023: HK\$1,851,000) are included in cost of sales; amounting to approximately HK\$5,636,000 (2023: HK\$5,979,000) are included in administrative expenses, amounting to approximately HK\$416,000 (2023: HK\$390,000) are included in research and development expenses and amounting to approximately HK\$225,000 (2023: HK\$212,000) are included in selling and distribution expenses.

7. INCOME TAX EXPENSES

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax		
– Current income tax	–	–
PRC Enterprise Income Tax (“EIT”)		
– Current income tax	<u>2,297</u>	<u>5,490</u>
Current tax expenses	<u><u>2,297</u></u>	<u><u>5,490</u></u>

Hong Kong Profit Tax is calculated at 16.5% on the estimated assessable profit for both years.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI both years.

Under the Law of the EIT and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

No deferred tax assets has been recognised as it is not considered probable that taxable profits will be available against which the deferred tax can be utilised.

8. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

9. LOSS PER SHARE

From continuing operations

The calculation of basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the following data:

Loss

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	(32,652)	(5,635)
Less: loss for the year from discontinued operation	<u>–</u>	<u>2,121</u>
Loss for the purpose of calculating basic and diluted loss per share for continuing operations	<u><u>(32,652)</u></u>	<u><u>(3,514)</u></u>

Number of shares

	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>1,506,911</u>	<u>1,126,396</u>

(a) Basic loss per share

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2023 has been adjusted to reflect the share consolidation and effect of bonus element in rights issue on 16 February 2023 and 23 April 2023, respectively.

(b) Diluted loss per share

The calculation of diluted loss per share is the same as basic loss per share for the years ended 31 December 2024 and 2023 as there were no potential ordinary shares during both years.

10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	118,232	112,760
Less: Allowance for expected credit losses	<u>(15,058)</u>	<u>(1,530)</u>
	<u>103,174</u>	<u>111,230</u>

At 1 January 2023, trade receivables from contracts with customers amounted to HK\$29,652,000 (net of allowance for expected credit losses).

The Group's credit term with its customers for construction and ancillary services is, in general, 7 to 30 days (2023: 7 to 30 days). For customers of sales of wine products, invoices are due upon within 90 days (2023: 180 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The ageing analysis of the gross amount of trade receivables based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current to 30 days	37,443	82,329
31–60 days	8,897	15,063
61–90 days	8,787	14,523
91–180 days	28,267	845
181–365 days	2,433	–
Over 365 days	<u>32,405</u>	<u>–</u>
	<u>118,232</u>	<u>112,760</u>

The ageing analysis of the net carrying amount of trade receivables based on the invoice date is as follow:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	36,734	81,182
31–60 Days	8,835	14,872
61–90 days	8,726	14,339
91–180 days	27,884	837
181–365 days	729	–
Over 365 days	20,266	–
	<hr/>	<hr/>
Total	103,174	111,230
	<hr/> <hr/>	<hr/> <hr/>

11. TRADE PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	2,488	26,648
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The ageing analysis of trade payables, based on the invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current to 30 days	2,031	25,012
Over 90 days	457	1,636
	<hr/>	<hr/>
	2,488	26,648
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The credit period on purchases of certain goods and services is within 0 to 30 days.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the results of the Group for the year ended 31 December 2024 (“FY2024”), together with the comparative figures for the year ended 31 December 2023 (“FY2023”).

FINANCIAL REVIEW

During FY2024, the revenue of the Group decreased by HK\$104.5 million to HK\$188.7 million (FY2023: HK\$293.2 million) and the overall gross profit of the Group decreased by HK\$24.8 million to HK\$36.0 million (FY2023: HK\$60.8 million). The Group recorded loss for the year of HK\$30.6 million (FY2023: HK\$0.9 million) mainly due to the increase in finance costs from interests on other borrowings and provision for impairment loss under expected credit loss model.

BUSINESS REVIEW

The Group has two major segments for continuing operations, namely construction and ancillary services and consumer goods business.

A breakdown of the revenue was listed below:

Continuing operations

	Year ended 31 December 2024		Year ended 31 December 2023	
	HK\$'000	%	HK\$'000	%
Construction and ancillary services	65,995	35.0	83,246	28.4
Consumer goods business	122,742	65.0	209,905	71.6
Revenue	<u>188,737</u>	<u>100.0</u>	<u>293,151</u>	<u>100.0</u>

Construction and ancillary services

Construction and ancillary services which include design, fitting out, decoration, alteration and addition, construction and other related business were the focus among our business segments in FY2024. During FY2024, the revenue from construction and ancillary services decreased by HK\$17.2 million to HK\$66.0 million (FY2023: HK\$83.2 million). The decrease in revenue from this segment was mainly due to the decrease in revenue contributed from the construction and ancillary services of commercial projects.

Consumer goods business

The Company commenced the consumer goods business since the beginning of 2021. The Group's consumer goods business is principally engaged in the production and sales of yellow wine products in the PRC which comprises yellow wines from medium to high grade with different flavors and modern-packaging designs to target young and middle-aged middle class to high class consumers. The Group's consumer goods business has chosen to base in Jiangxi, which is one of the most popular areas in the PRC in respect of Chinese yellow wine, and operates a wine production plant in Jiangxi with yellow wine production capacity of approximately 3,000 tons per annum.

The Group's yellow wine products are sold mainly under the brand labels "Minyue Hong" (閩越紅), "Tan Shishan" (曇石山) and "Xingyun Zhi Guang" (幸運之光). To continuously improve product quality and launch new products to cater for the demand of the market, the Group has a research and development department responsible for quality advancement as well as the development of new wine products.

The Group's yellow wine products are sold mainly to wine dealers and distributors such as food wholesalers, supermarkets and department stores based in Fujian.

During the year ended 31 December 2024, revenue from the consumer goods business amounted to approximately HK\$122.7 million, representing a decrease by 41.5% compared to the HK\$209.9 million revenue generated during the year ended 31 December 2023.

Discontinued operation – financial services

Money lending business

The money lending business was discontinued in FY2023 due to disposal of the subsidiary holding a money lenders license in Hong Kong in FY2023. Before the disposal of the subsidiary, the Group provided loan facilities to prospective customers including enterprises and individuals.

Selling and distribution expenses

Selling and distribution expenses for consumer goods business decreased by HK\$3.9 million from HK\$26.9 million in FY2023 to HK\$23.0 million in FY2024, which is mainly due to less advertisements required compared to FY2023.

Administrative expenses

The administrative expenses decreased by HK\$5.9 million from HK\$19.0 million in FY2023 to HK\$13.1 million in FY2024. The decrease was mainly due to the decrease in the remuneration to directors and employees.

Finance costs

The finance costs increased by HK\$9.1 million from HK\$6.4 million in FY2023 to HK\$15.5 million in FY2024. The increase was mainly due to the increase of the interest of other borrowings from HK\$6.3 million in FY2023 to HK\$15.5 million in FY2024.

Loss for the year

The Group recorded loss for the year of HK\$30.6 million in FY2024 as compared to the loss for the year of HK\$0.9 million in FY2023 mainly due to the increase in finance costs from interests on other borrowings and provision for impairment loss under expected credit loss model.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 55 employees (31 December 2023: 64) in Hong Kong and the PRC. The total remuneration paid by the Group to its employees (including Directors) for FY2024 was HK\$10.3 million (FY2023: HK\$12.1 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including Directors and senior management), the following factors are considered:

- workload, responsibility and job complexity;
- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- corporate goals and objectives;
- market rates and changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

In addition to salaries, provident fund scheme, medical insurance coverage and discretionary bonuses are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his/her own remuneration.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2024, the Group had a total cash and bank balances of HK\$62.2 million (31 December 2023: HK\$40.4 million) mainly denominated in Hong Kong dollars and Renminbi.

The Group continued to maintain a healthy liquidity position. As at 31 December 2024, the Group had net current assets of HK\$328.1 million (31 December 2023: HK\$338.5 million). The Group had current ratio of approximately 3.8 times as at 31 December 2024 compared to that of approximately 3.9 times at 31 December 2023.

The gearing ratio of the Group is defined as a percentage of interest-bearing liabilities divided by total equity. As at 31 December 2024, the gearing ratio was approximately 21.3% (31 December 2023: 20.3%). The Group's working capital requirements were mainly financed by internal resources.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in Hong Kong dollars and Renminbi and also incurs cost in Hong Kong dollars and Renminbi. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

PLEDGE OF ASSETS

There was no pledged asset as at 31 December 2024 (31 December 2023: nil).

PLACING OF NEW SHARES

On 19 January 2024, the Company entered into the placing agreement with CNI Securities Group Limited, pursuant to which the Company appointed CNI Securities Group Limited as its placing agent to procure not less than six placees who are independent third parties to subscribe for up to 259,200,000 placing shares at the placing price of HK\$0.105 per placing share on a best effort basis in accordance with the terms and conditions of the placing agreement. The Company carried out the placing offers since it offered a good opportunity to raise further capital for broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as strengthening the financial position of the Group.

The placing was completed on 15 March 2024. An aggregate of 259,200,000 placing shares have been successfully placed to not less than six placees. The net proceeds from the placing were approximately HK\$26.8 million. The net proceeds were used as disclosed below.

Details of the placing have been set out in the announcements of the Company dated 19 January 2024 and 15 March 2024, respectively.

The proposed use of net proceeds from the placing of new shares, and details of the original allocation of the net proceeds, and the utilization of the net proceeds up to 31 December 2024 had been applied as below:

	Intended use as stated in the announcements of the Company dated 19 January and 15 March 2024	Utilised amount for the year ended 31 December 2024	Unutilised amount as at 31 December 2024
Use of proceeds	<i>Approximately HK\$ (million)</i>	<i>Approximately HK\$ (million)</i>	<i>Approximately HK\$ (million)</i>

The net proceeds from the share placing are intended to be used for

- as to approximately HK\$26.8 million for the repayment of the Group’s interest-bearing borrowing and its accrued interest

	26.8	–	26.8
Total	26.8	–	26.8

As at 31 December 2024, nil of net proceeds raised have been utilised as intended for the year ended 31 December 2024. There was unutilised proceeds of HK\$26.8 million as at 31 December 2024 and the unutilised proceeds are expected to be utilised in 2025. There is no material change between the intended use of proceeds and the actual use of proceeds.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2024 (31 December 2023: nil).

CAPITAL COMMITMENTS

The Group had no significant outstanding capital commitment as at 31 December 2024 (31 December 2023: nil).

DIVIDEND

The Directors do not recommend any payment of final dividend for the year ended 31 December 2024 (31 December 2023: nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises two executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (“**CG Code**”) set out in Appendix C1 to the Listing Rules. During the year ended 31 December 2024 and up to the date of this announcement, the Company has complied with the code provisions under the CG Code.

The Company periodically reviews its corporate governance practices to ensure that it continues to meet the requirements under the Code Provisions.

COMPLIANCE WITH MODEL CODE

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in dealing in the Company’s securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2024.

SCOPE OF WORK OF KTC PARTNERS CPA LIMITED

The figures in respect of the preliminary announcement of the Group’s results for the FY2024 have been agreed by the Group’s auditors, KTC Partners CPA Limited, to the amounts as set out in the Group’s consolidated financial statements for the FY2024. The work performed by KTC Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by KTC Partners CPA Limited on the preliminary announcement.

CAPITAL EXPENDITURE, MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group had no material capital expenditure, material investment, acquisition and disposal transactions during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the year ended 31 December 2024.

AUDIT COMMITTEE

The primary responsibilities of the audit committee of the Company (the “**Audit Committee**”) are to make recommendation to the Board on the appointment and removal of external auditors, review the financial statements and material advice in respect of financial reporting at least at half-year intervals, and oversee the risk management policies and internal control procedures of the Group constantly. The Audit Committee currently consists of three members, namely, Ms. Chan Wai Yan, Mr. Zhen Jian and Ms. Zhao Hongqin, all of whom are independent non-executive Directors. Ms. Chan Wai Yan currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed with senior management of the Group, this announcement, the accounting principles and practices adopted by the Group and has discussed internal controls and financial reporting matters, including the review of Group's consolidated financial statements for the FY2024.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hopelife.hk) and the Company's annual report for FY2024 will be despatched to the shareholders of the Company and published on the Stock Exchange's and the Company's websites on or before 30 April 2025.

By order of the Board
Hope Life International Holdings Limited
LU Zhaowei
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the Board of Directors of the Company comprises Mr. LU Zhaowei, Mr. XIAO Yi and Mr. LI Ka Chun Gordon as executive Directors; and Mr. ZHEN Jian, Ms. ZHAO Hongqin and Ms. CHAN Wai Yan as independent non-executive Directors.