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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 2023**

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 2023 (the “**FY2023**”), together with the audited figures for the year ended 31 December 2022 (the “**FY2022**”) as follows:

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

*For the year ended 31 December 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
<b>Continuing operations</b>			
Revenue	3	<b>293,151</b>	190,652
Cost of sales		<u>(232,328)</u>	<u>(156,128)</u>
Gross profit		<b>60,823</b>	34,524
Other income	4	<b>27</b>	171
Selling and distribution expenses		<b>(26,854)</b>	(6,966)
Impairment losses under expected credit loss model, net of reversal	6	<b>(3,694)</b>	(4,199)
Administrative expenses		<b>(17,214)</b>	(14,630)
Finance costs	5	<u><b>(6,398)</b></u>	<u>(5,003)</u>
Profit before taxation	6	<b>6,690</b>	3,897
Income tax expenses	7	<u><b>(5,490)</b></u>	<u>(3,080)</u>
<b>Profit for the year from continuing operations</b>		<u><b>1,200</b></u>	<u>817</u>
<b>Discontinued operation</b>			
Loss for the year from discontinued operation		<u><b>(2,121)</b></u>	<u>(2,198)</u>
<b>Loss for the year</b>		<u><b>(921)</b></u>	<u>(1,381)</u>
<b>Other comprehensive loss for the year, net of income tax:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<b>(1,163)</b>	(755)
Exchange differences on inter-company loans to subsidiaries that form part of net investment in foreign operations		<u><b>(1,821)</b></u>	<u>(14,081)</u>
<b>Other comprehensive loss for the year</b>		<u><b>(2,984)</b></u>	<u>(14,836)</u>
<b>Total comprehensive loss for the year</b>		<u><b>(3,905)</b></u>	<u>(16,217)</u>

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
<b>Loss for the year attributable to owners of the Company</b>			
– from continuing operations		<b>(3,514)</b>	(1,974)
– from discontinued operation		<b>(2,121)</b>	(2,198)
		<u>(5,635)</u>	<u>(4,172)</u>
<b>Loss for the year attributable to owners of the Company</b>		<b>(5,635)</b>	(4,172)
<b>Profit for the year attributable to non-controlling interests</b>			
– from continuing operations		<b>4,714</b>	2,791
– from discontinued operation		–	–
		<u>4,714</u>	<u>2,791</u>
<b>Profit for the year attributable to non-controlling interests</b>		<b>4,714</b>	2,791
		<u>(921)</u>	<u>(1,381)</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		<b>(8,495)</b>	(18,780)
Non-controlling interests		<b>4,590</b>	2,563
		<u>(3,905)</u>	<u>(16,217)</u>
<b>Total comprehensive loss attributable to owners of the Company:</b>			
– from continuing operations		<b>(6,374)</b>	(16,582)
– from discontinued operation		<b>(2,121)</b>	(2,198)
		<u>(8,495)</u>	<u>(18,780)</u>
<b>Loss per share:</b>			
From continuing and discontinued operations			
Basic and diluted ( <i>HK cents</i> )	9	<b>(0.50)</b>	(0.99)
From continuing operations			
Basic and diluted ( <i>HK cents</i> )	9	<b>(0.31)</b>	(0.47)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

		2023	2022
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		24,153	27,980
Right-of-use assets		842	2,175
		<u>24,995</u>	<u>30,155</u>
<b>Current assets</b>			
Inventories		98,846	144,775
Trade receivables	10	111,230	29,017
Contract assets		44,887	8,660
Deposits, prepayments and other receivables		160,510	75,106
Cash and bank balances		40,434	52,490
		<u>455,907</u>	<u>310,048</u>
<b>Current liabilities</b>			
Trade payables	11	26,648	36,853
Other borrowings		73,651	41,736
Contract liabilities		135	599
Lease liabilities		885	1,370
Income tax payable		1	740
Accrued expenses and other payables		16,111	9,604
		<u>117,431</u>	<u>90,902</u>
<b>Net current assets</b>		<u>338,476</u>	<u>219,146</u>
Total assets less current liabilities		<u>363,471</u>	<u>249,301</u>
<b>Non-current liabilities</b>			
Lease liabilities		–	885
		–	885
<b>Net assets</b>		<u><u>363,471</u></u>	<u><u>248,416</u></u>

	<b>2023</b>	2022
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Capital and reserves</b>		
Share capital	<b>25,920</b>	8,640
Reserves	<b>328,501</b>	235,316
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Equity attributable to owners of the Company	<b>354,421</b>	243,956
Non-controlling interests	<b>9,050</b>	4,460
	<hr/>	<hr/>
<b>Total equity</b>	<b>363,471</b>	248,416
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 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 Flat 1703, 17th Floor, Wanchai Commercial Centre, Nos. 194–204 Johnston Road, Hong Kong.

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 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE AND SEGMENT INFORMATION

#### Revenue

##### (a) Analysis of revenue

Continuing operations

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
		(Re-presented)
<i>Revenue from contracts with customers within the scope of HKFRS 15</i>		
Recognised on over time basis:		
Design and/or decoration service income	–	432
Design, fitting-out and decoration service income	<b>83,246</b>	105,912
	<b>83,246</b>	106,344
Recognised on point in time basis:		
Sales of wine products	<b>209,905</b>	84,308
Total revenue recognised during the year	<b>293,151</b>	190,652

**(b) Performance obligations for contracts with customers**

*Revenue from provision of (i) design and/or decoration service income, and (ii) design, fitting-out and decoration service income*

Revenue from the provision of (i) design and/or decoration service income, and (ii) 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 of payments 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 by 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 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 in the current year.

### *Segment revenue and results*

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

	Construction and ancillary services <i>HK\$'000</i> (Re-presented)	Consumer goods business <i>HK\$'000</i> (Re-presented)	Total <i>HK\$'000</i> (Re-presented)
<b>Year ended 31 December 2022</b>			
<b>Continuing operations</b>			
Segment revenue	<u>106,344</u>	<u>84,308</u>	<u>190,652</u>
Segment results	<u>4,072</u>	<u>12,276</u>	16,348
Unallocated corporate income			75
Unallocated corporate expenses			<u>(12,526)</u>
Profit before taxation			3,897
Income tax expenses			<u>(3,080)</u>
Profit for the year			<u>817</u>

Unallocated corporate income mainly included certain unallocated bank interest income for the year ended 31 December 2023, and included certain unallocated bank interest income and government subsidies income for the year ended 31 December 2022.

Unallocated corporate expenses mainly include certain unallocated depreciation on property, plant and equipment and right-of-use assets, general office expenses, impairment losses under expected credit loss model, finance cost on lease liabilities and other borrowings and employee benefit expenses.

Segment results represent the profit earned by or loss from each segment without allocation of 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*

	<b>Construction and ancillary services HK\$'000</b>	<b>Consumer goods business HK\$'000</b>	<b>Total HK\$'000</b>
<b>As at 31 December 2023</b>			
<b>Assets</b>			
Segment assets	70,281	410,557	480,838
Unallocated assets			64
			<u>480,902</u>
<b>Consolidated total assets</b>			
<b>Liabilities</b>			
Segment liabilities	20,665	10,565	31,230
Unallocated liabilities			86,201
			<u>117,431</u>
<b>Consolidated total liabilities</b>			
	<b>Construction and ancillary services HK\$'000</b>	<b>Consumer goods business HK\$'000</b>	<b>Total HK\$'000</b>
<b>As at 31 December 2022</b>			
<b>Assets</b>			
Segment assets	40,756	298,491	339,247
Unallocated assets			228
Assets related to discontinued operation			728
			<u>340,203</u>
<b>Consolidated total assets</b>			
<b>Liabilities</b>			
Segment liabilities	35,663	7,311	42,974
Unallocated liabilities			48,692
Liabilities related to discontinued operation			121
			<u>91,787</u>
<b>Consolidated total liabilities</b>			

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 property, plant and equipment, right-of-use assets, cash and bank balances and deposits, prepayment 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, lease liabilities and other borrowings).

*Other segment information*

	<b>Construction and ancillary services <i>HK\$'000</i></b>	<b>Consumer goods business <i>HK\$'000</i></b>	<b>Unallocated <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Year ended 31 December 2023</b>				
<b>Continuing operations</b>				
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>          </u>	<u>          </u>	<u>          </u>	<u>          </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>
	(Re-presented)	(Re-presented)	(Re-presented)	(Re-presented)

**Year ended 31 December 2022**

<b>Continuing operations</b>				
Capital expenditure ( <i>note (a)</i> )	–	2,178	–	2,178
Depreciation of property, plant and equipment	12	3,310	–	3,322
Depreciation of right-of-use assets	805	115	–	920
Interest on lease liabilities	61	9	–	70
Interest on other borrowings	–	–	4,933	4,933
Allowance for expected credit losses, net	555	2	3,642	4,199
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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 customers. There are three customer-based geographical segments. Segment revenue from continuing operations from external customers by the location of customers during the year is as follows:

#### *Revenue from external customers*

##### Continuing operations

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i> (Re-presented)
Hong Kong	<b>72,296</b>	105,911
The PRC	<b>177,505</b>	84,741
Macau	<b>43,350</b>	–
	<b><u>293,151</u></b>	<b><u>190,652</u></b>

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*

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Hong Kong	<b>1,136</b>	2,504
The PRC	<b>23,859</b>	27,651
	<b><u>24,995</u></b>	<b><u>30,155</u></b>

### ***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:

	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
Customer A <sup>2</sup>	<b>76,924</b>	21,843
Customer B <sup>2</sup>	<b>66,353</b>	32,158
Customer C <sup>1</sup>	<b>43,350</b>	–
Customer D <sup>1</sup>	<b>34,689</b>	16,098
Customer E <sup>1</sup>	<b>34,033</b>	52,670
Customer F <sup>2</sup>	<b>31,939</b>	14,209
Customer G <sup>1</sup>	<b>1,080</b>	25,182
Customer H <sup>1</sup>	<b>–</b>	25,172
	<b><u>–</u></b>	<b><u>25,172</u></b>

<sup>1</sup> Revenue from provision of design, fitting out and decoration service.

<sup>2</sup> Revenue from wine products.

#### 4. OTHER INCOME

##### Continuing operations

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
Bank interest income	3	1
Gain on disposal of a subsidiary	24	–
Government subsidies ( <i>note (i)</i> )	–	168
Sundry income	–	2
	<u>27</u>	<u>171</u>

*Note:*

- (i) The government subsidies were granted from the Employment Support Scheme under the Anti-epidemic Fund of the Hong Kong Government which aims to retain employment and combat COVID-19 epidemic.

#### 5. FINANCE COSTS

##### Continuing operations

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
Interest on other borrowings	6,330	4,933
Interest on lease liabilities	68	70
	<u>6,398</u>	<u>5,003</u>

## 6. PROFIT BEFORE TAXATION

### Continuing operations

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
Profit before taxation from continuing operations has been arrived at after charging/(crediting):		
Directors' emoluments	3,654	612
Salaries, wages and other benefits (excluding directors' emoluments)	8,446	8,375
Pension scheme contributions (excluding directors' emoluments)	63	106
	<u>12,163</u>	<u>9,093</u>
Auditors' remuneration		
Audit services	1,000	1,185
Cost of inventories of wine products recognised as expenses	154,616	62,993
Cost of materials used for construction and ancillary services (included in cost of sales)	226	15,673
Sub-contracting charges for construction and ancillary services (included in cost of sales)	77,486	77,462
Advertisement expenses (included in selling and distribution expense)	25,008	5,901
Research and development expenses (included in administrative expenses)	465	514
Depreciation of property, plant and equipment		
– Cost of sales	3,148	3,301
– Administrative expense	9	21
Depreciation of right-of-use assets (included in administrative expenses)	1,104	920
Expense relating to short-term leases (included in administrative expenses)	1,671	2,552
Provision for/(reversal of) impairment loss under expected credit loss model on:		
– Trade receivables	895	582
– Contract assets	992	(8)
– Loan receivables (credit impaired)	–	(607)
– Loan receivables (not credit impaired)	–	(330)
– Deposits and other receivables (credit impaired)	–	3,644
– Deposits and other receivables (not credit impaired)	1,807	(18)
	<u>3,694</u>	<u>3,263</u>

## 7. INCOME TAX EXPENSES

### Continuing operations

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
Current tax:		
Hong Kong Profits Tax		
– Over-provision in previous year	–	(20)
PRC Enterprise Income Tax (“EIT”)		
– Current income tax	<u>5,490</u>	<u>3,100</u>
Current tax expenses	<u><u>5,490</u></u>	<u><u>3,080</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 2023, nor has any dividend been proposed since the end of the reporting period (2022: 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*

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (Re-presented)
Loss for the year attributable to owners of the Company	(5,635)	(4,172)
Less: loss for the year from discontinued operation	<u>2,121</u>	<u>2,198</u>
Loss for the purpose of calculating basic loss per share for continuing operations	<u><u>(3,514)</u></u>	<u><u>(1,974)</u></u>



### *Number of shares*

	<b>2023</b> <b>'000</b>	2022 <b>'000</b>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<b><u>1,126,396</u></b>	<u>419,688</u>

### **From continuing and discontinued operations**

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

	<b>2023</b> <b>HK\$'000</b>	2022 <b>HK\$'000</b>
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	<b><u>(5,635)</u></b>	<u>(4,172)</u>

The denominators used are the same as those detailed above for both basic and diluted loss per share from continuing operations.

### **From discontinued operation**

Basic loss per share for the discontinued operation is HK cents 0.19 per share (2022: HK cents 0.52 per share) for the year ended 31 December 2023 based on the loss for the year from the discontinued operation of HK\$2,121,000 (2022: HK\$2,198,000) and the denominators detailed above for both basic and diluted loss per share from continuing operations.

## **10. TRADE RECEIVABLES**

	<b>2023</b> <b>HK\$'000</b>	2022 <b>HK\$'000</b>
Trade receivables	<b>112,760</b>	29,652
Less: Allowance for expected credit losses	<b><u>(1,530)</u></b>	<u>(635)</u>
	<b><u>111,230</u></b>	<u>29,017</u>

The Group's credit term with its customers for construction and ancillary services is, in general, 7 to 30 days. For customers of sales of wine products, invoices are due upon within 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:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current to 30 days	<b>82,329</b>	14,881
31–60 days	<b>15,063</b>	3,564
61–90 days	<b>14,523</b>	3,551
91–180 days	<b>845</b>	6,795
181–365 days	<u>–</u>	<u>861</u>
	<b><u>112,760</u></b>	<b><u>29,652</u></b>

As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$286,000 (2022: HK\$302,000) which are past due as at the reporting date. Out of the past due balances, HK\$Nil (2022: HK\$302,000) has been past due 90 days or more and is not considered as in default because the Group considers good cooperation relationships with these debtors exist and with good repayment record. The Group does not hold any collateral over these balances.

## 11. TRADE PAYABLES

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	<b><u>26,648</u></b>	<b><u>36,853</u></b>

The ageing analysis of trade payables, based on the invoice date is as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current to 30 days	<b>25,012</b>	30,160
31–60 days	–	–
61–90 days	–	–
Over 90 days	<u><b>1,636</b></u>	<u>6,693</u>
	<b><u>26,648</u></b>	<b><u>36,853</u></b>

The credit period on purchases of certain goods and services is within 0 to 30 days.

## **12. EVENTS AFTER THE REPORTING PERIOD**

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 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 Company intends to apply the proceeds from the Placing for the repayment of the Group's interest-bearing borrowing with principle amount of HK\$30 million and its interest.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the results of the Group for the year ended 31 December 2023 (“FY2023”), together with the comparative figures for the year ended 31 December 2022 (“FY2022”).

### FINANCIAL REVIEW

During FY2023, the revenue of the Group increased by HK\$102.5 million to HK\$293.2 million (FY2022: HK\$190.7 million) and the overall gross profit of the Group increased by HK\$26.3 million to HK\$60.8 million (FY2022: HK\$34.5 million). The Group recorded loss for the year of HK\$0.9 million (FY2022: HK\$1.4 million) mainly due to the combine effect of the increase in gross profit margin from consumer goods business and increase in selling and distribution expenses and administrative expenses.

### 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 2023		Year ended 31 December 2022	
	HK\$'000	%	HK\$'000 (Re-presented)	% (Re-presented)
Construction and ancillary services	83,246	28.4	106,344	55.8
Consumer goods business	209,905	71.6	84,308	44.2
Revenue	<u>293,151</u>	<u>100.0</u>	<u>190,652</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 FY2023. During FY2023, the revenue from construction and ancillary services decreased by HK\$23.1 million to HK\$83.2 million (FY2022: HK\$106.3 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 2023, revenue from the consumer goods business amounted to approximately HK\$209.9 million, representing an increase by 149.0% compared to the HK\$84.3 million revenue generated during the year ended 31 December 2022.

## **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 provides loan facilities to prospective customers including enterprises and individuals.

Revenue from money lending business amounted to nil (FY2022: HK\$0.3 million). As at 31 December 2023, the gross loans and interest receivable amounted to nil (31 December 2022: HK\$10.0 million) and allowance for expected credit loss of nil (FY2022: HK\$10.0 million).

## **Selling and distribution expenses**

Selling and distribution expenses for consumer goods business increased by HK\$19.9 million from HK\$7.0 million in FY2022 to HK\$26.9 million in FY2023, which is mainly due to the further development of the consumer goods business and more advertisement is required compared to FY2022.

### **Administrative expenses**

The administrative expenses increased by HK\$2.6 million from HK\$14.6 million in FY2022 to HK\$17.2 million in FY2023. The increase was mainly due to the increase in administrative expenses for consumer goods business.

### **Finance costs**

The finance costs increased by HK\$1.4 million from HK\$5.0 million in FY2022 to HK\$6.4 million in FY2023. The increase was mainly due to the increase on other borrowings from HK\$41.7 million in FY2022 to HK\$73.7 million in FY2023.

### **Loss for the year**

The Group recorded loss for the year of HK\$0.9 million in FY2023 as compared to the loss for the year of HK\$1.4 million in FY2022 mainly due to the combine effect of the increase in gross profit margin from consumer goods business and increase in selling and distribution expenses and administrative expenses.

### **PROSPECT**

In 2023, the economic environment in Hong Kong, Macau and the PRC, as well as around the world, is recovering and a rebound of business activities and economic conditions is expected. We anticipate that the aforesaid expected recovery is likely to enhance our business performance, and the Group looks forward to commencing more construction projects and works ancillary to such projects in Hong Kong and Macau, which will help the Group to maintain a stable revenue stream in 2024.

The Group will continue to dedicate itself to maximise value for the Shareholders by adhering to its pragmatic and enterprising approach in executing its business strategies, and continuously searching for fresh business opportunities with exploration made in the consumer goods business and other businesses to broaden the revenue and profit base of the Group.

### **HUMAN RESOURCES AND REMUNERATION POLICIES**

As at 31 December 2023, the Group had 64 employees (31 December 2022: 66) in Hong Kong and the PRC. The total remuneration paid by the Group to its employees (including Directors) for FY2023 was HK\$12.2 million (FY2022: HK\$9.1 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.

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

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 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 Company intends to apply the proceeds from the Placing for the repayment of the Group's interest-bearing borrowing with principle amount of HK\$30 million and its interest.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 31 December 2023, the Group had a total cash and bank balances of HK\$40.4 million (31 December 2022: HK\$52.5 million) mainly denominated in Hong Kong dollars and Renminbi.

The Group continued to maintain a healthy liquidity position. As at 31 December 2023, the Group had net current assets of HK\$338.5 million (31 December 2022: HK\$219.1 million). The Group had current ratio of approximately 3.9 times as at 31 December 2023 compared to that of approximately 3.4 times at 31 December 2022.

The gearing ratio of the Group is defined as a percentage of interest-bearing liabilities divided by total equity. As at 31 December 2023, the gearing ratio was approximately 20.3% (31 December 2022: 16.8%). 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 2023 (31 December 2022: nil).

## **PLACING OF NEW SHARES**

On 21 July 2022, 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 144,000,000 placing shares at the placing price of HK\$0.145 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 5 August 2022. An aggregate of 144,000,000 placing shares have been successfully placed to not less than six placees. The net proceeds from the placing were approximately HK\$20.6 million. The net proceeds were used as disclosed below.



Details of the placing have been set out in the announcements of the Company dated 21 July 2022 and 5 August 2022, 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 utilisation of the net proceeds as at 31 December 2023 are set below:

Up to 31 December 2023, the net proceeds had been applied as follows:

<b>Use of proceeds</b>	<b>Intended use as stated in the announcements of the Company dated 21 July and 5 August 2022 <i>Approximately HK\$ (million)</i></b>	<b>Utilised amount for the year ended 31 December 2023 <i>Approximately HK\$ (million)</i></b>	<b>Unutilised amount as at 31 December 2023 <i>Approximately HK\$ (million)</i></b>
The net proceeds from the share placing are intended to be used for			
– as to approximately HK\$15.9 million for the operation and development of the Group’s consumer goods business	15.9	15.9	–
– as to the remaining balance of approximately HK\$4.7 million for the general working capital of the Group	4.7	4.7	–
Total	<u>20.6</u>	<u>20.6</u>	<u>–</u>

As at 31 December 2023, the net proceeds of HK\$20.6 million raised have been fully utilised as intended for the year ended 31 December 2023. There is no material change between the intended use of proceeds and the actual use of proceeds.

## **RIGHTS ISSUE**

On 9 December 2022, the Board proposed to implement the Share Consolidation, pursuant to which every two (2) issued and unissued ordinary shares of HK\$0.01 each before the Share Consolidation (“**Existing Share(s)**”) will be consolidated into one (1) ordinary share of HK\$0.02 each (“**Consolidated Share(s)**”). Also, the Board proposed to increase the authorised share capital of the Company from HK\$10,000,000 divided into 1,000,000,000 Existing Shares to HK\$60,000,000 divided into 6,000,000,000 Existing Shares (or 3,000,000,000 Consolidated Shares after the Share Consolidation becoming effective) (“**Increase in Authorised Share Capital**”). Subject to the Share Consolidation and the Increase in Authorised Share Capital

having become effective, the Board proposed to offer for subscription of the Consolidated Shares to be allotted and issued (“**Rights Share(s)**”) on the basis of two (2) Rights Shares for every one (1) Consolidated Share held as at the date by reference to which provisional allotments under the Rights Issue were expected to be determined (the “**Record Date**”), at the subscription price (the “**Subscription Price**”) of HK\$0.140 per Rights Share (the “**Rights Issue**”), to raise up to approximately HK\$120.96 million before expenses by way of issuing up to 864,000,000 Rights Shares.

On 9 December 2022, the Company and the placing agent (the “**Placing Agent**”), CNI Securities Group Limited, entered into the placing agreement (“**Placing Agreement**”), pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Placing Shares (i.e. the number of unsubscribed Rights Shares(s) not taken up by the shareholders whose name(s) appeared on the register of members of the Company on the Record Date other than the overseas shareholders whom the Board considered necessary or expedient to exclude (“**NQS**”) from the Rights Issue (“**Unsold Shares**”) and/or the NQS Unsold Share(s) during the Rights Issue) on the terms and subject to the conditions set out in the Placing Agreement (the “**Placing**”). If all the Right Shares are already fully taken up in the Rights Issue through the provisional allotment letter(s), the Placing will not proceed.

Pursuant to an extraordinary general meeting on 14 February 2023, the proposed Increase in Authorized Share Capital, Share Consolidation and the Rights Issue have been duly passed by the shareholders by way of poll. The proposed Share Consolidation has taken effect on 16 February 2023.

On 21 March 2023, the Company announced that a total of 21 valid acceptances and applications had been received for a total of 52,457,089 Rights Shares, representing approximately 6.07% of the total number of Rights Shares offered under the Rights Issue.

On 13 April 2023, the Company announced that all the 811,542,911 Untaken Shares were successfully placed at the price of HK\$0.140 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available for distribution to the No Action Shareholders under the Placing. As all the conditions with respect to the Rights Issue and the Placing as set out in the Prospectus have been fulfilled, the Rights Issue and the Placing became unconditional on 30 March 2023. Based on the results of acceptance of the Rights Issue and the results of the Placing, the Rights Shares to be allotted and issued amounted to 864,000,000 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

For details, please refer to the announcements of the Company dated 9 December 2022, 15 December 2022, 20 January 2023, 14 February 2023, 16 February 2023, 21 March 2023 and 14 April 2023 respectively, and the prospectus of the Company regarding the Rights Issue dated 28 February 2023.

The proposed use of net proceeds from the Rights Issue, and details of the original allocation of the net proceeds, and the utilisation of the net proceeds as at 31 December 2023 are set below:

Up to 31 December 2023, the net proceeds had been applied as follows:

<b>Use of proceeds</b>	<b>Intended use as stated in the prospectus of the Company dated 28 February 2023</b>	<b>Utilised amount for the year ended 31 December 2023</b>	<b>Unutilised amount as at 31 December 2023</b>
	<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\$45.0 million for the repayment of the Group’s interest-bearing borrowing and its accrued interest	45.0	45.0	–
– as to approximately HK\$50.0 million for the development of the Group’s consumer goods business	50.0	50.0	–
– as to approximately HK\$15.0 million to support the Group’s construction and its ancillary services	15.0	15.0	–
– as to the remaining balance of approximately HK\$9.0 million towards the general working capital of the Group	9.0	9.0	–
	<u>119.0</u>	<u>119.0</u>	<u>–</u>
<b>Total</b>	<b><u>119.0</u></b>	<b><u>119.0</u></b>	<b><u>–</u></b>

As at 31 December 2023, the net proceeds of HK\$119.0 million raised have been fully utilised as intended for the year ended 31 December 2023. There is no material change between the intended use of proceeds and the actual use of proceeds.

## **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.

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

As at the date of this announcement, nil of the net proceeds raised have been utilised.

## **CONTINGENT LIABILITIES**

The Group had no significant contingent liabilities as at 31 December 2023 (31 December 2022: nil).

## **CAPITAL COMMITMENTS**

The Group had no significant outstanding capital commitment as at 31 December 2023 (31 December 2022: nil).

## **DIVIDEND**

The Directors do not recommend any payment of final dividend for the year ended 31 December 2023 (31 December 2022: 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 14 to the Listing Rules. During the year ended 31 December 2023 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 10 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 2023.

## **SCOPE OF WORK OF KTC PARTNERS CPA LIMITED**

The figures in respect of the preliminary announcement of the Group’s results for the FY2023 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 FY2023. 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 2023.

## **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 2023.

## **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 2023.

## **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 FY2023.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hopelife.hk](http://www.hopelife.hk)) and the Company’s annual report for FY2023 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 2024.

By order of the Board  
**Hope Life International Holdings Limited**  
**LIANG Zhichao**  
*Chairman*

Hong Kong, 28 March 2024

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. LIANG Zhichao and Mr. XIAO Yi as Executive Directors; and Mr. ZHEN Jian, Ms. ZHAO Hongqin and Ms. CHAN Wai Yan as Independent Non-executive Directors.*