



ZXZN Qi-HOUSE HOLDINGS LIMITED 中顯智能齊家控股有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)

(Formerly known as Qi-House Holdings Limited) (前稱齊家控股有限公司)

ZXZN Qi-House Holdings Limited 中顯智能齊家控股有限公司 | Stock code 股份代號 8395



2024/25 interim report
中期業績報告

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This report, for which the directors (the “**Directors**”) of ZXZN Qi-House Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

FINANCIAL HIGHLIGHT

- The Group's revenue amounted to approximately HK\$30.2 million for the six months ended 30 September 2024, representing a decrease of approximately HK\$4.6 million or 13.2% as compared with the six months ended 30 September 2023.
- The Group's net loss was approximately HK\$1.5 million for the six months ended 30 September 2024 compared to a net loss of approximately HK\$12.8 million for the six months ended 30 September 2023.
- The Group's total comprehensive expense was approximately HK\$1.5 million for the six months ended 30 September 2024 compared to a total comprehensive expense of approximately HK\$12.8 million for the six months ended 30 September 2023.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024.

INTERIM RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 September 2024 (the “**Relevant Period**”), which has been reviewed by the audit committee of the Company, together with the unaudited comparative figures for the corresponding period in 2023, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 September 2024

		Six months ended 30 September	
Notes	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	
Revenue	3	30,182	34,778
Cost of sales		(10,598)	(11,389)
Gross Profit		19,584	23,389
Other income	4	7,257	3,631
Selling and marketing expenses		(13,843)	(15,685)
Administrative expenses		(12,999)	(11,526)
Provision for impairment of trade receivables	8	(53)	(12,039)
Finance costs		(530)	(530)
Loss before income tax		(584)	(12,760)
Income tax expense	5	(871)	—
Loss for the period attributable to equity holders of the Company		(1,455)	(12,760)
Other comprehensive expense for the period			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange loss on translation of financial statements of foreign operations		(19)	(3)
Total comprehensive expense for the period attributable to equity holders of the Company		(1,474)	(12,763)
Loss per share attributable to equity holders of the Company			
(expressed in HK cents per share)			
— Basic and diluted	6	(0.09)	(0.81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		11,221	12,616
Intangible assets		650	735
Financial assets at fair value through profit or loss	10	2,133	—
Cash surrender value of life insurance		2,045	2,023
Loan receivables	8	—	211
Deferred tax assets		259	374
		16,308	15,959
Current assets			
Inventories		9,969	11,833
Trade and other receivables	8	58,125	51,827
Loan receivables	8	22,160	14,597
Tax recoverable		398	398
Bank balances and cash		1,798	12,192
		92,450	90,847
Current liabilities			
Trade and other payables	9	40,744	31,445
Contract liabilities		5,156	6,987
Bank borrowings		17,824	20,274
Lease liabilities		9,049	8,121
		72,773	66,827
Net current assets		19,677	24,020
Total assets less current liabilities		35,985	39,979

	30 September 2024	31 March 2024
<i>Note</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current liabilities		
Lease liabilities	1,908	4,428
Other payables	281	281
	2,189	4,709
Net assets		
	33,796	35,270
EQUITY		
Share capital	15,840	15,840
Reserves	17,956	19,430
Total equity		
	33,796	35,270

The above unaudited consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2024

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
Balance as at 1 April 2024 (audited)	15,840	31,564	5,474	(2)	(17,606)	35,270
Loss for the period	–	–	–	–	(1,455)	(1,455)
Other comprehensive expense						
– Exchange loss on translation of financial statements of foreign operations	–	–	–	(19)	–	(19)
Balance as at 30 September 2024 (unaudited)	15,840	31,564	5,474	(21)	(19,061)	33,796
Balance as at 1 April 2023 (audited and restated)	15,840	31,564	5,474	67	(232)	52,713
Loss for the period	–	–	–	–	(12,760)	(12,760)
Other comprehensive expense						
– Exchange loss on translation of financial statements of foreign operations	–	–	–	(3)	–	(3)
Balance as at 30 September 2023 (unaudited)	15,840	31,564	5,474	64	(12,992)	39,950

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash used in operating activities	(3,142)	(16,152)
Net cash used in investing activities	(699)	(5,081)
Net cash (used in)/from financing activities	(6,553)	14,944
Net decrease in cash and cash equivalents	(10,394)	(6,289)
Cash and cash equivalents as at 1 April	12,192	9,479
Cash and cash equivalents as at 30 September	1,798	3,190
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	1,798	3,190

The above unaudited consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

ZXZN Qi-House Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of its principal place of business is 28/F., Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the sale, distribution and rental of furniture and home accessories, distribution and licensing of intellectual property rights, the provision of styling, consulting and furniture agency services and the operation of a café.

The Directors consider the immediate and ultimate holding company of the Company to be Tiptop Honour Limited (“**Tiptop**”), a company incorporated in Samoa.

The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited on 25 January 2018 (the “**Listing**”).

2. REORGANISATION AND BASIS OF PREPARATION

Pursuant to a group reorganisation (the “**Reorganisation**”) of the Company in connection with the listing of its shares on GEM of the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 29 July 2016. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in the section headed “History, Development and Reorganisation” in the Company’s prospectus dated 12 January 2018.

Prior to the Reorganisation, TREE Limited, the Group’s sole operating subsidiary, was wholly owned and controlled by Tiptop. The Group is under the common control of the Tiptop prior to and after the Reorganisation. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity.

The unaudited consolidated financial statements have been prepared as if the Company had always been the holding company of the Group. The unaudited consolidated statement of comprehensive income and consolidated statement of changes in equity of the Group for the six months ended 30 September 2024 include the results of operations of the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the periods, or since their respective dates of incorporation or acquisition when there is a shorter period.

These unaudited consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the accounting principles generally accepted in Hong Kong.

The unaudited consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The significant accounting policies that have been used in the preparation of these unaudited consolidated financial statements have been consistently applied to all the periods presented, unless otherwise stated.

The unaudited consolidated financial statements have been prepared on the historical cost basis, except for cash surrender value of life insurance and certain investment which are carried at fair value. The unaudited consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands (“**HK\$’000**”), except when otherwise indicated.

HKICPA has issued a number of new and amended HKFRSs and interpretations that are first effective or available for early adoption for the Relevant Period. There have been no significant changes to the accounting policies applied in these financial statements for the Relevant Period presented as a result of these developments.

The preparation of the unaudited consolidated financial statements of the Group for the Relevant Period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group’s accounting policies.

The unaudited consolidated financial statements for the Relevant Period have not been audited by the Company’s independent auditor but have been reviewed by the Company’s audit committee.

3. REVENUE

An analysis of the Group’s revenue is as follows:

	Six months ended 30 September	
	2024 HK\$’000 (Unaudited)	2023 HK\$’000 (Unaudited)
Revenue from contracts with customers		
Sale of furniture and home accessories	26,482	29,458
Distribution and license fee income	999	—
Food and beverage income	1,838	1,782
Commission income	837	3,538
	30,156	34,778
Revenue from other sources		
Rental income	26	—
Total	30,182	34,778

4. OTHER INCOME

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Provision of software and information technology services	5,386	—
Bank interest income	12	6
Government grant	110	—
Sundry income	47	168
Interest income from loan receivables	1,702	3,457
Total	7,257	3,631

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong	94	—
People's Republic of China ("PRC")	777	—

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following days.

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the Relevant Period, Hong Kong Profit Tax is calculated in accordance with the two-tiered profits tax rates regime for the qualifying corporation and the remaining corporations are calculated at a flat rate of 16.5%.

Under the Corporate Income Tax Law of the PRC, the tax rate of the PRC subsidiaries of the Company is 25%.

6. BASIC LOSS PER SHARE

The calculation of basic loss per share attributable to equity holders of the Company is based on the following:

	Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
Loss for the period attributable to equity holders of the Company (HK\$'000)	(1,455)	(12,760)
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (thousands)	1,584,000	1,584,000
Basic loss per share (expressed in HK cents per share)	(0.09)	(0.81)

Diluted loss per share equals the basic loss per share as there were no dilutive potential ordinary shares in existence during the Relevant Period and six months ended 30 September 2023.

7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Relevant Period (2023: nil).

8. TRADE AND OTHER RECEIVABLES AND LOAN RECEIVABLES

	Notes	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Trade receivables			
From third parties		21,865	40,029
Less: ECL allowance		(53)	(138)
Trade receivables — net	(a)	21,812	39,891
Other receivables			
Deposits, prepayments and other receivables		31,498	4,849
Interest receivables		468	445
Prepayment to suppliers		4,347	6,642
	(b)	36,313	11,936
Current portion		58,125	51,827

The Directors considered that the fair value of trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

	Note	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Loan receivables			
From third parties		22,497	15,145
Less: ECL allowance		(337)	(337)
Loan receivables — net	(c)	22,160	14,808
Less: non-current portion		—	(211)
Current portion		22,160	14,597

(a) Trade receivables

Majority of the Group's sale of furniture and home accessories to its customers are settled by cash, credit cards, or by other forms of electronic payments (such as EPS). There were no credit term granted to the customers and distributors, but the Group allows credit period of 2 to 7 days to the payment vendors and up to 120 days to customers of furniture agency service. The Group seeks to maintain strict control over its outstanding trade receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The ageing analysis based on recognition date of the trade receivables is as follows:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
0–30 days	1,480	8,810
31–90 days	4,321	1,088
91–180 days	10,774	16,580
181–365 days	5,237	13,413
	21,812	39,891

As at 30 September 2024, the ECL allowance of approximately HK\$53,000 was recognized for trade receivables from the furniture agency services segment as this amount has overdue more than 181 days.

(b) Other receivables

As at 30 September 2024, none of the amounts included in other receivables were either past due or impaired (31 March 2024: nil).

(c) **Loan receivables**

A maturity profile of the loan receivables as at 30 September 2024, based on the maturity date, net of ECL allowance, is as follows:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Within 1 year	22,160	14,597
After 1 year but within 2 years	—	211
	22,160	14,808

The Group's loan receivables were unsecured, interest bearing at 7.5% to 48% per annum and denominated in HK\$.

9. TRADE AND OTHER PAYABLES

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Trade payables		
To third parties	2,829	18,583
Other payables		
Accrued charges and other payables	32,159	8,539
Contingent consideration payable	6,037	4,604
	38,196	13,143
	41,025	31,726
Less: Portion due within one year included under current liabilities	(40,744)	(31,445)
Portion due after one year included under non-current liabilities	281	281

All amounts are short-term and hence the carrying values of the Group's trade and other payables as at 30 September 2024 and 31 March 2024 were considered to be a reasonable approximation of their fair values.

(a) **Trade payables**

There were no credit periods granted by the suppliers of the Group. The ageing analysis of trade payables based on invoice date is as follows:

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
0–30 days	95	5,911
31–90 days	1,232	4,343
Over 90 days	1,502	8,329
	2,829	18,583

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2024 (Unaudited) HK\$'000	As at 31 March 2024 (Audited) HK\$'000
Unlisted equity investment	2,133	—

- (a) On 26 July 2024, Hefei Qijia Supply Chain Technology Co., Ltd. (合肥齊家供應鏈技術有限公司) (“**Hefei Qijia**”), an indirect-wholly owned subsidiary entered into an investment agreement to acquire 15% equity interest in Anhui Zhongxian Intelligent Robot Co., Ltd.* (安徽中顯智能機器人有限公司) (“**Zhongxian**”), a company established under the laws of the PRC with limited liability at the closing consideration of RMB0.63 million.

Subject to the fulfilment of the performance target of the Zhongxian for the financial year ending 31 December 2024, Hefei Qijia has agreed to pay the additional consideration of approximately RMB1.291 million or RMB5.69 million. For further details of the transaction, please refer to the disclosable transaction announcement dated 26 July 2024, and the supplemental announcement dated 6 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The Group's revenue decreased from approximately HK\$34.8 million for the six months ended 30 September 2023 to approximately HK\$30.2 million for the Relevant Period, representing a decrease of approximately 13.2%. The decrease was mainly due to (i) the decrease in sale of furniture and home accessories and (ii) decrease in commission income.

Cost of sales

The Group's cost of sales decreased from approximately HK\$11.4 million for the six months ended 30 September 2023 to approximately HK\$10.6 million for the Relevant Period, representing a decrease of approximately 6.9%. The decrease was predominately due to the decrease in the sale of furniture and home accessories.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 16.3% from approximately HK\$23.4 million for the six months ended 30 September 2023 to approximately HK\$19.6 million for the Relevant Period. The gross profit margin decreased from approximately 67.3% for the six months ended 30 September 2023 to approximately 64.9% for the Relevant Period.

Other Income

The Group's other income increased by approximately 99.9% to approximately HK\$7.3 million for the Relevant Period from approximately HK\$3.6 million for the six months ended 30 September 2023. The increase was mainly due to the increase in the income generated from the provision of software and information technology services of approximately HK\$5.4 million generated by Hefei Qijia and its subsidiary, partly offset by the decrease in interest income from loan receivables of approximately HK\$1.7 million.

Selling and marketing expenses

The Group's selling and marketing expenses mainly comprised of (i) depreciation of right-of-use assets; (ii) staff costs attributable to the salary of our staff engaged in selling and marketing activities; (iii) marketing expenses; (iv) payment gateway charges attributable to fees for our payment channels such as credit cards or EPS; and (v) electricity and water expenses.

The Group's selling and marketing expenses decreased by approximately 11.7% from approximately HK\$15.7 million for the six months ended 30 September 2023 to approximately HK\$13.8 million for the Relevant Period. The decrease was primarily due to (i) the decrease in staff salaries and (ii) the decrease in depreciation expenses of right-of-use assets.

Administrative expenses

The Group's administrative expenses mainly comprised of (i) staff costs for our administrative staff and Directors' emoluments; (ii) professional fees which included legal fees, consultancy fees and auditor's remuneration; (iii) travel expenses; (iv) office expenses; (v) depreciation of our property, plant and equipment, and amortisation of our intangible assets; (vi) repairs and maintenance for our trucks and retail stores; (vii) insurance expenses which included business insurance, vehicle insurance and medical insurance; (viii) recruitment expenses which included fees to the recruitment agents and advertisements on websites; (ix) bank charges; (x) handling fee; and (xi) others which included motor vehicle expenses, net foreign exchange losses and entertainment expenses.

The Group's administrative expenses increased by approximately 12.8% from approximately HK\$11.5 million for the six months ended 30 September 2023 to approximately HK\$13.0 million for the Relevant Period. The increase was primarily attributable to the administrative expenses arising from Hefei Qijia for the provision of software and information technology services of approximately HK\$2.4 million.

Provision for impairment of trade receivables

As at 30 September 2024, impairment amounted to approximately HK\$53,000 has been recognised for the trade receivables (six months ended 30 September 2023: approximately HK\$12.0 million).

Income tax expense

The Group's income tax expense amounted to approximately HK\$0.9 million for the Relevant Period (six months ended 30 September 2023: Nil).

Loss for the period

The Group recorded that the net loss was approximately HK\$1.5 million for the Relevant Period compared to the net loss of approximately HK\$12.8 million for the six months ended 30 September 2023. The reduction in net loss was mainly attributable to the significant decline of the provision for impairment of trade receivables from approximately HK\$12.0 million recognised during six months ended 30 September 2023 to approximately HK\$53,000 for the Relevant Period.

BUSINESS REVIEW AND OUTLOOK

Headquartered in Hong Kong, we engage in (i) the sale, distribution and rental of furniture and home accessories which is operating under the brand name “TREE”; (ii) the distribution and licensing of our intellectual property rights of “TREE”; (iii) the operation of TREE Café in our flagship store in Ap Lei Chau (the “**Flagship Store**”); (iv) the provision of furniture agency services; (v) the provision of styling and consulting services; (vi) the provision of consumer loan services; and (vii) the provision of software and information technology services.

As at the date of this report, we operated two “TREE” retail stores in Hong Kong namely, our Flagship Store and our Sha Tin store in addition to online sales. We have commenced online sales since May 2019. The management is executing various measures to reduce the operating loss of retail business in Hong Kong. We offer a variety of (a) furniture including tables, chairs, storage solutions, sofas and beds; and (b) home accessories including kitchenware, bed and bathroom related products, jars, cushions, mattresses, utensils and baskets.

In addition, we acquired Italiving in December 2018, which is principally engaged in the provision of a furniture agency service in Hong Kong. In January 2022, we acquired Super Easy, which is principally engaged in the provision of consumer loan services.

We started a new business by setting up a new wholly-foreign owned enterprise named Hefei Qijia in the PRC in January 2024, which is principally engaged in the provision of software and information technology services.

In March 2024, Hefei Qijia acquired Hefei Human Vision Technology Co., Ltd. (合肥不用人視覺技術有限公司), which is principally engaged in the provision of software and information technology services.

The table below sets forth a breakdown of our revenue for the six months ended 30 September 2023 and 2024:

	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of furniture and home accessories	26,482	29,458
Distribution and license fee income	999	—
Food and beverage income	1,838	1,782
Commission income	837	3,538
	30,156	34,778
Revenue from other sources		
Rental income	26	—
Total	30,182	34,778

For the Relevant Period, our revenue amounted to approximately HK\$30.2 million, representing a decrease of approximately HK\$4.6 million or 13.2% from approximately HK\$34.8 million for the six months ended 30 September 2023. Such decrease was mainly attributable to the decrease in sale of furniture and home accessories and commission income.

Sale of furniture and home accessories

TREE primarily sells its products to (i) retail customers who visited our retail stores; and (ii) customers who placed orders via our online platform being the direct sales in Hong Kong. The following table sets forth a breakdown of our sale of furniture and home accessories for the six months ended 30 September 2024 and 2023, respectively.

	Six months ended 30 September			
	2024		2023	
	Revenue HK\$'000	% of total revenue from sale of furniture and home accessories %	Revenue HK\$'000	% of total revenue from sale of furniture and home accessories %
Direct sales in Hong Kong				
Retail stores ⁽¹⁾	24,901	94.1	27,671	93.9
Online sales and non-retail sales	1,122	4.2	1,264	4.3
Sub-total	26,023	98.3	28,935	98.2
Distribution sales	459	1.7	523	1.8
Total	26,482	100.0	29,458	100.0

Note:

(1) Our retail stores include our Flagship, Sha Tin store and pop-up store.

For the Relevant Period, revenue generated from the direct sales amounted to approximately HK\$26.0 million, representing a decrease of approximately HK\$2.9 million or 10.1% from approximately HK\$28.9 million for the six months ended 30 September 2023. Such decrease was primarily attributable to the decrease of direct sales from retail stores in Hong Kong.

For the Relevant Period, revenue generated from the distribution sales amounted to approximately HK\$0.5 million, which remains relatively stable when compared to the six months ended 30 September 2023.

Distribution and license fee income

We entered into a distribution agreement with our PRC distributor for a term of three years starting in June 2024, and we are entitled to receive a quarterly non-refundable distribution fee of HK\$0.9 million from our PRC distributor for the distribution of our products in Beijing, Anhui province, Shandong province and Zhejiang province, the PRC. Our distribution and license fee income was approximately HK\$1.0 million for the Relevant Period (six months ended 30 September 2023: Nil).

Food and beverage income

The Group's food and beverage income generated from operating TREE Café in our Flagship Store amounted to approximately HK\$1.8 million, which remains relatively stable when compared to the six months ended 30 September 2023.

Commission income

The Group's commission income comprised of income generated from (i) the furniture agency service by Italiving, and (ii) the sales of consignment goods. It decreased from approximately HK\$3.5 million for the six months ended 30 September 2023 to approximately HK\$0.8 million for the Relevant Period.

Rental income

The Group's rental income comprised income generated from the provision of furniture rental services. The rental income during the Relevant Period amounted to approximately HK\$26,000 (six months ended 30 September 2023: Nil).

CORPORATE SOCIAL RESPONSIBILITY

ESG remains a focus for the Group and we have achieved the CarbonCare® Star Label for three consecutive years (2022–2024) and recognised with the CarbonCare® Label – Champion for both 2023 and 2024 for TREE Limited, highlighting our commitment to sustainability. This label was launched to recognise the sustainability efforts made by businesses and organisations. TREE are proud to have enhanced its sustainability efforts by increasing the tree planting efforts (over 100,000 planted to date through our Indonesian partner Trees 4 Trees).

PROSPECTS

The forthcoming financial year will continue to be challenging as retail market conditions remain competitive and the economy continues to struggle. The retail sector in Hong Kong is expected to experience a 6% decline in total retail sales in 2024.

We will continue to focus on running our two TREE retail stores and e-commerce retail platform in Hong Kong. Hopefully, the continuous reduction in interest rate, and the various government policies which aim at boosting the local economy will improve consumer confidence and the retail markets in 2025.

Our consumer loan services business provided by Super Easy, and also the software and information technology services provided by Hefei Qijia, both contributed positive profits to the Group for the six months period ended 30 September 2024. The Group will continue to consolidate and invest to build on existing revenue streams while identifying new opportunities.

DISCLOSURE OF INTERESTS

Interests and short positions of the Company's Directors and chief executives in the Company's Shares, underlying shares and debentures and the Company's associated corporations

As at 30 September 2024, the interests or short positions of the Company's Directors in the Company's Shares, underlying shares or debentures which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the "SFO") (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the "required standard of dealings" as contained in Chapter 5 of the GEM Listing Rules, were as follows:

i. Long position in the Company's Shares

Name of Director	Nature of interest	Number of shares held (Note 1)	Percentage of shareholding
Mr. TONG Tang Joseph ("Mr. Tong")	Interest in a controlled corporation (Note 2)	745,860,000 (L)	47.09%
	Beneficial owner	61,900,000 (L)	3.91%
Ms. Mary Kathleen BABINGTON ("Ms. Babington")	Interest in a controlled corporation (Note 3)	59,400,000 (L)	3.75%
Mr. BIAN Dahai ("Mr. Bian")	Beneficial owner	8,000,000 (L)	0.51%

Notes:

1. The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such shares.
2. The Company is owned as to 47.09% by Tiptop. Tiptop is wholly-owned by Mr. Tong.
3. The Company is owned as to 3.75% by Rothley Investment Limited ("**Rothley**"). Rothley is wholly-owned by Ms. Babington. Under the SFO, Ms. Babington is deemed to be interested in the same number of shares held by Rothley.

Saved as disclosed above, as at 30 September 2024, none of the Company's Directors and chief executives and their respective associates had or are deemed to have any interest or short positions in the Company's shares, underlying shares or debentures or the Company's associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register as referred to herein, or which were required to be notified to the Company and the Stock Exchange pursuant to the "required standard of dealing" as contained in Chapter 5 of the GEM Listing Rules.

Interests and short positions of substantial Shareholders in the Company's Shares, underlying shares and debentures and the Company's associated corporations

As at 30 September 2024, so far as the Company's Directors are aware, the following persons (other than the Directors and chief executive of the Company) had, or were deemed to have, interests or short positions in the Company's shares or underlying shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who, directly or indirectly, were interested in 5% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

i. Long position in the Company's Shares

Name of Shareholder	Nature of interest	Interests in shares (Note 1)	Percentage of shareholding
Ms. Shum Yuet Wah Anna	Interest of spouse (Note 2)	807,760,000 (L)	50.99%
Tiptop	Beneficial owner (Note 3)	745,860,000 (L)	47.09%
Ms. Li Jing	A concert party to an agreement to buy shares (Note 4)	127,240,000 (L)	8.03%
Wuxing Hehe Holding Group Co., Limited	Beneficial owner (Note 5)	127,240,000 (L)	8.03%
Ms. Yang Songmei	Interest in a controlled corporation (Note 6)	127,240,000 (L)	8.03%
Mr. Xu Qiang	Beneficial owner (Note 7)	115,660,000 (L)	7.30%

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- Tiptop is wholly-owned by Mr. Tong, the Company's Chairman, executive Director, Chief Executive Officer and Controlling Shareholder. Ms. Shum Yuet Wah Anna is the spouse of Mr. Tong. Under the SFO, Ms. Shum Yuet Wah Anna is deemed to be interested in all the Company's shares in which Mr. Tong is interested.
- The Company is owned as to 47.09% by Tiptop.

4. Ms. Li Jing and Ms. Yang Songmei entered into an agreement in which Ms. Li Jing acquired Ms. Yang Songmei's 100% interest in Wuxing Hehe Holding Group Co., Limited at the consideration of HKD76.344 million to be paid on or before 30 June 2025. The 100% interest in Wuxing Hehe Holding Group Co., Limited will be transferred to Ms. Li Jing after the settlement of the consideration.
5. The Company is owned as to 8.03% by Wuxing Hehe Holding Group Co., Limited.
6. Wuxing Hehe Holding Group Co., Limited is wholly owned by Ms. Yang Songmei, is interested in 127,240,000 ordinary share of the Company.
7. Mr. Xu Qiang is interested in 115,660,000 ordinary shares of the Company.

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who was directly or indirectly interested in 5% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

COMPETING BUSINESS AND CONFLICT OF INTEREST

As confirmed by the Directors, Controlling Shareholders and their respective close associates do not have any interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group during the Relevant Period.

PURCHASE, REDEMPTION OR SALES OF THE LISTED SECURITIES OF THE COMPANY

The Company's shares were successfully listed on GEM on 25 January 2018. Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Relevant Period.

CORPORATE GOVERNANCE CODE

The Company and the Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 of the GEM Listing Rules. The Shares were successfully listed on GEM on 25 January 2018. To the best knowledge of the Board, during the period from the date of Listing to the date of this report, except for the code provision C.2.1, the Company has complied with the applicable code provisions of the CG Code.

CODE PROVISION C.2.1

The above code provision stipulates that the roles of the chairman and the CEO should be separate and should not be performed by the same individual.

After the change of the Chief Executive Officer ("**CEO**") with effect from 1 August 2019, Mr. Tong will be both the Chairman of the Board and the CEO of the Company and Mr. Tong was redesignated as co-chairman of the Board following the appointment of Mr. Yu Quansheng as an executive Director and the co-chairman of the Board with effect from 13 September 2024.

The Board considers that having the same person to perform the roles of both the chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of provisions of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standards of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the Relevant Period.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the Relevant Period.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 5 January 2018 (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to our Group and/or to enable our Group to recruit and retain high-caliber employees and attract human resources that are valuable to our Group. The terms of the Share Option Scheme are in accordance with the provision of chapter 23 of the GEM Listing Rules.

During the Relevant Period and up to the date of this report, no share options were granted by the Company under the Share Option Scheme.

AUDIT COMMITTEE

We established our audit committee with written terms of reference in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules and paragraphs D.3.3 and D.3.7 of the CG Code Practices pursuant to a resolution of our Directors passed on 5 January 2018. The primary duties of our audit committee are, among other things, to make recommendations to our Board on the appointment, reappointment and removal of external auditors, review the financial statements and provide advice in respect of financial reporting, oversee our financial reporting process, internal control, risk management systems and audit process, and perform other duties and responsibilities assigned by our Board.

At present, our audit committee comprises Mr. Yeung Man Chung Charles, Mr. Tsang Wai Yin and Mr. Sit Hoi Wah Kenneth, all being independent non-executive Directors. Mr. Yeung Man Chung Charles is the Chairman of our Audit Committee.

The audit committee has reviewed the unaudited consolidated financial statements of the Group for the Relevant Period.

By order of the Board
ZXZN Qi-House Holdings Limited
TONG Tang Joseph
Co-chairman and Chief Executive Officer

Hong Kong, 26 November 2024

As at the date of this report, the Board comprises Mr. TONG Tang Joseph, Mr. YU Quansheng, Ms. Mary Kathleen BABINGTON, Mr. TSUI Wing Tak, Mr. BIAN Dahai and Mr. JIAO Dejun as the executive Directors, and Mr. YEUNG Man Chung Charles, Mr. TSANG Wai Yin, and Mr. SIT Hoi Wah Kenneth as the independent non-executive Directors.



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