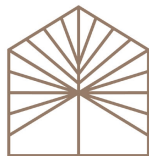


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## **Qi-House Holdings Limited**

**齊家控股有限公司**

*(formerly known as Tree Holdings Limited)*

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

**(Stock code: 8395)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “**Board**”) of Qi-House Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 September 2023 (the “**Interim Results**”). This announcement contains the full text of the interim report of the Group for the six months ended 30 September 2023 and the contents were prepared in accordance with the relevant disclosure requirements of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Interim Results have been reviewed by the Board and the audit committee of the Board.

This results announcement is published on the websites of the Company (<https://qihouseholdings.com>) and the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report of the Company for the six months ended 30 September 2023 will be delivered to shareholders of the Company and will also be available at the abovementioned websites in due course.

By order of the Board  
**Qi-House Holdings Limited**  
**TONG Tang Joseph**  
*Chairman and Chief Executive Officer*

Hong Kong, 9 November 2023

*As at the date of this announcement, the Board comprises Mr. TONG Tang Joseph, Ms. Mary Kathleen BABINGTON, Mr. TSUI Wing Tak and Mr. BIAN Dahai 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.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Listed Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at <https://qihouseholdings.com>.*

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

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board of the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “**Directors**”) of 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\$34.8 million for the six months ended 30 September 2023, representing a decrease of approximately HK\$8.1 million or 18.8% as compared with the six months ended 30 September 2022.
- The Group's net loss was approximately HK\$12.8 million for the six months ended 30 September 2023 compared to a net profit of approximately HK\$0.5 million for the six months ended 30 September 2022.
- The Group's total comprehensive expense was approximately HK\$12.8 million for the six months ended 30 September 2023 compared to a total comprehensive income of approximately HK\$0.5 million for the six months ended 30 September 2022.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2023.

## 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 2023 (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 2022, as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30 September 2023

		Six months ended 30 September	
Notes	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	
<b>Revenue</b>	3	34,778	42,833
Cost of sales		(11,389)	(14,625)
<b>Gross Profit</b>		23,389	28,208
Other income	4	3,631	3,628
Selling and marketing expenses		(15,685)	(18,013)
Administrative expenses		(11,526)	(12,473)
Provision for impairment of trade receivables	8	(12,039)	—
Finance costs		(530)	(330)
<b>(Loss)/profit before income tax</b>		(12,760)	1,020
Income tax expense	5	—	(520)
<b>(Loss)/profit for the period attributable to equity holders of the Company</b>		(12,760)	500
<b>Other comprehensive expense for the period</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange (loss) on translation of financial statements of foreign operations		(3)	(34)
<b>Total comprehensive (expense)/income for the period attributable to equity holders of the Company</b>		(12,763)	466
<b>Earnings per share attributable to equity holders of the Company</b>			
(expressed in HK cents per share)			
— Basic and diluted	6	(0.81)	0.03

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2023

	Notes	30 September 2023 HK\$'000 (Unaudited)	31 March 2023 HK\$'000 (Audited)
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		26,928	13,810
Intangible assets		847	111
Goodwill		8,694	8,694
Cash surrender value of life insurance		2,008	1,978
Loan receivables	8	188	228
Deferred tax assets		417	416
		<b>39,082</b>	25,237
<b>Current assets</b>			
Inventories		12,380	14,262
Trade and other receivables	8	29,827	38,710
Loan receivables	8	28,767	10,480
Tax recoverable		817	1,623
Bank balances and cash		3,190	9,479
		<b>74,981</b>	74,554
<b>Current liabilities</b>			
Trade and other payables	9	22,739	22,852
Contract liabilities		5,433	5,917
Bank borrowings		20,992	6,464
Tax payable		138	—
Lease liabilities/Finance lease liabilities		19,854	8,195
		<b>69,156</b>	43,428
<b>Net current assets</b>		<b>5,825</b>	31,126
<b>Total assets less current liabilities</b>		<b>44,907</b>	56,363

	<b>30 September 2023 HK\$'000 (Unaudited)</b>	31 March 2023 HK\$'000 (Audited)
<i>Notes</i>		
<b>Non-current liabilities</b>		
Lease liabilities/Finance lease liabilities	<b>5,991</b>	4,684
	<b>5,991</b>	4,684
<b>Net assets</b>	<b>38,916</b>	51,679
<b>EQUITY</b>		
Share capital	<b>15,840</b>	15,840
Reserves	<b>23,076</b>	35,839
<b>Total equity</b>	<b>38,916</b>	51,679

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 2023

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
<b>Balance as at 1 April 2023 (audited)</b>	15,840	31,564	5,474	67	(1,266)	51,679
Loss for the period	–	–	–	–	(12,760)	(12,760)
Other comprehensive expense						
– Exchange loss on translation of financial statements of foreign operations	–	–	–	(3)	–	(3)
<b>Balance as at 30 September 2023 (unaudited)</b>	15,840	31,564	5,474	64	(14,026)	38,916
<b>Balance as at 1 April 2022 (audited)</b>	15,840	31,564	5,474	18	9,784	62,680
Profit for the period	–	–	–	–	500	500
Other comprehensive income						
– Exchange loss on translation of financial statements of foreign operations	–	–	–	(34)	–	(34)
<b>Balance as at 30 September 2022 (unaudited)</b>	15,840	31,564	5,474	(16)	10,284	63,146

## CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 September 2023

	<b>Six months ended 30 September</b>	
	<b>2023 HK\$'000 (Unaudited)</b>	2022 HK\$'000 (Unaudited)
Net cash (used in) operating activities	<b>(16,152)</b>	(6,094)
Net cash (used in) investing activities	<b>(5,081)</b>	(77)
Net cash from financing activities	<b>14,944</b>	114
Net decrease in cash and cash equivalents	<b>(6,289)</b>	(6,057)
Cash and cash equivalents as at 1 April	<b>9,479</b>	22,185
Cash and cash equivalents as at 30 September	<b>3,190</b>	16,128
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	<b>3,190</b>	16,128

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

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 2023 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 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:

	<b>Six months ended 30 September</b>	
	<b>2023 HK\$’000 (Unaudited)</b>	2022 HK\$’000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Sale of furniture and home accessories	<b>29,458</b>	37,273
Food and beverage income	<b>1,782</b>	1,783
Commission income	<b>3,538</b>	3,687
	<b>34,778</b>	42,743
<b>Revenue from other sources</b>		
Rental income	—	90
<b>Total</b>	<b>34,778</b>	42,833

#### 4. OTHER INCOME

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Bank interest income	6	1
Government grant	—	1,551
Sundry income	168	—
Interest income from loans receivables	3,457	2,076
<b>Total</b>	<b>3,631</b>	<b>3,628</b>

#### 5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Hong Kong	—	520

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%.

#### 6. BASIC EARNINGS PER SHARE

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

	Six months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited)
(Loss)/profit for the period attributable to equity holders of the Company (HK\$'000)	(12,760)	500
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (thousands)	1,584,000	1,584,000
<b>Basic (loss)/earnings per share (expressed in HK cents per share)</b>	<b>(0.81)</b>	<b>0.03</b>

Diluted (loss)/earnings per share equals the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the Relevant Period and 30 September 2022.

## 7. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Relevant Period (2022: nil).

## 8. TRADE AND OTHER RECEIVABLES AND LOAN RECEIVABLES

	Notes	As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
<b>Trade receivables</b>			
From third parties		35,351	29,954
Less: ECL allowance		(12,039)	(110)
Trade receivables, net	(a)	<b>23,312</b>	29,844
<b>Other receivables</b>			
Deposits, prepayments and other receivables		5,085	5,996
Interest receivables		—	288
Prepayment to suppliers		1,430	2,582
	(b)	<b>6,515</b>	8,866
<b>Current portion</b>		<b>29,827</b>	38,710

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.

		As at 30 September 2023 (Unaudited) HK\$'000	As at 31 March 2023 (Audited) HK\$'000
<b>Loans receivables</b>			
From third parties		28,990	10,743
Less: ECL allowance		(35)	(35)
Loan receivables — net		<b>28,955</b>	10,708
Less: non-current portion		(188)	(228)
Current portion		<b>28,767</b>	10,480

**(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:

	<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	As at 31 March 2023 (Audited) HK\$'000
0-30 days	<b>4,765</b>	6,698
31-90 days	<b>6,051</b>	7,739
91-180 days	<b>12,496</b>	15,407
181-365 days	<b>12,039</b>	—
Less: ECL allowance	<b>(12,039)</b>	—
	<b>23,312</b>	29,844

As at 30 September 2023, the ECL allowance of HK\$12.0 million was recognized for trade receivables from the furniture agency services segment as this amount has overdue more than 181 days. As the trade receivables over 181 days is considered high risk as per our Company policy, the Board consider that the provision should be made.

**(b) Other receivables**

As at 30 September 2023, none of the amounts included in other receivables were either past due or impaired (31 March 2023: nil).

(c) **Loans receivables**

A maturity profile of the loans receivables as at 30 September 2023, based on the maturity date, net of ECL allowance, is as follows:

	<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	As at 31 March 2023 (Audited) HK\$'000
0–90 days	<b>25,095</b>	560
91–180 days	<b>688</b>	2,935
181–270 days	<b>874</b>	6,300
271–365 days	<b>2,110</b>	720
Over 365 days	<b>188</b>	228
	<b>28,955</b>	10,743

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

**9. TRADE AND OTHER PAYABLES**

	<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	As at 31 March 2023 (Audited) HK\$'000
<b>Trade payables</b>		
To third parties	<b>12,053</b>	11,796
<b>Other payables</b>		
Accrued charges and other payables	<b>6,382</b>	6,752
Contingent consideration payable	<b>4,304</b>	4,304
	<b>10,686</b>	11,056
	<b>22,739</b>	22,852

All amounts are short-term and hence the carrying values of the Group's trade and other payables as at 30 September 2023 and 31 March 2023 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:

	<b>As at 30 September 2023 (Unaudited) HK\$'000</b>	As at 31 March 2023 (Audited) HK\$'000
0–30 days	<b>3,529</b>	4,161
31–90 days	<b>5,786</b>	5,330
Over 90 days	<b>2,738</b>	2,305
	<b>12,053</b>	11,796

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased from approximately HK\$42.8 million for the six months ended 30 September 2022 to approximately HK\$34.8 million for the Relevant Period, representing a loss of approximately 18.8%. The decrease was mainly due to the decrease in sale of furniture and home accessories.

### Cost of sales

The Group's cost of sales decreased from approximately HK\$14.6 million for the six months ended 30 September 2022 to approximately HK\$11.4 million for the Relevant Period, representing a decrease of approximately 22.1%. The negative change was predominately due to the decrease in the sale of furniture and accessories.

### Gross profit and gross profit margin

The Group's gross profit decreased by approximately 17.1% from approximately HK\$28.2 million for the six months ended 30 September 2022 to approximately HK\$23.4 million for the Relevant Period. The gross profit margin raised from 65.9% for the six months ended 30 September 2022 to 67.3% for the Relevant Period.

### Other Income

The Group's other income remained stable of approximately HK\$3.6 million for the Relevant Period and the six months ended 30 September 2022.



## 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 12.9% from approximately HK\$18.0 million for the six months ended 30 September 2022 to approximately HK\$15.7 million for the Relevant Period. The decrease was primarily due to the decrease in staff salaries.

## 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 decreased by approximately 7.6% from approximately HK\$12.5 million for the six months ended 30 September 2022 to approximately HK\$11.5 million for the Relevant Period. The decrease was primarily attributable to the decrease of service fee incurred by Shanghai Italiving International Co., Ltd. ("**Shanghai Italiving**").

### **Provision for impairment of trade receivables**

As at 30 September 2023, the carrying value of cash-generating unit of trade receivables, i.e. Itliving, recognised a non-cash impairment of trade receivables of approximately HK\$12.0 million. For the further details of provision for impairment of trade receivables, please refer to Note 8 of this report.

### **Income tax expense**

The Group did not have any income tax expense for the Relevant Period due to the loss for the period (six months ended 30 September 2022: approximately HK\$0.5 million).

### **(Loss)/profit for the period**

The Group recorded that the net loss was approximately HK\$12.8 million for the Relevant Period compared to a profit was approximately HK\$0.5 million for the six months ended 30 September 2022. The decline was mainly attributable to the provision for impairment of trade receivables of approximately HK\$12.0 million and the decrease in revenue of approximately HK\$8.1 million.

## 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 operation of TREE Café in our flagship store in Ap Lei Chau (the “**Flagship Store**”); (iii) the provision of home accessories agency services; (iv) the provision of styling and consulting services; and (v) the provision of consumer loan 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. We have commenced online sales since May 2019. 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, cushions, mattresses and baskets.

In addition, we acquired Hong Kong Italiving International Co., Ltd (“**Italiving**”) in December 2018, which is principally engaged in the provision of furniture agency service in Hong Kong. Furthermore, a subsidiary, Shanghai Italiving, was incorporated in July 2019, which is principally engaged in the sale and distribution of furniture, and the provision of styling and consulting services in the People’s Republic of China (the “**PRC**”). In January 2022, we acquired Super Easy Finance Limited (“**Super Easy**”), which is principally engaged in the provision of consumer loan services.

The table below sets forth a breakdown of our revenue For the six months ended 30 September 2023 and 2022:

	<b>Six months ended 30 September</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers</b>		
Sale of furniture and home accessories	<b>29,458</b>	37,273
Food and beverage income	<b>1,782</b>	1,783
Commission income	<b>3,538</b>	3,687
	<b>34,778</b>	42,743
<b>Revenue from other sources</b>		
Rental income	—	90
Total	<b>34,778</b>	42,833

For the Relevant Period, our revenue amounted to approximately HK\$34.8 million, representing a decrease of approximately HK\$8.1 million or 18.8% from approximately HK\$42.8 million for the six months ended 30 September 2022. Such decrease was mainly attributable to the decrease in sale of furniture and home accessories.

## 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 2023 and 2022, respectively.

	Six months ended 30 September			
	2023		2022	
	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 %
<b>Direct sales in Hong Kong</b>				
Retail stores <sup>(1)</sup>	27,671	93.9	34,844	93.5
Online sales	1,264	4.3	1,861	5.0
<b>Sub-total</b>	<b>28,935</b>	<b>98.2</b>	36,705	98.5
<b>Distribution sales</b>	<b>523</b>	<b>1.8</b>	568	1.5
<b>Total</b>	<b>29,458</b>	<b>100.0</b>	37,273	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\$28.9 million, representing a decrease of approximately HK\$7.8 million or 21.2% from approximately HK\$36.7 million for the six months ended 30 September 2022. 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, representing a decrease of approximately 7.9% from approximately HK\$0.6 million for the six months ended 30 September 2022.

## **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 remain relatively unchanged when compared to the six months ended 30 September 2022.

## **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\$3.7 million for the six months ended 30 September 2022 to approximately HK\$3.5 million for the Relevant Period.

## **Rental income**

The Group's rental income comprised income generated from the provision of furniture rental services. There was no rental income during the Relevant Period (six months ended 30 September 2022: approximately HK\$90,000).

## **CORPORATE SOCIAL RESPONSIBILITY**

ESG remains a focus for the Group and they have achieved the CarbonCare label for Qi-House Holdings Limited and TREE Limited. This label was launched to recognise the sustainability efforts made by businesses and organisations. TREE are proud to have also achieved carbon neutrality. In addition to responsible sourcing The Group also enhanced its sustainability efforts by increasing their tree planting efforts (over 100,000 trees have been planted to date) through its Indonesia partner.

## **PROSPECTS**

The forthcoming financial year will continue to be challenging as retail market conditions remain competitive and the economy continues to recover from the COVID-19 pandemic. These factors will continue to impact our performance adversely for the forthcoming year. We will continue to focus on running our two TREE retail stores and also our e-commerce platform in Hong Kong. We will continue to consolidate and invest to build on our 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 2023, 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 2023, 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 2023, 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
Tiptop	Beneficial owner (Note 2)	745,860,000 (L)	47.09%
Ms. Shum Yuet Wah Anna	Interest of spouse (Note 3)	807,760,000 (L)	50.99%
Wuxing Hehe Holding Group Co., Limited	Beneficial owner (Note 4)	133,240,000 (L)	8.41%
Ms. Yang Songmei	Interest in a controlled corporation (Note 5)	133,240,000 (L)	8.41%

Notes:

- The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- The Company is owned as to 47.09% by Tiptop.
- 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 8.41% by Wuxing Hehe Holding Group Co., Limited.
- Wuxing Hehe Holding Group Co., Limited is wholly owned by Ms. Yang Songmei, is interested in 133,240,000 ordinary share of the Company.

Save as disclosed above, As at 30 September 2023, 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 15 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.

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  
**Qi-House Holdings Limited**  
**TONG Tang Joseph**  
*Chairman and Chief Executive Officer*

Hong Kong, 9 November 2023

*As at the date of this report, the Board comprises Mr. TONG Tang Joseph, Ms. Mary Kathleen BABINGTON, Mr. TSUI Wing Tak and Mr. BIAN Dahai 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.*