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Plus Group Holdings Inc.

普樂師集團控股有限公司

(A company incorporated in the Cayman Islands with limited liability)

(Stock Code: 2486)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Plus Group Holdings Inc. (the “**Company**”) is pleased to announce the unaudited interim condensed consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2024 (“**Reporting Period**”).

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Period-on-
	2024	2023	Period change
	<i>RMB'000</i>	<i>RMB'000</i>	%
	(Unaudited)	(Unaudited)	
Revenue	342,597	422,074	(18.8%)
Gross profit	48,856	77,985	(37.4%)
(Loss)/profit for the period	(3,767)	24,522	(115.4%)
(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company	(3,493)	24,522	(114.2%)

SELECTED FINANCIAL RATIO

	As at or for the six months ended 30 June 2024 (Approximate)	As at or for the six months ended 31 December 2023 (Approximate)
Revenue growth ¹	(18.8%)	17.4%
Current ratio (times) ²	3.5	3.6
Gearing ratio ³	N/A (net cash)	N/A (net cash)

Notes:

1. Revenue growth ratio equals revenue growth divided by revenue for the prior period.
2. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the period/year end.
3. Calculated by using the net debt divided by total equity as at period/year end. Net debt is calculated as total bank borrowings, amount due to a non-controlling shareholder and lease liabilities less cash and cash equivalents.

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
Total equity	505,692	508,182
Cash and cash equivalents	183,542	190,976
Bank borrowings	35,000	55,000
Amount due to a non-controlling shareholder	34,860	—
Lease liabilities	2,930	236

OPERATING METRICS

	Six months ended 30 June 2024	2023	Period-on- Period change %
Number of paying brand customers	50	33	51.5%
Number of paying distributor customers	182	100	82.0%
Total number of points of sale on a cumulative basis <i>(Note)</i>	4,430,000	4,478,000	(1.1%)
Total number of touchpoints on a cumulative basis <i>(Note)</i>	553,000	486,000	13.8%
Average monthly active touchpoints <i>(Note)</i>	31,000	30,000	3.3%

Note: The number showing above is rounded to nearest thousand.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the first half of 2024, although the total retail sales of consumer goods in China saw steady progress compared to the same period last year, the speed has significantly slowed down due to internal and external factors such as global inflation, geopolitical conflicts, international trade frictions, changes in domestic consumption demand, and increased operational pressures on enterprises.

In this macro environment, the Group, as a well-known sales and marketing service provider deeply rooted in offline retail channels (such as supermarkets, department stores, etc.), has inevitably been affected to a certain extent.

Facing a complex and ever-changing external environment, the Group has always steadfastly adhered to the core concept of informatization and digital services, actively responding to challenges and continuously seeking transformation and breakthroughs.

In 2024, the Group injected new vitality and growth points into the solid foundation for the Group's sustainable development through the following measures:

1. We deeply cultivate offline digital marketing business, proactively strengthening in-depth cooperation with leading new retail terminal merchants, through targeted marketing services, and even intervention in the collaborative management of retail terminals. While serving the retail business of terminal merchants and their self-operated brands, we also expand new businesses for new categories of customers such as fresh food and ready-to-eat food;
2. We actively explore and develop online business by cooperating with several business partners, and opening up a diversified O2O new track — “real-time retail marketing services”. At the same time, we have also established cooperative relationships with leading internet giants, O2O retail platforms, and home delivery (i.e. real-time delivery) platforms in China through this business;
3. We continue to strengthen business barriers, leveraging the “AI + Digital Marketing Joint Laboratory” with the School of Economics and Management of a well-known university. This continuously enhance the Group's AI intelligent algorithms, and develop retail label intelligent recognition, sales point management, and other resources for managing sales activities, building a comprehensive and three-dimensional sales service ecosystem.

In 2024, the Group ultimately achieved a total revenue of approximately RMB342.6 million and a gross profit of approximately RMB48.9 million during the Reporting Period. Compared to the first half of 2023, revenue decreased by approximately RMB79.5 million with a decrease of about 18.8%; gross profit decreased by approximately RMB29.1 million with a decrease of about 37.4%. However, compared to the second half of 2023, revenue increased by approximately RMB38.7 million with an increase of about 12.7%. We achieved an increase of approximately RMB32.0 million in gross profit, with a growth rate of approximately 189.3%.

Income fluctuations were mainly due to the Chinese consumer retail market, especially the offline retail market, experiencing a phase of “retaliatory consumption” with high growth in market expectations and consumer demand during the initial period of the full relaxation of pandemic controls (i.e., between January and May 2023). However, after this rebound period, consumption gradually returned to rationality, and consumption demand changed accordingly. Due to this impact, the market inevitably experienced a certain degree of decline, and the growth rate began to slow down significantly. Furthermore, this also prompted brand merchants to adjust their marketing promotion expectations for the offline market. Moreover, this trend has continued to this day.

In this regard, although the Group has timely adjusted its strategic layout, we are limited by being in the offline market and the overall pattern of being a downstream service provider. Despite maintaining a growth trend in revenue compared to the second half of 2023, it would be ultimately difficult to return to the level of the same period last year, resulting in a certain degree of decline.

The main reason for the fluctuation in gross profit is that the Group timely adjusted its strategic layout based on its market insights. In the second half of 2023, we proactively sacrifice some of our interests to ensure maintaining sufficient market share, providing a good survival environment and space for the development in 2024. Therefore, during the Reporting Period, although the gross profit could not reach the same level as the corresponding period, there was a significant rebound compared to the second half of 2023.

The following is the status of various businesses of the Group.

During the Reporting Period, the main businesses of the Group have been as follows:

Customised marketing solution

The core of our service of the customised marketing solution is to develop and implement customised sales and marketing plans for customers’ merchandise with a view to raising the awareness for customers’ brand and promoting the merchandise and its sales, mainly including promotional activities, marketing activities, roadshows, product launch activities, ordering activities and appreciation ceremonies.

In 2024, although the customised marketing solution business could not reach the same level as in the same period of 2023, it still maintained a considerable market share, while the market environment has been volatile. On this basis, it achieved breakthroughs through cooperation with retailers, effectively curbing the downward trend that began to appear in the second half of 2023.

During the Reporting Period, the customised marketing solution business ultimately achieved a revenue of approximately RMB264.8 million, a period-on-period decrease of approximately 18.9%, and an increase of approximately 9.7% as compared to the second half of 2023.

Tasks and marketers matching service

The core of the tasks and marketers matching service is to formulate and implement standardised sales and marketing plans for customers' merchandise with a view to enhancing their sales performance.

In 2024, thanks to higher customer retention and successful customer acquisition, the decline in performance due to market changes was timely compensated. Although it has not yet reached the level of the same period in 2023, it has maintained good sustainability.

During the Reporting Period, the tasks and marketers matching service ultimately achieved a revenue of approximately RMB56.3 million, a period-on-period decrease of approximately 15.0%, and an increase of approximately 17.0% as compared to the second half of 2023.

Marketers assignment service

Our marketers assignment service aimed for top brand customers to enable them to experience the digital sales and marketing advantages with a view to helping us further expand our market and lay a solid foundation for increasing our market share.

In 2024, due to the continuous tightening of investment scale by brand owners, the number of marketers stationed has remained at a low level for a long time, resulting in a continuous decline in marketers assignment service.

During the Reporting Period, the revenue from the marketers assignment service was approximately RMB12.0 million, a period-on-period decrease of approximately 39.9%, and a decrease of approximately 2.4% as compared to the second half of 2023.

SaaS+ subscription and other services

SaaS+ subscription and other services focused on offering customisation (on an as-needed basis) and subscription for our readily-available digitalized tools to support our customers to streamline their sales and marketing process based on precisely positioning their sales targets.

In 2024, with the launch of the Group's O2O real-time retail marketing services, the SaaS+ subscription and other services business experienced a new round of growth. O2O real-time retail marketing services are based on leading internet platforms within China or their affiliated real-time retail platforms (O2O platforms), providing brand merchants with planning and execution, precise audience targeting, maintenance, and digital analysis, among other comprehensive online marketing promotion services. These services help brands achieve marketing results, increase brand traffic, and boost online sales of brand products. The services mainly include online marketing (promotion) planning, online marketing coupon distribution and verification, advertising placement, etc.

During the Reporting Period, O2O real-time retail marketing services achieved:

- 1) A total of 14 contracted brand clients;
- 2) A total of 6 contracted online real-time retail platforms, all of which are O2O platforms of leading Internet giants or their subsidiaries in China to provide online sales and offline real-time delivery (also known as “same day delivery” and “home delivery” services).
- 3) By distributing and having approximately 1.2 million marketing (promotional) coupons used by consumers, real-time retail was achieved for brand clients in terms of GMV (Gross Merchandise Volume), which accumulated approximately RMB113 million.

During the Reporting Period: SaaS+ subscription and other services achieved revenue of approximately RMB9.6 million, with a period-on-period decrease of approximately 1.2%, and a growth of approximately 357.1% as compared to the second half of 2023.

Business Outlook

1. Regarding the continuous expansion and development of the new market-leading retail channel business
 - (1) We continue to deepen the cooperative relationship with market-leading new retail supermarkets in mainland China that focus on fresh and ready-to-eat features, continuously providing excellent digital empowerment services and systematic marketing services. By enhancing the offline marketing performance in supermarket channels, we gain and leverage the outstanding online and offline advantages to expand the marketing and promotion business of more popular product brands or suppliers (such as fresh produce, cold chain categories) in other application scenarios.

- (2) We strengthen business cooperation with an international top-tier chain retailers with membership, gain insights into the characteristics of combining membership models and terminal sales models, leverage the advantages of intervening in retail store collaborative management, and work together with clients to establish a rationale that fits the retailer, which match the unique characteristics of the retailer in a greater extent, and more effective digitalized and systematized integrated marketing service. While meeting the rapid expansion demands of chain retail stores, we strengthen business barriers and acquire many channels and brand marketing resources.
2. We expand the scale of real-time retail marketing business, leveraging the Group's dual influence of industry reputation and the senior partners in O2O real-time business to secure more online marketing resources from brands, while gaining more support from mainstream platforms to achieve broader marketing reach and real-time sales.
3. Small and medium-sized clients and channel clients in various categories are under further expansion. By leveraging deep cooperation with offline retailers and relying on data support from the online O2O real-time platform, we could timely grasp the dynamics of the offline retail market, provide more targeted marketing promotion services, and enhance sales for brands and channel merchants while also controlling greater premium space.
4. We strengthen industry barriers to absorb more than 200,000 small stores into the Group's own platform, aiming to acquire more digital assets, continuously iterating and enhancing the system functions of the own platform, AI algorithms, and intelligent recognition capabilities, thereby promoting comprehensive platform services for brands, channels, and retailers.
5. The Group will continue to actively seek high-quality assets, optimise and integrate various carrier resources through strategic investments, acquisitions, and other major collaborations, to achieve rapid business expansion and contribute to the comprehensive development of the Group.

Financial Review

Revenue

The total revenue of the Group for the six months ended 30 June 2024 amounted to approximately RMB342.6 million, representing a decrease of approximately RMB79.5 million, or approximately 18.8%, as compared to approximately RMB422.1 million for the six months ended 30 June 2023.

During the first half of 2023, China was in the early stage of the full relaxation of pandemic controls, during which the consumer market witnessed a period of rapid growth in a wave of retaliatory consumption until June when it fell back due to factors such as rationalization of consumption.

As a service provider focusing on the offline consumer market, the Group has been significantly impacted in terms of its performance by fluctuations in the market environment. The first half of 2023 saw better returns as a result of the high growth in the consumer market, which made it easier to access customer resources and achieve marketing results. However, this was not the case in 2024, resulting in a significant decline in performance compared to the corresponding period in 2023.

By the four business segments

	Six months ended 30 June			
	2024	Percentage of total revenue	2023	Percentage of total revenue
	<i>RMB'000</i>		<i>RMB'000</i>	
	<i>(Unaudited)</i>	%	<i>(Unaudited)</i>	%
Revenue from:				
Customised marketing solution	264,776	77.3%	326,288	77.3%
Tasks and marketers matching service	56,296	16.4%	66,213	15.7%
Marketers assignment service	11,960	3.5%	19,891	4.7%
SaaS+ subscription and other services	9,565	2.8%	9,682	2.3%
	<u>342,597</u>	<u>100.0%</u>	<u>422,074</u>	<u>100.0%</u>
				<u>(18.8%)</u>

1. Customised marketing solution

The customised marketing solution business achieved revenue of approximately RMB264.8 million for the six months ended 30 June 2024, representing a decrease of approximately RMB61.5 million, or approximately 18.9%, as compared to the corresponding period in 2023.

The continuing slow-down in the consumer market has had a significant impact on the Group's customised marketing solution. However, in 2024, by leveraging its industry-leading strengths, precise predictions and timely adjustments of its strategic layout in response to the consumer market, the Group consolidated the customer resources and market results secured in the second half of 2023. Through strengthening business cooperation with end retailers and proactively seeking new customer resources, it succeeded in driving a gradual rebound of revenue from customised marketing solutions, achieving revenue growth of approximately 9.7% compared with that of the trough period in 2023 (the second half of 2023).

2. Tasks and marketers matching service

Tasks and marketers matching service achieved revenue of approximately RMB56.3 million for the six months ended 30 June 2024, representing a decrease of approximately RMB9.9 million, or approximately 15.0%, as compared to the corresponding period in 2023.

With the gradual enhancement of the Group's AI function algorithm, the continuous iterative computation and upgrading of system functions, as well as the continuous accumulation of "field" and "staff" data, the adhesion between the Group and its customers has become stronger and stronger. Although the slow-down in the market environment has caused customers to reduce their offline resources and investment, resulting in a decline in revenue in 2024 as compared to 2023 and the corresponding period, the stability and continuity of the business is still guaranteed, especially with the addition of new customers in 2024, the overall level of the business has increased by approximately 17.0% as compared to that of the trough period of 2023 (the second half of 2023).

3. Marketers assignment service

Marketers assignment service achieved revenue of approximately RMB12.0 million for the six months ended 30 June 2024, representing a decrease of approximately RMB7.9 million, or approximately 39.9%, as compared to the corresponding period in 2023. Since the second half of 2023, the brand clients began to reduce their investment and gradually cut the number of employed marketers assigned to perform sales and marketing functions in the offline retail outlets and this situation has continued since then, which has also led to a decline in the Group's revenue level from marketers assignment service.

4. SaaS+ subscription and other services

The SaaS+ subscription and other services business achieved revenue of approximately RMB9.6 million for the six months ended 30 June 2024, representing a decrease of approximately RMB0.1 million, or approximately 1.2%, as compared to the corresponding period in 2023.

Although the SaaS + subscription services performed poorly in 2024 in terms of system customisation, the overall revenue remained stable with the launch of the Group's "O2O — Real-time Retail Marketing Services".

Cost of services, gross profit and gross profit margin

The total cost of the Group amounted to approximately RMB293.7 million for the six months ended 30 June 2024, representing a decrease of approximately RMB50.3 million, or approximately 14.6%, as compared to approximately RMB344.1 million for the six months ended 30 June 2023.

The decline in costs was mainly concentrated in cost of services, including employee benefit expenses (salary and benefits of contracted employees) and external labour service fees and expenses. For the six months ended 30 June 2024, that part of the costs amounted to approximately RMB274.1 million, accounting for approximately 93.3% of the total costs, representing a decrease of approximately 14.6% as compared to the six months ended 30 June 2023.

Among them, employee benefit expenses for the six months ended 30 June 2024 amounted to approximately RMB157.0 million, representing a decrease of approximately RMB52.9 million, or approximately 25.2%, from employee benefit expenses of approximately RMB209.9 million for the six months ended 30 June 2023.

Labour service fees and expenses for the six months ended 30 June 2024 amounted to approximately RMB117.1 million, representing an increase of approximately RMB5.3 million, or approximately 4.7%, from labour costs of approximately RMB111.8 million for the six months ended 30 June 2023.

The changes in cost of services were due to the Group's strategic adjustment in the second half of 2023, which reduced its own employee costs while using high-quality labour expenses to support more services.

The total gross profit of the Group amounted to approximately RMB48.9 million for the six months ended 30 June 2024, representing a decrease of approximately RMB29.1 million, or approximately 37.4%, as compared to approximately RMB78.0 million for the six months ended 30 June 2023. Gross profit margin for the six months ended 30 June 2024 was approximately 14.3%, representing a decrease of approximately 4.2 percentage points as compared with the gross profit margin for the six months ended 30 June 2023 of approximately 18.5%, and the percentage of decrease was about 22.7%.

The decrease was mainly due to the decline in cost of services, including employee benefit expenses (salary and benefits of contracted employees) and external labour service fees and expenses, was lower than the decline in overall revenue.

Among them, the costs in employee benefit expenses decreased significantly. However, based on the security policies in the PRC and corporate responsibility to maintain social stability, as well as maintaining the Group's own efficient execution, there was room for employee optimization.

In terms of labour service fees and expenses, under the overall economic growth trend in the PRC and the Group's persistence of high quality, the price of labour service output from external suppliers also increased.

Administrative expenses

Administrative expenses mainly include employee benefit expenses, labour costs and office expenses. Administrative expenses decreased by approximately 8.5% from approximately RMB47.2 million for the six months ended 30 June 2023 to approximately RMB43.2 million for the six months ended 30 June 2024, which was mainly attributable to the fluctuation in administrative expenses due to the decrease in listing fees and the increase in the business of the real-time retail marketing services segment during the period.

Selling and marketing expenses

Selling and marketing expenses, which mainly consisted of employee benefit expenses, increased by approximately 9.4% from approximately RMB9.6 million for the six months ended 30 June 2023 to approximately RMB10.5 million for the six months ended 30 June 2024, and the expenses were basically flat.

Research and development expenses

Research and development expenses primarily consist of employee benefits expenses and other research and development costs. Research and development expenses increased by approximately 5.6% from approximately RMB12.4 million for the six months ended 30 June 2023 to approximately RMB13.1 million for the six months ended 30 June 2024, which was mainly attributable to the basically flat expenses incurred by the Group in order to strengthen the digitalisation and enhance the capability of information services.

Other Income

Other income decreased by approximately 63.3% from approximately RMB15.0 million for the six months ended 30 June 2023 to approximately RMB5.5 million for the six months ended 30 June 2024, mainly due to more government financial support in 2023.

Other gains — net

Other gains — net increased by approximately 6.2% from approximately RMB9.7 million for the six months ended 30 June 2023 to approximately RMB10.3 million for the six months ended 30 June 2024, mainly due to the return of social security payments of approximately RMB9.5 million by the government to mitigate the impact of COVID-19 and the slight appreciation of Hong Kong dollar, which resulted in foreign exchange gains.

(Impairment losses)/reversal of impairment losses on financial assets

Impairment loss on financial assets increased by approximately 1,550% from a reversal of approximately RMB0.2 million for the six months ended 30 June 2023 to a loss of approximately RMB2.9 million for the six months ended 30 June 2024, which was mainly attributable to the impairment loss on the additional assets for the Company's development of end retailers and real-time retail marketing services.

Finance income/(costs) — net

Net finance costs decreased from RMB0 million for the six months ended 30 June 2023 to net finance income of approximately RMB0.5 million for the six months ended 30 June 2024. The decrease in net finance costs was mainly attributable to the increase in interest income generated from the proceeds raised, offsetting the interest expenses incurred from the onshore borrowings, which resulted in a decrease in net finance costs.

Income tax credit/(expense)

Income tax expense decreased by approximately 109.8% from approximately RMB9.2 million for the six months ended 30 June 2023 to income tax credit of approximately RMB0.9 million for the six months ended 30 June 2024.

(Loss)/Profit attributable to equity owners of the Company

Profit attributable to equity owners decreased by approximately 114.2% from approximately RMB24.5 million for the six months ended 30 June 2023 to a loss of approximately RMB3.5 million for the six months ended 30 June 2024.

Cash and cash equivalents

Cash and cash equivalents decreased by approximately 3.9% from approximately RMB191.0 million for the year ended 31 December 2023 to approximately RMB183.5 million for the six months ended 30 June 2024, which was mainly due to the gradual use of the proceeds from the Listing.

Capital expenditure

Capital expenditure decreased by approximately 66.7% from approximately RMB0.3 million for the six months ended 30 June 2023 to approximately RMB0.1 million for the six months ended 30 June 2024.

Material acquisitions and disposal of subsidiaries, associates and joint ventures

As of 30 June 2024, the Company did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Plans for material investments or acquisition of capital assets

As of 30 June 2024, the Company had no future plans for material investments or acquisition of capital assets.

Pledge of assets

As of 30 June 2024, the Company did not have any material pledge of assets.

Liquidity and capital resources

The Group's primary uses of cash are for funding of its working capital requirements, repayment of loans and related interest expenses. As of the date of this announcement, the Group has funded its operations principally with cash generated from operations, borrowings, contribution from shareholders and net proceeds from the Listing.

In the future, the Group believes that its liquidity requirements will be satisfied with a combination of cash flows generated from operating activities, bank loans and other funds raised from the capital markets from time to time.

As of 30 June 2024, the Group had cash and cash equivalents of approximately RMB183.5 million. As of 30 June 2024, the balance of borrowings was approximately RMB35.0 million, all of which are borrowings due within one year.

The unutilised banking facilities as of 30 June 2024 amounted to approximately RMB30.0 million. The Group has sufficient liquidity to satisfy its day-to-day management and capital expenditure requirements and is able to control its internal operating cash flows.

Foreign exchange risk

The Group's major business operations are located in the PRC, and thus the principal revenue and costs are denominated in RMB, and have certain monetary capital are denominated in Hong Kong dollar. As a result, the Group is exposed to foreign exchange risk. The Group currently had no foreign currency hedging plan. However, the management of the Company monitors the foreign exchange fluctuation risk and considers hedging significant foreign exchange fluctuation risk when necessary.

Contingent liabilities

As of 30 June 2024, the Group had no material contingent liabilities, which was the same as that of 31 December 2023.

Employees and Remuneration Policies and Their Number

In the first half of 2024, the Group stuck to the people-oriented concept, continuously optimising the business organisational structure, and improving the efficiency of teamwork. As of 30 June 2024, the Group had a total of 8,011 employees (as of 31 December 2023: 8,137), including 313 employees (as of 31 December 2023: 232 employees) at the Group's headquarters, 4,363 employees (as of 31 December 2023: 4,067 employees) for the marketers assignment service, and 3,335 employees (as of 31 December 2023: 3,838 employees) for the customised marketing solution service.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2024	2023
	Notes	RMB'000	RMB'000
		Unaudited	Unaudited
Revenue	4	342,597	422,074
Cost of services	6	(293,741)	(344,089)
Gross profit		48,856	77,985
Administrative expenses	6	(43,151)	(47,173)
Selling and marketing expenses	6	(10,515)	(9,632)
Research and development expenses	6	(13,083)	(12,366)
Other income	5	5,455	14,996
Other gains — net	5	10,301	9,696
(Impairment losses)/reversal of impairment losses on financial assets		(2,906)	218
Operating (loss)/profit		(5,043)	33,724
Finance income	7	1,799	1,259
Finance costs	7	(1,348)	(1,289)
Finance income/(costs) — net		451	(30)
Share of result of associates — net		(30)	11
(Loss)/profit before income tax		(4,622)	33,705
Income tax credit/(expense)	8	855	(9,183)
(Loss)/profit for the period		(3,767)	24,522
(Loss)/profit and total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(3,493)	24,522
Non-controlling interests		(274)	—
		(3,767)	24,522
(Loss)/earnings per share attributable to the owners of the Company			
Basic and diluted (expressed in RMB per share)	9	(0.03)	0.24

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
	<i>Notes</i>		
ASSETS			
Non-current assets			
Plant and equipment		1,168	1,363
Right-of-use assets		3,278	279
Investments in associates		4,517	4,547
Deferred income tax assets		4,602	1,119
		<u>13,565</u>	<u>7,308</u>
Current assets			
Contract assets	11	154,124	164,442
Trade receivables	12(a)	246,148	276,346
Contract costs		3,001	981
Deposits, other receivables and prepayments	12(b)	103,552	21,989
Other financial assets at amortised cost		—	36,249
Cash and cash equivalents		183,542	190,976
		<u>690,367</u>	<u>690,983</u>
Total assets		<u>703,932</u>	<u>698,291</u>
EQUITY			
Share capital		159	165
Share premium		193,925	213,645
Other reserves		115,952	94,283
Retained earnings		194,597	200,089
		<u>504,633</u>	<u>508,182</u>
Equity attributable to owners of the Company		504,633	508,182
Non-controlling interests		1,059	—
Total equity		<u>505,692</u>	<u>508,182</u>

		As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
	<i>Notes</i>		
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,334	5
Deferred income tax liabilities		730	—
		<u>2,064</u>	<u>5</u>
Current liabilities			
Lease liabilities		1,596	231
Borrowings	14	35,000	55,000
Trade and other payables	13	110,569	126,534
Amount due to a non-controlling shareholder		34,860	—
Contract liabilities		11,283	7,259
Income tax payables		2,868	1,080
		<u>196,176</u>	<u>190,104</u>
Total liabilities		<u>198,240</u>	<u>190,109</u>
Total equity and liabilities		<u>703,932</u>	<u>698,291</u>

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Plus Group Holdings Inc. (the “**Company**”) was incorporated in the Cayman Islands on 30 September 2021 as an exempted company with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961 as amended or supplemented or otherwise modified from time to time) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s principal place of business in Hong Kong is located in Room 1202, 12/F, Sun House, 90 Connaught Road Central, Sheung Wan, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the customised marketing solution, task and marketers matching service, marketers assignment service and SaaS+ subscription and other services in the People’s Republic of China (the “**PRC**”). The ultimate holding company of the Company is Junshu Holdings Limited. The ultimate controlling party of the Company is Mr. Sun Guangjun (“**Mr. Sun**”).

This interim condensed consolidated financial information (the “**Interim Financial Information**”) is presented in Renminbi, unless otherwise stated, and has been approved for issue by the board of directors (the “**Board**”) of the Company on 30 August 2024.

The interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2023.

Application of amendments to Hong Kong Financial Reporting Standards (“**HKFRS**”)

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier finance Arrangements

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

4. REVENUE AND SEGMENT INFORMATION

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chairman of the Group that makes strategic decisions.

The chairman of the Company regards the Group's business as a single operating segment and review interim condensed consolidated financial information accordingly.

(a) Disaggregation of revenue

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited
Revenue from:		
Customised marketing solution	264,776	326,288
Tasks and marketers matching service	56,296	66,213
Marketers assignment service	11,960	19,891
SaaS+ subscription and other services	9,565	9,682
	<u>342,597</u>	<u>422,074</u>

Revenue from customised marketing solution, tasks and marketers matching service, marketers assignment service and SaaS+ subscription are recognised over time for the periods.

(b) Geographical information

All the revenue and non-current assets are based in the PRC for the six months ended 30 June 2024 and 2023.

5. OTHER INCOME AND OTHER GAINS — NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	Unaudited	Unaudited
Other income		
Government grants (<i>note (i)</i>)	5,355	14,336
Gain on additional deduction of value-added tax	—	660
Others	100	—
	<u>5,455</u>	<u>14,996</u>
Other gains — net		
Net foreign exchange gain	562	9,705
Reversal on pension return to customers (<i>note (ii)</i>)	9,466	—
Gain on redemption of other financial assets at amortised cost (<i>note (iii)</i>)	302	—
Loss on disposal of plant and equipment	—	(6)
Others	(29)	(3)
	<u>10,301</u>	<u>9,696</u>

- (i) The government grants were mainly consisted of job-subsidy programme and companies registration subsidies for the six months ended 30 June 2024 and 2023. There are no unfulfilled conditions or other contingencies attaching to these grants. The Group did not benefit directly from any other forms of material government assistance.
- (ii) Due to the impact of COVID-19, the Group was reduced from social security payments by the government for certain periods during the year of 2020. The total payment, received from customers related to marketers assignment service for settling the social insurance obligation but subsequently reduced by the government, was approximately RMB70,788,000. The Group had refunded RMB22,773,000 to customers since the year of 2020 (the “**Refund**”), and, reversed the refundable amount of RMB38,549,000 and RMB9,466,000 as other gain for year ended 31 December 2023 and for the six months ended 30 June 2024 respectively because management considered the limitation of action and legal obligation on certain pension refund to customers was expired (the “**Reversal**”). After the Refund and Reversal, none of the refundable balances as at 30 June 2024 (as at 31 December 2023: RMB9,466,000).
- (iii) In September 2023, the Group invested HK\$30,000,000 (equivalent to RMB27,187,000) and HK\$10,000,000 (equivalent to RMB9,062,000) respectively in two investments with guaranteed return rates were 5.15% and 5.10% respectively, which were both private offshore funds (the “**Funds**”) newly established in Cayman Island. The investment objectives of the Funds were to invest in bank deposit, bonds, notes, national debt, banker’s acceptance draft, and other similar financial instruments. The Funds were classified as other financial assets measured at amortised cost in the consolidated statement of financial position as at 31 December 2023. In March 2024, the Group redeemed the Funds and collected the investment principal together with return amounted to HK\$40,330,000 (equivalent to RMB36,595,000).

6. EXPENSES BY NATURE

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited
Employee benefit expenses (including directors' emoluments)	197,795	237,846
Labour service fees	120,312	118,766
Research, development and technical service expenses	9,753	11,803
Listing expenses	—	10,708
Event consumables	5,091	10,960
Travel and transportation expenses	14,091	10,582
Office expenses	8,099	6,559
Other taxes and levies	2,332	2,792
Amortisation and depreciation	1,026	1,762
Auditor's remuneration	525	600
Other expenses	1,466	882
	<u>360,490</u>	<u>413,260</u>

7. FINANCE INCOME/(COSTS) — NET

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	Unaudited	Unaudited
Finance income		
— Bank interest income	<u>1,799</u>	<u>1,259</u>
	<u>1,799</u>	<u>1,259</u>
Finance costs		
— Interest for trade receivables factoring	(209)	(133)
— Interest expenses for bank borrowings	(1,024)	(1,106)
— Interest expenses on lease liabilities	(42)	(50)
— Interest expenses paid to a non-controlling shareholder	<u>(73)</u>	<u>—</u>
	<u>(1,348)</u>	<u>(1,289)</u>
	<u>451</u>	<u>(30)</u>

8. INCOME TAX CREDIT/(EXPENSE)

(a) Cayman Islands and BVI Income Tax

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, members of the Group incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax.

(b) Hong Kong Profits Tax

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profits in Hong Kong during the six months ended 30 June 2024 and 2023.

(c) The PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%. The applicable withholding tax rates of the group company in Hong Kong is 10% after the completion of the Reorganisation.

(d) PRC Enterprise Income Tax

PRC corporate income tax has been provided at the rate of 25% on the taxable profits of the Group's PRC significant subsidiaries for the six months ended 30 June 2024 and 2023.

Shanghai Retail Winner Digital Technologies Co., Ltd. (“**Shanghai Retail Winner**”), a subsidiary of the Company, had applied to the relevant tax bureau and was granted the qualification as High and New Technology Enterprise (“**HNTE**”) in 2022, which will expire in November 2025. It is subject to a preferential income tax rate of 15%. Based on management's assessment, it is highly probable that Shanghai Retail Winner will continue to meet the requirements of High-tech Enterprise.

Certain subsidiaries of the Group in the PRC were qualified as “Small Low-Profit Enterprise” since 2019. “Small Low-Profit Enterprise” was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. For the six-month periods ended 30 June 2024 and 2023, under the two-tiered profits tax rates regime, the first RMB1,000,000 of the taxable income of qualified entities are taxed at 20%, and the taxable income above RMB1,000,000 are taxed at 25%. Thus, the subsidiaries were subject to a preferential income tax rate of 20% for the six months ended 30 June 2024 and 2023.

The amounts of income tax expense (credited)/charged to the interim condensed consolidated statement of comprehensive income represent:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	Unaudited	Unaudited
Current income tax		
— The PRC current tax	1,898	10,675
Deferred income tax	(2,753)	(1,492)
	(855)	9,183

9. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per shares is calculated by dividing the (loss)/profit attributable to owners of the Company less treasury stock by the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023.

The weighted average number of ordinary shares of the Company for the purpose of calculating basic (loss)/earnings per share has been determined on the assumption that the share subdivision on 4 April 2023 has been retrospectively adjusted for the purpose of (loss)/earnings per share computation. In addition to the aforementioned, in determining the weighted average number of ordinary shares in issue during the six months ended 30 June 2024 and 2023, the effect of 25,000,000 shares issued through initial public offering on 11 May 2023 have also been adjusted by a time-weighting factor.

	Six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
(Loss)/profit attributable to owners of the Company (RMB'000)	(3,493)	24,522
Weighted average number of ordinary shares in issue	123,421,612	102,625,058
Basic (loss)/earnings per share (in RMB)	(0.03)	0.24

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding with the effect of the exercise of the Company's RSU Scheme.

No diluted (loss)/earning per share for both periods was presented as there were no potential ordinary shares in issue for both periods.

10. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2024, nor has any dividend been proposed since the end of the interim reporting period (six months ended 30 June 2023: Nil).

11. CONTRACT ASSETS

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Customised marketing solution	85,318	86,236
Tasks and marketers matching service	10,774	11,648
Marketers assignment service	57,205	64,749
SaaS+ subscription and other services	2,929	3,072
	<hr/>	<hr/>
Contract assets — gross carrying amount	156,226	165,705
Less: allowance for impairment of contract assets	(2,102)	(1,263)
	<hr/>	<hr/>
Contract assets — net	<u>154,124</u>	<u>164,442</u>

The Group's contract assets are denominated in RMB and initially recognised at transaction price on gross amount.

During the period ended 30 June 2024, impairment loss recognised on contract assets of approximately RMB839,000 (2023: reversed of RMB63,000) was made.

12. TRADE RECEIVABLES, DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

(a) Trade receivables

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Trade receivables	248,148	278,257
Less: allowance for impairment of trade receivables	(2,000)	(1,911)
	<hr/>	<hr/>
Trade receivables — net	<u>246,148</u>	<u>276,346</u>

During the period ended 30 June 2024, impairment loss recognised on trade receivables of approximately RMB89,000 (2023: reversed of RMB149,000) was made.

The aging analysis of the gross trade receivables based on invoice date is as follows:

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
1–60 days	244,439	188,884
61–120 days	1,259	74,919
121–180 days	811	11,547
Over 180 days	1,639	2,907
	<u>248,148</u>	<u>278,257</u>

The aging of trade receivables is mainly within 180 days after invoicing depending on the nature of services. The Group's trade receivables are denominated in RMB and initially recognised at transaction price on gross amount.

(b) Deposits, other receivables and prepayments

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Value-added tax receivables from customers	8,587	9,437
Deposits — third parties	47,197	1,693
Other receivables		
— staff	2,719	161
— customers (<i>note(i)</i>)	33,591	—
	<u>92,094</u>	<u>11,291</u>
Less: allowance for impairment of other receivables	<u>(2,070)</u>	<u>(92)</u>
Other receivables — net	<u>90,024</u>	<u>11,199</u>
Prepayments to suppliers	6,539	4,492
Prepaid income taxes	6,989	6,298
Current portion	<u>103,552</u>	<u>21,989</u>

- (i) The amount represents payments the Group has made to third-party suppliers, service providers or other parties for goods or services that will be consumed by or provided to the customers, which means the Group has made certain payments on behalf of its customers as an advance or prepaid expense.

The Group's deposits, other receivables and prepayments are mainly denominated in RMB.

The carrying amounts of trade receivables, deposits, other receivables and prepayments approximate to their fair values. The maximum exposure to credit risk at the end of 30 June 2024 and 31 December 2023 is carrying amount of each class of trade receivables, deposits, other receivables and prepayments mentioned above.

During the period ended 30 June 2024, impairment loss recognised on other receivables of approximately RMB1,978,000 (2023: reversed of RMB6,000) was made.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Trade payables	<u>31,534</u>	<u>35,145</u>
Other payables:		
— Accrued staff costs	55,017	65,652
— Refund of pension to customers	—	9,466
— Other tax payables	11,309	12,685
— Reimbursement and refund payables	2,094	924
— Accrual expenses	9,926	1,974
— Others	<u>689</u>	<u>688</u>
	<u>79,035</u>	<u>91,389</u>
	<u><u>110,569</u></u>	<u><u>126,534</u></u>

The trade and other payables are denominated in RMB and the carrying amounts approximate their fair values.

The aging analysis of the trade payables by invoice date is as follows:

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Up to 90 days	<u><u>31,534</u></u>	<u><u>35,145</u></u>

14. BORROWINGS

	As at 30 June 2024 <i>RMB'000</i> Unaudited	As at 31 December 2023 <i>RMB'000</i> Audited
Repayable within one year		
— Bank borrowings	<u>35,000</u>	<u>55,000</u>

- (a) The carrying amounts of the bank borrowings, which are all due within one year, approximate their fair values. The bank borrowings are denominated in RMB and the weighted average interest rates were 3.45% per annum as at 30 June 2024 (31 December 2023: 4.20%).
- (b) As at 30 June 2024 and 31 December 2023, borrowings were guaranteed by:
- (i) Corporate guarantees provided by certain subsidiaries of the Company;
 - (ii) Guarantee provided by a governmental guarantor specially set for small and medium-sized enterprises.
- (c) The Group has complied with the financial covenants of its borrowing for the six months ended 30 June 2024 and 2023.

OTHER INFORMATION

1. Purchase, Sale or Redemption of the Securities of the Company

The Directors have been granted a general mandate by the Shareholders at the annual general meeting of the Company held on 24 May 2024 to repurchase no more than 10% of the total number of issued Shares as of the date of passing of the relevant resolution, amounting to 12,070,180 Shares (the “**Repurchase Mandate**”).

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities from 1 January 2024 up to the date of this announcement.

2. Dividend

The Board does not recommend the payment of any dividend for the six months ended 30 June 2024 (30 June 2023: Nil).

3. Corporate Governance Code

The Company is committed to maintaining sound corporate governance and had complied with all the code provisions as set out in the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”) during the Reporting Period, save for the deviation as disclosed below.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of the chairman of the Board and Chief Executive Officer should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive Officer should be clearly established and set out in writing. Mr. Sun Guangjun is the Chairman and chief executive officer of the Company. He has been primarily involved in developing overall corporate and business strategies of the Group and making significant business and operational decisions of the Group.

The Directors consider that vesting the roles of both the Chairman and the Chief Executive Officer of the Company in Mr. Sun Guangjun is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, the Directors believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) the decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Mr. Sun Guangjun and other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, which consists of two executive Directors (including Mr.

Sun Guangjun) and three independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both the Board, and senior management levels.

Code provision C.1.6 of Part 2 of the Corporate Governance Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Zhong Jiesheng was not able to attend the annual general meeting held on 24 May 2024 due to his other business arrangement. Other Board members who attend the general meeting were of sufficient calibre and number for answering questions raised by the Shareholders at the relevant general meeting.

The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the business strategies of the Group and maximizes effectiveness of its operation.

4. Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) under Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the requirements for securities transactions of directors set out in the Model Code during the Reporting Period.

5. Audit Committee

The Company established the audit committee with written terms of reference in compliance with the Rule 3.21 of the Listing Rules and The Corporate Governance Code as set out in Appendix C1 of the Listing Rules. As of the date of this announcement, the audit committee comprises three independent non-executive Directors (Mr. Lau Man Tak, Ms. Li Yingkai and Mr. Ngan Wing Ho) of the Company. Mr. Lau Man Tak is the chairman of the audit committee.

The interim results for the six months ended 30 June 2024 are unaudited and reviewed by the audit committee, and reviewed by CL Partners CPA Limited, the independent auditors of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Based on the review, except for the matter described below, nothing has come to attention that cause the audit committee and CL Partners CPA Limited to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with Hong Kong Auditing Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the HKICPA.

As disclosed in note 5 to the condensed consolidated financial statement for the period ended 30 June 2024, in September 2023, the Group invested HK\$30,000,000 (equivalent to RMB27,187,000) and HK\$10,000,000 (equivalent to RMB9,062,000) respectively in two investments with guaranteed return rates of 5.15% and 5.10% respectively, which were both private offshore funds (the “Funds”) newly established in the Cayman Islands. The Funds were classified as other financial assets at amortised cost in the consolidated statement of financial position as at 31 December 2023. The Group did not accrued for any guaranteed returns from the Funds for the year ended 31 December 2023.

The Group’s management was not able to obtain supporting documents about the balance of the Funds, the underlying assets held by the Funds and the value of the Funds as at 31 December 2023. It was unable to verify commercial substance of the transactions related to the Funds and to the accuracy, existence, classification, valuation, and presentation of the Funds and whether the effects of these transactions related to the Funds, including the related cashflows, have been properly accounted for and disclosed in the consolidated financial statements as at and for the year ended 31 December 2023. As disclosed in the auditor’s report on the consolidated financial statements of the Group for the year ended 31 December 2023 published on 30 April 2024, the predecessor auditor expressed a qualified of opinion on the consolidated financial statements, for the year ended 31 December 2023, for the same matter.

In March 2024, the Group redeemed the Funds and collected the investment principal together with return amounted to HK\$40,330,000 (equivalent to RMB36,595,000). A gain on redemption of other financial assets at amortised cost amounted to approximately HK\$333,000 (equivalent to approximately RMB302,000) was recognised in profit or loss during the six months ended 30 June 2024.

The balance of the Funds as at 31 December 2023 of the Group are brought forward as the opening balances as at 1 January 2024 and hence entered into the determination of the financial performance of the Group for the current financial period ended 30 June 2024. It was unable to verify the timing of and the amounts of gain or loss recognised in relation to the Fund for the period ended 30 June 2024. Any adjustments found to be necessary to the opening balances of the Funds as at 1 January 2024 might have material effects on the Group’s results for the period ended 30 June 2024 and related disclosures in the notes to the condensed consolidated financial statements of the Group for the period ended 30 June 2024.

For details of the above matter, please refer to the annual report of the Company dated 30 April 2024. As of the date of this announcement, the management of the Company has taken the following further actions with regards to the matter above: (i) amended investment policy, including but not limited to require more sophisticated supporting documents and enhance the communication mechanism between the investment committee, the management of the Company and the Audit Committee; (ii) establish an investment committee consisting of Directors, key personnel of the financial department and the compliance department to review investment decisions and the implementation of investment policy; and (iii) took legal actions by issuing demand letter to the Funds and kept request of the outstanding guaranteed returned amount but no feedback were received as of the date of announcement.

6. RSU Scheme

On 13 January 2022, the adoption of the RSU Scheme was approved by the Board. The purpose of the RSU Scheme is to incentivise employees, directors, officers, and consultants for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. Robert Sun Holdings was incorporate in the BVI for the purpose of holding Shares for grant under the RSU Scheme. For details, see “Appendix IV — Statutory and General Information — D. Other Information — 1. RSU Scheme” in the Prospectus. Details of the underlying Shares under the RSU Scheme during the Reporting Period are set out below:

Name of the grantee	Position held	Date of Grant ⁽¹⁾	Number of underlying Shares under the RSU Scheme during the Reporting Period					Outstanding as of 30 June 2024
			Outstanding as of 1 January 2024	Granted	Vested	Lapsed	Cancelled ⁽²⁾	
Mr. Yang Hong	Executive Director and vice president of the Company	31 March 2023	1,000,000	—	—	—	1,000,000	—

Notes:

- (1) The grantee of the RSUs granted under the RSU Scheme as referred to in the table above was not required to pay for the grant or exercise of any RSUs.
- (2) A total of 1,000,000 shares granted on 31 March 2023 under the RSU Scheme to Mr. Yang Hong have been canceled with nil purchase price by the Company on 17 May 2024.

As of the date of this announcement, none of the RSUs under the RSU Scheme are outstanding. The Company will not issue or grant further RSUs under the RSU Scheme.

7. Share Award Scheme

On 26 June 2023, the Board resolved to adopt the Share Award Scheme to (i) recognise and reward certain eligible participants for their performance and contribution to the growth and development of the Group; (ii) to provide such eligible participants with incentives in order to encourage and retain them for the continual operation and development of the Group; and (iii) to attract suitable personnel for further development of the Group. On the same day, the Company entered into a trust deed (the “**Trust Deed**”) with CMB Wing Lung (Trustee) Limited in respect of the appointment of the trustee (the “**Trustee**”) for the administration of the Share Award Scheme.

The Board may, either before or after identification of the grantee(s), cause to be paid to the Trustee or the trust holdco (a company as a company wholly-owned by the Trustee to act as the Trustee) such amount as may be required for the purchase of existing Shares from the market as the awarded shares (the “**Awarded Shares**”) for the Share Award Scheme and other purposes set out in the scheme rules and the Trust Deed. For details, please refer to the announcements of the Company dated 26 June 2023 and 28 June 2023.

During the period, the Trustee did not purchase any Shares on the open market for the purpose of the Share Award Scheme. No Awarded Shares had been granted to any grantees under the Share Award Scheme as of the date of this announcement. 6,208,000 Shares were available for grant under the Share Award Scheme as of the date of this announcement, representing approximately 5.14% of the total Shares of the Company in issue. Rule 17.07(3) of the Listing Rules is not applicable as during the Reporting Period, no RSUs were granted under the RSU Scheme.

8. Use of Proceeds

On 11 May 2023, the Shares of the Company were listed on the Main Board of the Stock Exchange. A total of 25,000,000 Shares with a nominal value of US\$0.0002 per share were issued under the initial public offering. The offer price is HK\$10.6 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.005%). The gross proceeds from the Listing were HK\$265.0 million. From the Listing Date up to as of 30 June 2024, the Group has progressively utilised the proceeds from the initial public offering in accordance with the intended use as set out in the Prospectus. The details are set out as follows:

Use of proceeds	Percentage	Net proceeds (HK\$ million)	Actual net amount utilised as of 30 June 2024 (HK\$ million)	Unutilised net amount as of 30 June 2024 (HK\$ million)	Expected timeline for utilising the unutilised net amount
Enhancing the core technology capabilities and fundamental R&D of the Group	32.0%	66.1	4.0	62.1	will be gradually used up to 31 December 2026
Pursuing strategic investment, acquisition and cooperation	30.0%	62.0	0.0	62.0	will be gradually used up to 31 December 2024
Enhancing the Group's capabilities in sales and marketing	20.5%	42.4	9.5	32.9	will be gradually used up to 31 December 2026
Repaying the bank borrowings of the Group	7.5%	15.5	15.5	—	fully used as of 30 June 2023
Working capital	10.0%	20.7	20.7	—	fully used as of 31 December 2023
Total	100%	206.7	49.7	157.0	

Note:

The difference between the actual net proceeds from the initial public offering and the previous estimation mainly represents underwriting incentive fees, overtime payment to intermediaries and other disbursements which were determined after the Listing.

9. Significant Events Subsequent to the Reporting Period

On 21 May 2024, the Board has received a letter from PricewaterhouseCoopers in respect of their decision not to stand for re-appointment as the auditors of the Company upon expiration of their term of office at conclusion of the annual general meeting held on 24 May 2024. Subsequently, at the extraordinary general meeting of the Company held on 15 July 2024, CL Partners CPA Limited was appointed as the auditors of the Company. For details, see announcements of the Company dated 21 May 2024 and 15 July 2024, respectively.

No other significant events affecting the Group have occurred since 30 June 2024 and up to the date of this announcement save as disclosed in this announcement.

10. Publication of Interim Results and the 2024 Interim Report

These results have been prepared in accordance with the applicable disclosure requirements of the Listing Rules. The interim results announcement will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.plscn.com). The interim report of the Company for the six months ended 30 June 2024 containing all information required by the Listing Rules will be despatched to the Shareholders in due course and published on the above websites.

DEFINITIONS

“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association”	the articles of association of the Company adopted by special resolutions passed on 4 April 2023 with effect from the Listing Date
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“Chairman”	the chairman of the Board

“Company”	Plus Group Holdings Inc. (普樂師集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 30 September 2021, the Shares of which were listed on the Main Board of the Stock Exchange on the Listing Date (stock code: 2486)
“Corporate Governance Code”	Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“FMCG”	fast-moving consumer goods, including non-durable household goods such as foods, beverages, cosmetics, tobacco, and other consumables
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards which include standards and interpretations as issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	11 May 2023, being the date on which the Shares are first listed and from which dealings thereof are permitted to commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operating in parallel with GEM of the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“O2O”	Online to offline

“PRC” or “China”	the People’s Republic of China, but for the purpose of this announcement and unless otherwise indicated, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated 28 April 2023
“Reporting Period”	six months ended 30 June 2024
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit(s) awarded to a participant under the RSU Scheme
“RSU Scheme”	the restricted share unit scheme of the Company approved and adopted by the Board on 13 January 2022
“SaaS”	software as a service, a cloud-based software licensing and delivery model in which software and associated data are centrally hosted
“Share Award Scheme”	the “Plus Group Holdings Inc. 2023 Share Award Scheme” adopted by the Company on 26 June 2023
“Share(s)”	ordinary share(s) of par value of US\$0.0002 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Plus Group Holdings Inc.
Mr. Sun Guangjun

Chairman, executive Director and chief executive officer

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises Mr. Sun Guangjun as the chairman, an executive Director and chief executive officer, and Mr. Yang Hong as an executive Director, and Mr. Lau Man Tak, Ms. Li Yingkai and Mr. Ngan Wing Ho as independent non-executive Directors.