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JF Wealth Holdings Ltd

九方财富控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9636)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2023

The Board (the “**Board**”) of Directors (the “**Directors**”) of JF Wealth Holdings Ltd (the “**Company**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**” or “**we**”) for the six months ended June 30, 2023 (the “**Period**”), together with the comparative figures for the six months ended June 30, 2022 (the “**Corresponding period**”).

HIGHLIGHTS

For the Period:

- The gross billing from the sales of SmartInvest Pro was approximately RMB760.8 million, representing an increase of approximately 23.1% from approximately RMB618.0 million for the Corresponding period. The gross billing from the sales of SmartInvest Info was approximately RMB499.6 million, representing an increase of approximately 18.9% from approximately RMB420.2 million for the Corresponding period.
- The net loss attributable to Shareholders was approximately RMB37.8 million as compared to the net profit attributable to Shareholders of approximately RMB220.2 million for the Corresponding period. However, the non-HKFRS profit for the Period is approximately RMB19.5 million after excluding the share-based compensation expense of approximately RMB57.3 million.
- As of July 31, 2023, the Group had a total of 328 accounts operated by MCNs on various internet platforms with approximately 31.0 million followers. For the 30 days ended July 31, 2023 alone, the Group has obtained approximately 251.5 million video or page views.
- The Board does not recommend the payment of an interim dividend for the Period.

KEY FINANCIAL DATA

	For the six months ended June 30,		Change
	2023	2022	%
	(Unaudited)	(Unaudited)	
	<i>(RMB in millions, except percentages)</i>		
Gross billing	1,260.4	1,038.3	21.4
Revenue	860.7	909.4	(5.4)
Gross profit	714.8	812.2	(12.0)
(Loss)/profit before tax	(57.5)	229.6	(125.0)
(Loss)/profit for the period	<u>(37.8)</u>	<u>220.2</u>	<u>(117.2)</u>
Non-HKFRS adjusted net profit for the period	<u>19.5</u>	<u>220.2</u>	<u>(91.1)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED
JUNE 30, 2023 - UNAUDITED**

		Six months ended June 30,	
		2023	2022
	<i>Note</i>	RMB'000	RMB'000
Revenue	4	860,659	909,436
Cost of sales		<u>(145,858)</u>	<u>(97,199)</u>
Gross profit		714,801	812,237
Other income	5	102,969	89,625
Sales and marketing expenses		(532,046)	(493,879)
Research and development expenses		(145,470)	(108,328)
General and administrative expenses		<u>(196,738)</u>	<u>(68,953)</u>
(Loss)/profit from operations		(56,484)	230,702
Finance costs		<u>(999)</u>	<u>(1,150)</u>
(Loss)/profit before taxation	6	(57,483)	229,552
Income tax	7	<u>19,716</u>	<u>(9,388)</u>
(Loss)/profit for the period		<u>(37,767)</u>	<u>220,164</u>
Attributable to:			
Equity shareholders of the Company		(37,767)	220,164
Non-controlling interests		<u>-</u>	<u>-</u>
(Loss)/profit for the period		<u>(37,767)</u>	<u>220,164</u>
(Loss)/earnings per share	8		
Basic and diluted (RMB)		<u>(0.09)</u>	<u>0.58</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2023 - UNAUDITED

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
(Loss)/profit for the period	(37,767)	220,164
	<u> </u>	<u> </u>
Other comprehensive income for the period (after tax)		
<i>Item that are or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of operations outside the Mainland China	32,478	(84)
	<u> </u>	<u> </u>
Other comprehensive income for the period	32,478	(84)
	<u> </u>	<u> </u>
Total comprehensive income for the period	(5,289)	220,080
	<u> </u>	<u> </u>
Attributable to:		
Equity shareholders of the Company	(5,289)	220,080
Non-controlling interests	-	-
	<u> </u>	<u> </u>
Total comprehensive income for the period	(5,289)	220,080
	<u> </u>	<u> </u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2023 - UNAUDITED**

		At June 30, 2023	At December 31, 2022
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets			
Property, plant and equipment	9	21,175	19,667
Right-of-use assets		36,737	46,147
Intangible assets		4,172	5,671
Deferred tax assets		116,667	78,075
		<u>178,751</u>	<u>149,560</u>
Current assets			
Financial assets measured at fair value through profit or loss (“FVPL”)	11	1,374,403	713,704
Prepayments and other receivables	12	263,790	146,913
Restricted cash		50,028	-
Cash and cash equivalents	13	814,054	352,987
		<u>2,502,275</u>	<u>1,213,604</u>
Current liabilities			
Financial liabilities measured at fair value through profit or loss		30,285	-
Financial assets sold under repurchase agreements		115,301	-
Contract liabilities	14	831,723	577,152
Income tax payable		25,330	19,400
Accrued expenses and other current liabilities	15	415,673	188,669
Lease liabilities	10(a)	36,779	38,765
		<u>1,455,091</u>	<u>823,986</u>
Net current assets		<u>1,047,184</u>	<u>389,618</u>
Total assets less current liabilities		<u>1,225,935</u>	<u>539,178</u>
Non-current liabilities			
Lease liabilities	10(a)	596	9,755
		<u>596</u>	<u>9,755</u>
NET ASSETS		<u>1,225,339</u>	<u>529,423</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2023 - UNAUDITED (Continued)

		At June 30,	At December 31,
		2023	2022
	<i>Note</i>	RMB'000	RMB'000
Capital and reserves			
Share capital	<i>16(a)</i>	4	*
Reserves		1,225,335	529,423
		<hr/>	<hr/>
Total equity attributable to equity shareholders of the Company		1,225,339	529,423
Non-controlling interests		<hr/> -	<hr/> -
TOTAL EQUITY		1,225,339	529,423
		<hr/> <hr/>	<hr/> <hr/>

* The balance represents an amount less than RMB1,000.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1. General information

The Company was incorporated on May 3, 2021 in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Group is principally engaged in online investment decision-making solution services. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited since March 10, 2023.

2. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on August 21, 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG 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 HKICPA.

3. Changes in accounting policies

The Group has applied the following new and amended to HKFRSs to this interim financial information for the current accounting period:

- HKFRS 17, Insurance contracts;
- Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates;
- Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to HKAS 12, Income taxes: International tax reform – Pillar Two model rules;

The above new standards and amendments does not have a material impact on these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Revenue

The principal activities of the Group are selling SmartInvest Pro and SmartInvest Info in the PRC.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
SmartInvest Pro	514,749	563,674
SmartInvest Info	345,909	343,579
Others	1	2,183
	<u>860,659</u>	<u>909,436</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Over time	<u>860,659</u>	<u>909,436</u>

The Group's customer base is diversified and no customer individually accounted for more than 10% of the Group's total revenue in the six months ended June 30, 2022 and 2023.

Remaining Performance Obligation

The Group has elected the practical expedient not to disclose the information about remaining performance obligations which are part of contracts that have an original expected duration of one year or less and do not disclose the value of remaining performance obligations for contracts in which the Group recognises revenue at the amount to which the Group has the right to invoice.

All of the Group's operating assets are located in the PRC and all of the Group's revenue and operating profits are derived from the PRC during the six months ended June 30, 2022 and 2023. Accordingly, no segment analysis based on geographical locations is provided.

5. Other Income

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Government grants		
– VAT refund	81,449	65,266
– other government grants	23,317	10,033
Interest income	6,133	81
Gain on software copyright transfer	-	5,285
Net (loss)/gain on financial assets at fair value through profit or loss	(9,947)	7,681
Others	2,017	1,279
Total	<u>102,969</u>	<u>89,625</u>

6. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging:

(a) Staff cost

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Salaries, wages and other benefits	420,686	300,053
Contributions to defined contribution retirement plan	24,955	(15,836)
Equity-settled share-based compensation expenses	57,250	—
Total	502,891	284,217
<i>Included in:</i>		
Cost of sales	139,106	91,845
Research and development expenses	134,449	88,097
General and administrative expenses	99,179	25,086
Sales and marketing expenses	130,157	79,189

(b) Finance cost

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Interest expense on lease liabilities	999	1,150

(c) Other items

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Internet traffic procurement expenses	401,889	414,690
Depreciation of right-of-use assets	26,327	18,401
Listing expenses	22,680	6,635
Taxes and surcharges	13,048	9,372
Cloud server operation fee	6,238	13,850
Rental and property fee	7,966	3,091
Donation	4,766	—
Technology service fee	4,292	3,111
Depreciation charge	4,266	3,923
Office and travel expenses	4,257	5,036
Amortisation of intangible assets	2,515	1,685
Audit fee	800	—
Rental Exemption of COVID-19	—	(6,658)

7. **Income tax in the consolidated statements of profit or loss**

(a) **Taxation in the consolidated statements of profit or loss:**

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Current tax		
– PRC Enterprise Income Tax (“EIT”) Provision for the period	25,330	30,861
– Over-provision in prior years	(6,454)	(27,845)
Deferred tax		
– (Origination)/reversal of temporary differences	(38,592)	6,372
	(19,716)	9,388

8. **(Loss)/earnings per share**

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders of the company and the weighted average number of ordinary shares in issue.

Weighted average number of ordinary shares (basic):

	Six months ended June 30,	
	2023	2022
Ordinary shares at beginning	81,230	81,230
Effect of treasury shares	(5,686)	(5,686)
Effect of Capitalization Issue on March 10, 2023 (note 16(a))	377,644,456	377,644,456
Effect of shares issued upon the completion of the IPO (note 16(a))	37,253,436	–
Weighted average number of ordinary shares	414,973,436	377,720,000

Basic (loss)/earnings per share:

	Six months ended June 30,	
	2023	2022
(Loss)/profit attributable to ordinary equity shareholders of the Company (RMB'000)	(37,767)	220,164
Weighted average number of ordinary shares	414,973,436	377,720,000
Basic (loss)/earnings per share attributable to ordinary equity shareholders of the Company (RMB per share)	(0.09)	0.58

For the six months ended June 30, 2023, unvested shares under the Pre-IPO RSU Scheme (note 16(c)) were not included in the calculation of diluted loss per share because their effect would have been anti-dilutive (2022: Nil). Accordingly, diluted (loss)/earnings per share for the six months ended June 30, 2023 and 2022 were the same as basic (loss)/earnings per share of the respective periods.

9. Property, plant and equipment

	Electronic and other office equipment <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
Cost:				
At January 1, 2022	25,198	264	2,893	28,355
Additions	4,758	–	1,770	6,528
Disposals	(57)	–	–	(57)
	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2022/January 1, 2023	29,899	264	4,663	34,826
Additions	5,618	–	161	5,779
Disposals	(42)	–	–	(42)
	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023	35,475	264	4,824	40,563
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Accumulated depreciation:				
At January 1, 2022	(5,931)	(113)	(900)	(6,944)
Charge for the year	(7,792)	(36)	(423)	(8,251)
Disposals	36	–	–	36
	<hr/>	<hr/>	<hr/>	<hr/>
At December 31, 2022/January 1, 2023	(13,687)	(149)	(1,323)	(15,159)
Charge for the period	(4,293)	(43)	70	(4,266)
Disposals	37	–	–	37
	<hr/>	<hr/>	<hr/>	<hr/>
At June 30, 2023	(17,943)	(192)	(1,253)	(19,388)
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net book value:				
At June 30, 2023	17,532	72	3,571	21,175
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
At December 31, 2022	16,212	115	3,340	19,667
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10. Lease

(a) Amounts recognised in the consolidated statements of financial position:

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Right-of-use assets		
–Buildings	<u>36,737</u>	<u>46,147</u>
Lease liabilities		
–Current	(36,779)	(38,765)
–Non-current	<u>(596)</u>	<u>(9,755)</u>
	<u>(37,375)</u>	<u>(48,520)</u>

The analysis of the net book value of right-of-use assets is presented below:

	Office buildings RMB'000
At January 1, 2022	46,975
Additions	19,942
Lease terminations	(958)
Lease modifications	17,909
Charge for the year	<u>(37,721)</u>
At December 31, 2022	46,147
Additions	23,181
Lease terminations	(6,264)
Lease modifications	–
Charge for the period	<u>(26,327)</u>
At June 30, 2023	<u>36,737</u>

The following table shows the remaining contractual of the Group's liabilities at each report date:

	At June 30, 2023	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Less than 1 year	36,779	37,614
After 1 year but within 2 years	596	602
After 2 years but within 5 years	<u>–</u>	<u>–</u>
Subtotal	<u>37,375</u>	38,216
Less: total future interest expenses		<u>(841)</u>
Present value of lease liabilities		<u>37,375</u>

	At December 31, 2022	
	Present value of the minimum lease payments RMB'000	Total minimum lease payments RMB'000
Less than 1 year	38,765	39,279
After 1 year but within 2 years	9,721	9,777
After 2 years but within 5 years	34	34
Subtotal	<u>48,520</u>	<u>49,090</u>
Less: total future interest expenses		<u>(570)</u>
Present value of lease liabilities		<u>48,520</u>

(b) *The analysis of expense items in relation to leases recognised in profit or loss is as follows:*

	Six months ended June 30,	
	2023 RMB'000	2022 RMB'000
Depreciation charge of right-of-use assets	26,327	18,401
Interest expense on lease liabilities	999	1,150
Expense relating to short-term leases	96	106
Gain on lease terminations and modifications	(319)	(20)
COVID-19-related rent concessions received	–	(6,658)
Total	<u>27,103</u>	<u>12,979</u>

11. Financial assets measured at fair value through profit or loss

		At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Equity securities			
– Wealth management products	(i)	317,700	422,655
– Listed equity securities	(ii)	127,423	89,245
– Asset management plan	(iii)	5,022	201,804
– Funds	(iv)	620,590	–
– Bonds	(v)	303,668	–
		<u>1,374,403</u>	<u>713,704</u>

Note:

- (i) Wealth management products issued by banks mainly invest in money market and fixed income products, including government bonds, treasury bills, and other fixed income investments. Wealth management products can be redeemed upon demand.
- (ii) Listed equity securities include listed stocks, funds and tradable convertible bonds. All of which have readily determinable fair values and are measured at fair value.

- (iii) Asset management plans are managed by a fund management company, the underlying investments are mainly listed stocks and fixed income investments, all of which have readily determinable fair values and are measured at fair value.
- (iv) Funds are managed by fund management companies, the underlying investments are mainly government bonds, corporate bonds and other fixed income investments. All of which have readily determinable fair values and are measured at fair value. Funds can be redeemed upon demand.
- (v) Bonds are mainly corporate bonds and have readily determinable fair values and are measured at fair value.
- (vi) As at June 30, 2023, the individual investment exceeding 5% of total assets is as follows:

	At June 30, 2023 RMB'000
“Zhaozhaojin” Diversified and Active Cash Wealth Management Product	<u>142,280</u>

12. Prepayments and other receivables

	<i>Note</i>	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Clearing amounts		51,083	–
VAT refund receivable		50,029	34,272
Prepayment for acquisition		40,500	–
Amounts due from related parties	<i>(i)</i>	38,185	36,981
Loan to a third party	<i>(ii)</i>	25,000	25,000
Prepayment to suppliers		22,587	18,511
Deposits		16,127	13,763
Prepayment for investments		10,835	–
Employee loans		6,300	5,900
Receivables from software copyright transfer		943	5,500
Receivables from internet platforms		454	327
Deferred listing expenses		–	5,466
Others		1,747	1,193
		<u>263,790</u>	<u>146,913</u>

Note:

- (i) As at June 30, 2023, the nature of amounts due from related parties is as follows:

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Amounts due from related parties		
– Trade	38,185	36,981
– Non-trade	–	–
	<u>38,185</u>	<u>36,981</u>

- (ii) On December 1, 2022, the Group granted a loan amounting to RMB25,000,000 to third party. As at June 30, 2023, the loan will mature within one year with annual interest rate of 5% and is reclassified as current asset accordingly.

13. Cash and cash equivalents

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Cash at banks	774,675	343,466
Cash equivalents ⁽ⁱ⁾	39,306	9,344
Cash on hand	73	177
	<hr/>	<hr/>
Cash and cash equivalents	814,054	352,987
	<hr/> <hr/>	<hr/> <hr/>

- (i) Cash equivalents represents cash balances kept in third party payment companies, which can be withdrawn by the Group at any time.

14. Contract liabilities

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Advances received from customers	831,723	577,152
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Movements in contract liabilities

	At June 30, 2023 RMB'000	At December 31, 2022 RMB'000
Balance at January 1	577,152	664,992
Additions	1,299,990	2,218,145
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period/year	(473,982)	(594,180)
Decrease in contract liabilities as a result of recognising revenue during the same period/year	(386,677)	(1,255,960)
Decrease in contract liabilities as a result of refund to customers	(184,760)	(455,845)
	<hr/>	<hr/>
Balance at June 30/December 31	831,723	577,152
	<hr/> <hr/>	<hr/> <hr/>

The contract liabilities relate to the advance subscription fees received from customers, for which revenue is recognised over time. Subscription fees of RMB1,300 million and RMB2,218 million were received in the six months ended June 30, 2023 and the year ended December 31, 2022 respectively, of which, RMB387 million and RMB1,256 million were recognised as revenue in the same period/year.

15. Accrued expenses and other current liabilities

	<i>Note</i>	At June 30, 2023 <i>RMB'000</i>	At December 31, 2022 <i>RMB'000</i>
Dividend payable		214,861	-
Amounts due to related parties	(i)	-	20,654
Accrued payroll and welfare		76,619	84,522
VAT and surcharges payable		42,688	27,306
Accrued listing expenses		13,019	14,132
Accrued internet traffic procurement expense		43,460	32,414
Advances to customers		9,263	5,345
Underwriting commissions payable		4,128	-
Other accrued expenses and other payables		11,635	4,296
Total		415,673	188,669

Note:

(i) As at June 30, 2023, the nature of amounts due to related parties is as follows:

	At June 30, 2023 <i>RMB'000</i>	At December 31, 2022 <i>RMB'000</i>
Amounts due to related parties		
– Trade	-	511
– Non-trade	-	20,143
	<u>-</u>	<u>20,654</u>

16. Capital and reserves

(a) *Share capital*

The Company was incorporated in the Cayman Islands in May 2021 with an authorised share capital of HK\$20,000 divided into 2,000,000,000 shares of a nominal or par value of HK\$0.00001 each.

On July 20, 2021, 81,230 shares were allotted and issued to shareholders of the Company with par value of HK\$0.00001 each.

Upon completion of the IPO, the Company issued 4,999 shares for each share and issued 59,937,000 new ordinary shares at par value of HK\$0.00001 each for cash consideration of HK\$17.00 each, and raised gross proceeds of approximately RMB904,187,000. The share issuance costs paid and payable mainly include underwriting commissions, lawyers' fees, reporting accountants' fee and other related costs, which were incremental costs directly attributable to the issuance of the new shares and were treated as a deduction against the share premium arising from the issuance. The respective share capital amount was approximately RMB4,000 and share premium arising from the issuance was approximately RMB853,572,000, net of the share issuance costs.

(b) Dividends

- (i) *Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period*

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved during the following interim period, of HK50 cents per share (2022: Nil)	214,861	–

- (ii) *The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2023 (2022: Nil).*

(c) Equity settled share-based transactions

On February 3, 2023, the Company granted all Awards under the Pre-IPO RSU Scheme with an aggregate of 5,686 Shares, which adjusted to 28,430,000 Shares upon completion of the IPO. The RSUs granted would vest in tranches from the grant date over a certain service period, on specific service condition that the employees remain in service and scheduled to be vested over two to five years without any performance condition requirements.

Set out below are the movements in the number of equity instruments under the equity incentive plan:

	At June 30, 2023
At the beginning of the period	–
Exercised	–
Granted	28,430,000
Forfeited	–
Cancelled	–
	<hr/>
At the end of the period	28,430,000

The total expenses recognized in the consolidated statement of profit or loss for RSUs granted to the Group's employees under the Pre-IPO RSU Scheme are RMB57,250,000 during the six months ended June 30, 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business Review of the Period

Being a leading online investment decision-making solution provider in China, we focus on the online investor content service market. We offer various software to help individual investors better understand the financial market and make investment plans or decisions.

We launched our business to equip investors with financial knowledge and market experience by providing investment decision-making solutions to customers through a data service model. Since our inception, we have continuously enhanced our experience, knowledge and technology and have become a comprehensive, user-oriented and internet-based investment decision-making solution provider. Our tailored and diverse offerings, ranging from basic wealth management knowledge to advanced investment practicing skills, addresses the distinctive investment decision-making needs of individual investors at all levels of investment experience.

During the Period, we generated revenue mainly from the following offerings:

- A. **SmartInvest Pro**, our proprietary App with both mobile and PC versions, is offered to our paying customers to provide our data services. These data services, including market data processing, indicator analysis tools, cloud chart viewing, prerecorded online investor education courses, livestreaming broadcasts, express market reviews, as well as various online high-end premium services, are tailored for the mass affluent class of individual investors.
- B. **SmartInvest Info**, our proprietary App with both mobile and PC versions, is offered to our paying customers to provide our financial information software services. These services, including professional, timely and broad financial market related information, data analysis, and investment decision-making support, are tailored to customers with greater investment experience and more complex needs.

Consistent with our strategies, the two offerings above both maintained growth during the Period, mainly due to the significant increase in the gross billing of two higher-priced versions, SmartInvest Pro premium package and SmartInvest Info deluxe version, which also has raised the average selling price of our offerings. The following table sets forth the breakdown of our key operating metrics for the periods indicated:

	Six months ended June 30,	
	2023	2022
Sales of SmartInvest Pro		
Gross billing (RMB in millions)	760.8	618.0
Standard Package	502.2	469.1
Premium Package (Super Investor)	255.2	147.8
Others	3.4	1.1
Number of paying user	22,389	21,592
Average gross billing per paying user (RMB in thousands)	34.0	28.6
Sales of SmartInvest Info		
Gross billing (RMB in millions)	499.6	420.2
Premium version	321.3	371.6
Deluxe version	178.3	48.6
Number of paying user	15,199	16,489
Average gross billing per paying user (RMB in thousands)	32.9	25.5

Outlook

As a leading online investment decision-making solution provider with a focus on the online investor content service market in China, we will accomplish our mission with persistence.

In 2023, we keep implementing the following strategies, which we believe, will further strengthen our core competitive advantages and leading market positions:

Strategically acquire a target company and create business synergies through our customer base

On January 3, 2023, the Company entered into an equity transfer agreement with Zhengtong Co., Ltd. (証通股份有限公司, the “**Vendor**”) and Shanghai Woruiou Information Technology Co., Ltd. (上海沃芮歐信息科技有限公司, the “**Target Company**”), pursuant to which the Company has agreed to conditionally acquire, and the Vendor has agreed to conditionally sell, the entire equity interest of the Target Company whose wholly-owned subsidiary possesses a fund distribution license issued by the China Securities Regulatory Commission in the PRC (the “**Proposed Acquisition**”). Please see “History, Reorganization and Corporate Structure –Proposed Acquisition after the Track Record Period” in the Prospectus for further details.

The Proposed Acquisition is expected to support the Group’s long-term business development, by providing additional business to the Group’s fund distribution business through the Group’s customer base, and at the same time, expanding the scope of services provided by the Group to meet the current and future asset allocation needs of the Group’s own customers.

Continue to strengthen our traffic matrix to attract more potential customers

Our traffic matrix is the key momentum behind our customer acquisition process. We are able to identify, target and attract potential customers at a more efficient and effective level, through diverse media platforms from traditional media such as TV and radio, to internet terminals such as Smart Selection App, our official website and our embedded features built in Baidu and 360 search engines, as well as MCN channels, represented by financial self-media IPs operating on various social media platforms.

Our capabilities in marketing and customer acquisition have been recognized by well-know advertising companies and smart marketing platforms. At the beginning of 2023, we have been awarded the “Best Innovative Marketing Partner of 2022” (“2022 年度最佳創新營銷合作夥伴”) by 360 Smart Business, and the “Best Technical and Numerical Practice Breakthrough in the Securities Industry of 2022” (“2022 年度證券行業最佳技數實踐突破”) by Tencent Advertising.

Constant and high-quality traditional media broadcasting

At the beginning of 2023, we have been awarded the “Outstanding Strategic Partner of the Year” (“年度優秀戰略合作夥伴”) by Hubei Broadcasting and Television Station (“湖北廣播電視台”), and the “Strategic Partner” (“戰略合作夥伴”) of the year 2022 by Tianjin Satellite TV (“天津衛視”).

We will carry on profound strategic cooperation with mainstream TV media including China Business Network (CBN) in Shanghai and Hubei Satellite TV, by collaborating closely with mainstream TV media to produce and launch various professional finance TV programs, such as “Night View of Finance” (“夜觀財經”) and “Talent and Wealth” (“天生我財”) on Hubei Satellite TV, “Stock Market Today” (“今日股市”), “Past and Present, Stock and Gold” (“談股論金”) and “Company and Industry” (“公司與行業”) on CBN.

Content-enriched MCN channels

We enhance user stickiness and attract new customers through publishing abundant and high-quality contents on emerging user traffic portals and building up our high-quality MCN channels. We convert difficult and obscure financial and wealth management knowledge into a broad range of contents of interesting formats to increase users’ learning interests, including video, live broadcasting, online radio and audio lessons, articles and images. As of July 31, 2023, we had a total of 328 accounts operated by MCNs on various internet platforms with approximately 31.0 million followers. For the 30 days ended July 31, 2023 alone, we have obtained approximately 251.5 million video or page views.

We have also been focusing on cultivating high-quality MCN channels to increase user stickiness and help convert users to customers, such as improving our livestreaming with richer interactivity and more appealing content, combined with more precise delivery channels. Our MCN channels are highly influential in the market and are widely recognized. We will continue to optimize the efficacy of our multi-faceted traffic matrix through intensive collaboration with top-notch user traffic portals like WeChat official accounts, Douyin (“抖音”) and Kuaishou (“快手”) to acquire user traffic, capture high-quality media resources and increase brand equity. From the beginning of the year 2023 to July 31, 2023, solely on Douyin, we have incubated 111 IPs, representing an increase of 49 IPs from the corresponding period in 2022. From the beginning of the year 2023 to July 31, 2023, the total number of live broadcasts on Douyin has reached 9,418, representing an increase of 2,600 from the corresponding period in 2022. Meanwhile, these live broadcasts on Douyin have obtained approximately 216.6 million views and approximately 374.8 million interactions.

Brand building and promotion to expand influence

As the exclusive title sponsor of CBN's live-streaming of 2023 Berkshire Hathaway Annual Shareholders Meeting (“2023 巴菲特股東大會”), we invited a number of experts and scholars regarding such meeting held in May 2023, to deconstruct the wealth concept and interpret value-investment views of Buffett and Munger for investors from multiple dimensions and levels. The number of viewers of our official we-media live-streaming exceeded 160,000, and the total traffic throughout the network was nearly 300 million views, which further enhanced our brand influence and reputation.

Continue to develop differentiated offerings and strong product development capabilities

Professional team with prudent and efficient methodology of product development

Our product development team, Jiufang Research Institute, is responsible for the development of the contents of our offerings. As of June 30, 2023, Jiufang Research Institute had 135 professionals with extensive experience in research, investment and other financial fields. Jiufang Research Institute carries out researches with prudent and efficient methodology. During the Period, apart from conducting 84 surveys of various listed companies, Jiufang Research Institute has also written 6,438 analytical articles, covering macro politics and economics, industries, companies, financial engineering and other relevant fields. The research results have become important basis for our analysis and published contents.

Experiences and Insights into China capital market and Chinese individual investors

Our competencies in accurately identifying and satisfying unmet consumer demands are largely attributable to our experiences and in-depth understandings in China capital market and Chinese individual investors. As of June 30, 2023, we had 235 employees with the securities investment advisor qualification granted by SAC, ranking first among the 81 companies with Securities Investment Advisory License, according to the information displayed on the official website of SAC, and 1,231 employees with the securities practitioner qualification. We aim to attract talents through our competitive remuneration package, corporate culture, renowned reputation and clear career path which provides outstanding employees with opportunities to become team leaders and industry experts.

Customized and diversified offerings

As one of the first institutions in China to obtain securities investment consulting qualifications and a member unit of the China Securities Association, after more than 20 years of accumulation and sedimentation, we have developed into a powerful stock learning platform that can provide investors with a full cycle financial education and development system from basic to advanced strategy, and create one-stop securities investment services for investors from various aspects such as investment strategy, investment risk control, and intelligent investment advisory. With our outstanding professional ability, service level and brand status, we have been awarded the “2023 China Securities Industry Investor Education Junding Award” (“2023 中國證券業投資者教育君鼎獎”). The “Junding Award” (“君鼎獎”) selection organized by the Securities Times (“證券時報”) has been successfully held for 18 consecutive sessions since its establishment in 2006. It is the most influential and prestigious selection activities in the securities and related industry, setting benchmarks and evaluation standards in the industry.

Our services seamlessly integrate personalized and professional financial information that we believe is relevant to various individual investors with different investment backgrounds. Furthermore, our contents are systematically arranged in our terminal database and presented with searchable categories, sub-categories and tags so that individual investors can conveniently pinpoint a particular pool of contents by searching for key tags or criteria or by simply browsing by subjects, providing more user-friendly content acquisition methods and enhancing interaction with customers, thereby enhancing customer stickiness.

In the future, we will continue actively exploring new investment advisory models in the financial industry, with deeper insight into investor needs, and identifying the differentiated and personalized needs of different customers in investment research direction, product design and operation mode, continuously improving our service level.

Continue to invest in R&D and enhance our technology capabilities

Continuous internal improvement in our information processing and analysis system to support business and enhance operational efficiency

We have built a modern information processing and analysis system in the securities field that covers the core scenarios of promotion, Social Customer Relationship Management (“SCRM”), App, and compliance risk control, based on underlying technologies including cloud computing, microservices, big data, AI and DevOps.

As of June 30, 2023, our R&D department had 579 professional staff, representing 21.3% of the total workforce. Combined with years of business understanding and technology accumulation in the securities field, we continue to build and optimize capabilities of core middle-offices, such as business middle-office, quantitative middle-office, big data middle-office, AI middle-office, technology middle-office, quality middle-office, etc., which ultimately empowers business management support, compliance risk control and operational efficiency improvement.

We have run more than 300 server clusters online, supporting millions of concurrent connections at the same time, and adopting the overall multi-site high availability architecture mode to meet the regulatory requirements of the financial system, such as high availability of services and data security.

Walking in the forefront of the industry: participate in the formulation of relevant technical standards and launching the industry’s first digital robo-advisor product

We actively participate in the formulation of relevant technical standards in the science and technology sector. In July 2023, we were invited by the China Academy of Information and Communications Technology (“中國信息通信研究院”) to participate in the compilation of the Digital Product and Service Capability Specification (DSSC) standards and were selected as one of the first batch of certified enterprises under the DSSC. The two core products, namely, Jiufang Intelligent Compliance Risk Control Platform and One-stop Customer Marketing Platform (Finder), were selected as part of the “2023 Panorama of High-Quality Digital Transformation Products and Services (First Half of 2023)” (“《2023高質量數字化轉型產品及服務全景圖(2023上半年)》”).

In August 2023, we launched the industry’s first digital robo-advisor product “Jiuge” (“九哥”), which provides customers with eight core services, including market analysis, sector mining, hot spot tracking, individual stock diagnosis, quantitative strategy, financial encyclopedia, event reasoning, and emotional accompaniment, reconstructing our connection with customers in terms of dimension, breadth, and depth.

Strategical Cooperation with external partners to boost intelligent financial services with technology

In 2023, with the technological innovation represented by OpenAI’s ChatGPT in the technology sector, as well as the continuous implementation of national policies on technology industry, we firmly adhere to the strategic plan of “embracing AI and innovating products and services”, actively cooperating with well-known high-tech companies, to explore paths for technological innovation and application, aspiring to lead the transformation and upgrading of the financial services industry.

Partner	Time	Events
Baidu ERNIE Bot (“百度文心一言”)	March 2023	We became one of the first batch of its ecological partners to create full-scene AI financial intelligent solutions and services for users.
Huawei Cloud (“華為雲”)	April 2023	We signed a strategic cooperation with Huawei Cloud to jointly create a technology innovation laboratory.
	August 2023	We hired several technical experts from Huawei Cloud to serve as technical advisors for the technology innovation laboratory to jointly promote the deep integration of digital technology and the investment advisory industry.
iFLYTEK (“科大訊飛”)	July 2023	We conducted onsite research at iFLYTEK and explored the large model of the financial industry.
	August 2023	We built an AI laboratory with iFLYTEK to create a large model in the securities field.

In the future, we will maintain our focus on the latest developments in technology, industry and regulation, and put in plenty of resources to constantly optimize and innovate our technology system while combining with our business scenarios, so as to add more value-added functions to our products. In the meantime, we will consider, with respect to the satisfaction with regulatory requirements, opening up advanced industry technology capabilities, including launching digital Robo-Advisor for technological output to promote the overall technological progress of the industry.

FINANCIAL REVIEW

Revenue

Our revenue decreased by 5.4% to RMB860.7 million for the Period, from RMB909.4 million for the Corresponding period, primarily due to the slight decrease in the revenue from the offering of SmartInvest Pro. The following table sets forth our revenue by segment for the periods indicated:

	Six months ended June 30,		2022	
	2023	% of total	Amount	% of total
	Amount	revenue	Amount	revenue
	<i>RMB'000</i>		<i>RMB'000</i>	
SmartInvest Pro	514,749	59.8	563,674	62.0
SmartInvest Info	345,909	40.2	343,579	37.8
Others	1	<0.1	2,183	0.2
	860,659	100.0%	909,436	100.0%

Our revenue from SmartInvest Pro decreased by 8.7% from RMB563.7 million for the Corresponding period to RMB514.7 million for the Period. As the receipt from customers were recognized into revenue over time, the decrease in revenue for the Period was primarily because less customers were acquired during the 2nd half of 2022 as compared to the corresponding period.

Our revenue from SmartInvest Info increased by 0.7% to RMB345.9 million for the Period, from RMB343.6 million for the Corresponding period, primarily attributable to an increase in the average gross billing per paying user which was partially offset by a decrease in the number of paying users.

Cost of sales

Our cost of sales increased by 50.1% to RMB145.9 million for the Period, from RMB97.2 million for the Corresponding period, primarily because our staff cost increased from RMB91.8 million for the Corresponding period to RMB139.1 million for the Period, as a result of an increase in the number of staff in our content development and production team that provided an expanding scale of content in support of the operations of our traffic matrix during the Period.

Gross profit and gross margin

As a result of the foregoing, our gross profit decreased by 12.0% to RMB714.8 million for the Period, from RMB812.2 million for the Corresponding period. Our gross margin also decreased from 89.3% for the Corresponding period to 83.1% for the Period, mainly because the rise in our staff cost has driven the cost of sales outpace the increase in our revenue. However, the significant increase in the number of content development and production team could effectively reduce the expenditure in traffic acquisition.

Other income

Our other income increased by 14.9% to RMB103.0 million for the Period, from RMB89.6 million for the Corresponding period, primarily due to (i) an increase of RMB13.3 million from other government grants; and (ii) an increase of RMB16.2 million in VAT refund, which was in line with the significant increase in gross billings.

Sales and marketing expenses

Our sales and marketing expenses increased slightly by 7.7% to RMB532.0 million for the Period, from RMB493.9 million for the Corresponding period, primarily due to an increase in the staff cost, which was largely in line with the growth in the number of newly acquired customers.

Research and development expenses

Our research and development expenses increased by 34.3% to RMB145.5 million for the Period from RMB108.3 million for the Corresponding period, primarily due to an increase in staff cost, mainly as a result of the increase in the number of research and development employees in accordance with the development of our business along with increasing demand of related staff.

General and administrative expenses

Our general and administrative expenses increased by 185.1% to RMB196.7 million for the Period from RMB69.0 million for the Corresponding period, primarily due to several reasons as shown in the table below: (i) share-based compensation amounted to RMB57.3 million was incurred as we granted all the shares under the Pre-IPO RSU Scheme on February 3, 2023, which would be vested over two to five years commencing from the grant date. During the Corresponding period, no such transaction occurred; (ii) staff cost (share-based compensation excluded) increased from RMB25.1 million to RMB41.9 million as we recruited more staff to deal with the expanding business; (iii) listing expenses increased from RMB6.6 million to RMB22.7 million due to the increase in the expenditure for listing ceremony and other branding campaign as a result of the successful listing of the Company's shares on March 10, 2023; and (iv) an increase of RMB6.8 million in depreciation of right-of-use assets as well as an increase of RMB4.9 million in rental and property fee as we entered into certain new lease agreements to expand our office area during the Period as compared to the Corresponding period.

	Six months ended June 30,			
	2023		2022	
	Amount	% of	Amount	% of
	RMB'000		RMB'000	
Staff cost	99,179	50.4	25,086	36.4
– including share-based compensation	57,250	29.1	–	–
Listing expense	22,680	11.5	6,635	9.6
Depreciation of right-of-use assets	19,512	9.9	12,667	18.4
Rental and property fee	7,886	4.0	3,091	4.5
Taxes and surcharges	13,048	6.6	9,372	13.6
Office and IT service expense	12,923	6.6	8,147	11.8
Rental exemption of COVID-19	–	–	(4,569)	(6.6)
Others	21,510	10.9	8,524	12.3
	196,738	100.0%	68,953	100.0%

Income tax (benefit)/expense

We recognized income tax benefit of RMB19.7 million for the Period as compared to the income tax expense of RMB9.4 million for the Corresponding period, primarily because huge increase in the balance of contract liabilities at the end of the Period as compared to the balance as of December 31, 2022 which lead to the deferred tax benefits recognised during the Period.

Loss for the period

As a result of the foregoing, we reached a loss of RMB37.8 million for the Period, compared to a profit of RMB220.2 million for the Corresponding period, representing a significant decrease of approximately 117.2%.

Refund ratio

In line with the industry trend, we experienced a decrease in the refund rate during the Period. The refund ratio by payment amounts of SmartInvest Pro and SmartInvest Info during the Period amounted to 14.7% and 18.5%, respectively, while the refund ratio of the two offerings was 21.7% and 23.3%, respectively, in the Corresponding period.

The decrease of refund ratio was mainly attributable to China's reopening and a ramping up of projects during the second season, leading to moderate recovery in economic conditions, which to some extent rebuilds the customers' confidence in the market in the short term and their demand in investment decision-making solutions. Furthermore, through an effective collaboration among our several departments, we have achieved continuous improvement in the quality of product and services, thus enhancing customer satisfaction.

We expect that our refund rate for major offerings will likely continue to decrease or maintain at a relatively lower level in the foreseeable future.

FINANCIAL POSITION

MATERIAL INVESTMENTS

Please see “Notes to the unaudited interim financial report – Financial assets measured at fair value through profit and loss – Note (vi)” in this announcement for further details.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries, or associated companies for the Period.

PLEDGE OF ASSETS BY THE GROUP

As of June 30, 2023, the Group did not pledge any assets as collateral for bank borrowings or any other financing activities (As of June 30, 2022: Nil).

CONTINGENT LIABILITIES

As of June 30, 2023, the Group did not have any material contingent liabilities (As of June 30, 2022: Nil).

FOREIGN EXCHANGE RISK MANAGEMENT

For the Period, most of transactions denominated in non-RMB were denominated in U.S. dollars and Hong Kong dollars. The management team closely monitors foreign currency exchange risks to ensure that appropriate measures are implemented in a timely and effective manner. In the past, the Group has not incurred any significant foreign currency exchange losses in its operations. As of June 30, 2023, the Group had not used any financial instruments for hedging purposes. The management team will continue to closely monitor the Group’s foreign currency exchange risks and will consider implementing appropriate measures.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSET

As at June 30, 2023, the Group did not have detailed future plans for material investments or capital assets.

EMPLOYEE AND REMUNERATION POLICY

The following tables set forth the number of our employees by function as of June 30, 2023:

	Number of employees	% of Total
Content Development and Production	560	20.6
Sales and Marketing	872	32.1
Research and Development	579	21.3
Service and Operation	383	14.1
Administration	325	12.0
Total	2,719	100.0

We believe that on-going and continuous development of our employees is critical to our success. We provide our employees with tailored training programmes designed to upgrade their skills and knowledge. We promote our employees based on their personal on-the-job performance and development potential. The remuneration package depends on individual performance, working experience and prevailing salary levels in the market.

SIGNIFICANT SUBSEQUENT EVENTS

There is no significant event subsequent to June 30, 2023 and up to the date of this announcement which would materially affect the Group's operating and financial performance.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to implementing the best corporate governance practices to protect Shareholders' rights and enhance corporate value and accountability.

The Company maintains a high standard of corporate governance practices. The Board does not take risks to make short-term gains at the expense of the long-term objectives. The Company has adopted the CG Code contained in Appendix 14 to the Listing Rules on Stock Exchange as its own code of corporate governance since the Listing Date. The Company has complied with all the code provisions in the CG Code from the Listing Date to June 30, 2023.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding the Directors' dealings in the securities of the Company. The Company has made specific enquiry to all Directors and all Directors have confirmed that they have complied with the Model Code for the period from the Listing Date to June 30, 2023.

SCOPE OF WORK FOR INTERIM RESULTS ANNOUNCEMENT BY AUDITOR

The unaudited interim results for the Period have been reviewed by KPMG, the auditor 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.

AUDIT COMMITTEE

The Board of Directors has established the Audit Committee, which consists of independent non-executive Directors, being Dr. ZHAO Guoqing (chairman), Mr. FAN Yonghong and Mr. TIAN Shu. The primary duties of the Audit Committee are to review and supervise financial reporting process and internal control systems of the Company.

The audit committee has reviewed the accounting principles and policies adopted by the Group and the unaudited interim results of the Group for the Period together with the management of the Company.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY’S LISTED SECURITIES

During the period from the Listing Date to June 30, 2023, neither the Company nor any of the subsidiaries has purchased, sold or redeemed any of the Company’s securities listed on the Stock Exchange.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was successfully listed on the Main Board of the Stock Exchange on March 10, 2023, and the Over-allotment Option (as defined in the Prospectus) was partially exercised on April 2, 2023. The Company issued a total of 59,937,000 new shares at an issue price of HK\$17.00 per share in connection with its global offering and the partial exercise of the Over-allotment Option, and the gross proceeds raised by the Company from the issuance of new shares in connection with its global offering and the partial exercise of the Over-allotment Option amounted to approximately HK\$984.2 million (equivalent to approximately RMB873.3 million), after deducting underwriting commissions and other related expenses in connection with its global offering and the partial exercise of the Over-allotment Option.

Set out below are details of the allocation of the net proceeds, and the unutilized amount of the net proceeds at June 30, 2023. The net proceeds unutilized are currently held as bank deposits and will be continuously used according to the plans disclosed in the Prospectus.

Intended use of net proceeds	Allocation of net proceeds	Amount of net proceeds utilized up to June 30, 2023 <i>(Approximately million in RMB)</i>	Balance of net proceeds unutilized as at June 30, 2023 <i>(Approximately million in RMB)</i>	Intended timetable for use of the unutilized net proceeds
i. Improvement of content production capabilities	20%	6.5	168.1	By December 31, 2024
ii. Enhancement of the traffic matrix	30%	242.1	19.9	By December 31, 2024
iii. Improvement of technology capabilities	30%	64.1	197.9	By December 31, 2024
iv. Investments in external KOLs or external MCNs	10%	0	87.3	By December 31, 2024
v. Working capital and general corporate purposes	10%	87.3	0	By December 31, 2024

INTERIM DIVIDEND

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at jfwealth.investorroom.com. The interim report for the Period containing all the information required by the Listing Rules will be dispatched to the Shareholders of the Company and available on the above websites in due course.

DEFINITIONS

“App(s)”	application software designed to run on PC, smartphone and other mobile devices
“Articles of Association”	the articles of association of the Company, conditionally adopted on February 23, 2023 with effect from the Listing Date, and as amended from time to time
“Audit Committee”	the audit committee of the Board
“Award(s)”	award of restricted share units under the Pre-IPO RSU Scheme
“Board”	the board of Directors of the Company
“CG Code”	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Company”, “our Company”, “the Company” or “JF Wealth”	JF Wealth Holdings Ltd (九方财富控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on May 3, 2021, with its Shares listed on the Main Board of the Stock Exchange on the Listing Date under the stock code 9636
“Corresponding period”	the six months ended June 30, 2022
“Director(s)”	the director(s) of our Company
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries and, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	the lawful currency of Hong Kong
“IPO”	initial public offering
“KOL(s)”	acronym for “key opinion leaders” the users of an internet product who are accepted or trusted by other users of the internet product and can significantly influence their decisions
“Listing Date”	March 10, 2023, the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“MCN(s)”	acronym for “multi-channel network” is an organization that offers assistance in areas such as production, content programming, monetization and audience development to the internet KOLs or internet celebrity
“MCN channel(s)”	accounts operated by MCNs on various internet platforms including Kuaishou, Douyin, WeChat and Weibo, etc.
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“PC”	acronym for “personal computer”
“Pre-IPO RSU Scheme”	restricted share unit scheme adopted pursuant to a resolution of the Board dated June 1, 2021
“Prospectus”	the prospectus of the Company dated February 28, 2023
“Relevant Period” or “Reporting Period” or “the Period”	the six months ended June 30, 2023
“RMB” or “Renminbi”	the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of HKD0.00001 each
“Shareholders”	holder(s) of the Share(s)
“SmartInvest Info”	九方智投擒龍版 or 九方擒龍, the proprietary App with both mobile and PC versions through which the Group provides its financial information software services
“SmartInvest Pro”	九方智投旗艦版 or 九方智投, the proprietary App with both mobile and PC versions through which the Group provides its online high-end investor education services
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
the “PRC” or “China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau Special Administrative Region and Taiwan
“%”	percent

By order of the Board
JF Wealth Holdings Ltd
CHEN Wenbin
Chairman of the Board

Shanghai, China, August 21, 2023

As of the date of this announcement, the non-executive Directors are Mr. CHEN Wenbin, Mr. YAN Ming, Ms. CHEN Ningfeng and Mr. CHEN Jigeng, the executive Director is Mr. CAI Zi and the independent non-executive Directors are Dr. ZHAO Guoqing, Mr. FAN Yonghong and Mr. TIAN Shu.