# Ye Xing Group Holdings Limited
# 燁星集團控股有限公司

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

**(Stock Code: 1941)**

## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

### INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2024, the Group's total revenue was approximately RMB186.9 million, representing an increase of approximately RMB16.2 million or about 9.5% as compared to that of approximately RMB170.7 million for the corresponding period in 2023. For the six months ended 30 June 2024, revenue generated from property management services, property developer related services and value-added services contributed approximately 84.5%, 2.1% and 13.4% to the total revenue, respectively.

- The revenue generated from the property management services segment was approximately RMB157.9 million, increased by approximately 6.9% as compared to the corresponding period in 2023. As at 30 June 2024, the total revenue-bearing GFA under management increased by approximately 1.0 million sq.m. to a total of approximately 13.1 million sq.m. as compared with that as at 31 December 2023.

- The revenue generated from property developer related services was approximately RMB4.0 million, increased by approximately 29.0% as compared with the corresponding period in 2023.

- The revenue generated from value-added services was approximately RMB24.9 million, increased by approximately 25.1% as compared with the corresponding period in 2023.

- The profit and total comprehensive income amounted to approximately RMB6.7 million, representing a decrease of approximately 49.6% as compared with the corresponding period in 2023.

The Board announces the unaudited consolidated results of the Group for the six months ended 30 June 2024, with comparative figures for the six months ended 30 June 2023.

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

*For the six months ended 30 June 2024*

| | | **Six months ended 30 June** | |
|---|---|---|---|
| | | **2024** | 2023 |
| | *NOTES* | ***RMB'000*** | *RMB'000* |
| | | **(unaudited)** | (unaudited) |
| Revenue | 3 | **186,856** | 170,728 |
| Cost of services | | **(145,789)** | (123,587) |
| Gross profit | | **41,067** | 47,141 |
| Other income | 4 | **870** | 965 |
| Other gains or losses, net | 5 | **(2)** | 261 |
| Administrative expenses | | **(21,497)** | (24,486) |
| Impairment loss of trade and other receivables, net | | **(7,194)** | (3,890) |
| Impairment loss of amounts due from related parties | | **(1,393)** | (941) |
| Selling expenses | | **(1,386)** | (2,457) |
| Interests on lease liabilities | | **–** | (5) |
| Profit before tax | 7 | **10,465** | 16,588 |
| Income tax expense | 6 | **(3,739)** | (3,243) |
| Profit and total comprehensive income for the period | | **6,726** | 13,345 |
| Profit and total comprehensive income for the period attributable to: | | | |
| – Owners of the Company | | **6,638** | 13,336 |
| – Non-controlling interests | | **88** | 9 |
| | | **6,726** | 13,345 |
| Earnings per share *(RMB cent)* | | | |
| – Basic | 9 | **1.64** | 3.29 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2024*

| | NOTES | As at 30 June 2024 RMB'000 (unaudited) | As at 31 December 2023 RMB'000 (audited) |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | | **34,830** | 37,238 |
| Intangible assets | | **11,170** | 12,643 |
| Deferred tax assets | | **21,374** | 19,298 |
| Right-of-use assets | | **36,240** | 37,296 |
| Goodwill | | **29,709** | 29,709 |
| | | **133,323** | 136,184 |
| **CURRENT ASSETS** | | | |
| Properties held for sale | 10 | **7,771** | 5,338 |
| Trade and other receivables | 11 | **132,955** | 95,086 |
| Amounts due from related parties | 12 | **57,807** | 61,585 |
| Tax recoverable | | **49** | 1,201 |
| Bank balances and cash | 13 | **136,398** | 140,090 |
| | | **334,980** | 303,300 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 14 | **108,522** | 115,645 |
| Contract liabilities | | **106,784** | 80,834 |
| Provisions | | **916** | – |
| Lease liabilities | | **59** | 59 |
| Tax liabilities | | **6,614** | 3,965 |
| | | **222,895** | 200,503 |
| **NET CURRENT ASSETS** | | **112,085** | 102,797 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **245,408** | 238,981 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | | **6** | 71 |
| Deferred tax liabilities | | **2,772** | 3,036 |
| | | **2,778** | 3,107 |
| **NET ASSETS** | | **242,630** | 235,874 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | | **3,650** | 3,650 |
| Reserves | | **237,906** | 231,268 |
| Total equity attributable to owners of the Company | | **241,556** | 234,918 |
| Non-controlling interests | | **1,074** | 956 |
| **TOTAL EQUITY** | | **242,630** | 235,874 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2024*

### 1. GENERAL AND BASIS OF PREPARATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Act of the Cayman Islands Chapter 22 (Law 3 of 1961, as consolidated and revised) on 26 March 2019. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited on 13 March 2020.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from the application of revised Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

**Application of revised HKFRSs**

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

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

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

**New and revised HKFRSs in issue but not yet effective**

The following new and revised HKFRSs have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted by the Group:

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability[1] |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments[2] |
| HKFRS 18 and consequential amendments to other HKFRSs | Presentation and Disclosure in Financial Statements[3] |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures[3] |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4] |

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

The Group is assessing the full impact of the new and revised HKFRSs.

## 3. REVENUE AND SEGMENT INFORMATION

**Disaggregation of revenue from contracts with customers**

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Types of goods or services | | |
| Property management services | **157,927** | 147,707 |
| Property developer related services | **4,014** | 3,073 |
| Value-added services | **24,915** | 19,948 |
| | **186,856** | 170,728 |
| Types of customers | | |
| External customers | **182,475** | 166,950 |
| Fellow subsidiaries | **4,381** | 3,778 |
| | **186,856** | 170,728 |
| Timing of revenue recognition | | |
| Over time | **175,209** | 162,535 |
| A point in time | **11,647** | 8,193 |
| | **186,856** | 170,728 |

Information reported to the directors of the Company, being the chief operating decision maker ("CODM") of the Group, for the purposes of resources allocation and assessment of segment performance focuses on the revenue analysis of each operating segment in the provision of property management services, property developer related services and value-added services of the Group. Other than the revenue analysis as set out above, no operating results and other discrete financial information including geographical location by operating segments relating to provision of property management services, property developer related services and value-added services is prepared regularly for internal reporting to the CODM for resources allocation and performance assessment.

## 4. OTHER INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Bank interest income | **668** | 593 |
| Others | **202** | 372 |
| | **870** | 965 |

## 5. OTHER GAINS OR LOSSES, NET

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Government subsidy | **–** | 6 |
| Net exchange gain | **112** | 344 |
| Others | **(114)** | (89) |
| | **(2)** | 261 |

## 6. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Current tax | | |
| PRC Enterprise Income Tax | **6,079** | 4,836 |
| Deferred tax | **(2,340)** | (1,593) |
| | **3,739** | 3,243 |

## 7. PROFIT BEFORE TAX

| | Six months ended 30 June | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Profit before tax for the period has been arrived at after charging the following items: | | |
| Depreciation for property, plant and equipment | **3,312** | 3,040 |
| Depreciation for right-of-use assets | **1,056** | 150 |
| Amortisation of intangible assets | **1,473** | 1,555 |
| Total depreciation and amortisation | **5,841** | 4,745 |

## 8. DIVIDENDS

No dividend was paid, declared or proposed for the six months ended 30 June 2023. The directors of the Company have resolved that no dividend will be paid for the six months ended 30 June 2024.

## 9. EARNINGS PER SHARE

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2024** | 2023 |
| | ***RMB'000*** | *RMB'000* |
| **Earnings** | | |
| Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company) | **6,638** | 13,336 |
| | ***Number of shares*** | *Number of shares* |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | **405,310,000** | 405,310,000 |

No diluted earnings per share was presented for the six months ended 30 June 2024 and 2023 as there were no potential ordinary shares in issue during the periods.

## 10. PROPERTIES HELD FOR SALE

Properties held for sale represent 172 (as at 31 December 2023: 157) units of car parks acquired by the Group which are held for sale, they are initially stated at costs and subsequently carried at the lower of cost and net realisable value.

During the six months ended 30 June 2024, the Group acquired 23 units of car parks at a consideration of approximately RMB2,705,000 through judicial auctions. Beijing Hongkun Weiye Real Estate Development Company Limited ("Hongkun Weiye") was the property developer of the foreclosed car parks.

## 11. TRADE AND OTHER RECEIVABLES

| | **As at 30 June 2024** | As at 31 December 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| Trade receivables | **136,640** | 91,826 |
| Less: allowance for credit losses | **(20,556)** | (13,466) |
| | **116,084** | 78,360 |
| Other receivables: | | |
| Deposits | **3,894** | 1,079 |
| Prepayments | **5,530** | 6,591 |
| Payments on behalf of residents | **4,323** | 2,949 |
| Advances to staff | **1,310** | 4,107 |
| Other tax receivables | **205** | 312 |
| Others | **1,841** | 1,816 |
| Less: allowance for credit losses | **(232)** | (128) |
| | **16,871** | 16,726 |
| Total trade and other receivables | **132,955** | 95,086 |

Property management service income is generally required to be settled by property owners and property developers on the date upon issuance of demand note.

The Group generally grants a credit period of 30 days for its property developer related services and value-added services to the property owners.

The following is an ageing analysis of trade receivables, before the allowances for credit losses presented based on the date of demand note issued:

| | **As at 30 June 2024** | As at 31 December 2023 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| 0 to 60 days | **59,492** | 34,623 |
| 61 to 180 days | **27,140** | 19,878 |
| 181 to 365 days | **22,395** | 10,058 |
| 1 to 2 years | **10,244** | 18,189 |
| 2 to 3 years | **9,149** | 3,874 |
| Over 3 years | **8,220** | 5,204 |
| | **136,640** | 91,826 |

## 12. AMOUNTS DUE FROM RELATED PARTIES

| | | **As at 30 June 2024** | As at 31 December 2023 |
|---|---|---|---|
| | *NOTES* | ***RMB'000*** | *RMB'000* |
| | | **(unaudited)** | (audited) |
| Due from fellow subsidiaries | | | |
| Trade nature | (a) | **116,672** | 119,057 |
| Less: allowance for credit losses | (b) | **(58,865)** | (57,472) |
| | | **57,807** | 61,585 |

*Notes:*

(a) The Group generally grants a credit period of 30 days for its property developer related services and value-added services to its related parties and no credit term granted to related parties for its provision of property management services in which such income is generally required to be settled upon the date of issuance of demand note.

(b) The Group applies the general approach to measure the expected credit loss ("ECL") of receivables from related parties. Under the general approach, receivables from related parties are categorised into the following three stages based on the change in credit risk since initial recognition: Stage 1: 12-month ECL, Stage 2: Lifetime ECL – not credit impaired and Stage 3: Lifetime ECL – credit-impaired.

For amounts classified as Stages 1 and 2, the management assesses loss allowances using the risk parameter modelling approach that incorporates key parameters, including probability of default, loss given default and exposure at default. For credit-impaired assets classified as Stage 3, the management assesses the credit loss allowances by estimating the future cash flows expected to arise from the financial assets.

On 11 and 12 May 2022, Hongkun Weiye, the holding company of the related parties, announced that 14.75% of its guaranteed senior notes was in default in payment of the accrued interest. On the other hand, the default in payment of interest triggered the default of three other bonds issued by Hongkun Weiye. Up to the date of this announcement, Hongkun Weiye had not reached any settlement agreement with the bond/note holders. As a result of the above events, the Group considered that the risk of default by Hongkun Weiye increased and classified as Stage 2.

The following is an aging analysis of trade receivables from related parties presented based on date of demand note:

| | **As at 30 June 2024** *RMB'000* **(unaudited)** | As at 31 December 2023 *RMB'000* (audited) |
|---|---|---|
| 0 to 60 days | **2,562** | 4,703 |
| 61 to 180 days | **2,081** | 1,654 |
| 181 to 365 days | **6,357** | 4,004 |
| 1 to 2 years | **28,359** | 28,851 |
| 2 to 3 years | **41,823** | 47,482 |
| Over 3 years | **35,490** | 32,363 |
| | **116,672** | 119,057 |

## 13. BANK BALANCES AND CASH

The bank balances carry interest at variable rates with an average interest rate of 0.20% for the six months ended 30 June 2024 (year ended 31 December 2023: 0.20%) per annum.

## 14. TRADE AND OTHER PAYABLES

| | **As at 30 June 2024** *RMB'000* **(unaudited)** | As at 31 December 2023 *RMB'000* (audited) |
|---|---|---|
| Trade payables | **36,701** | 37,792 |
| Other payables: | | |
| Receipts on behalf of residents | **7,948** | 9,782 |
| Deposits received | **36,288** | 35,780 |
| Accrued staff costs | **14,535** | 18,812 |
| Accrued contribution to social insurance and housing provident funds | **3,545** | 6,474 |
| Other tax payables | **5,053** | 3,457 |
| Accrued expenses | **3,110** | 2,507 |
| Other payables | **1,342** | 1,041 |
| Total other payables | **71,821** | 77,853 |
| Total trade and other payables | **108,522** | 115,645 |

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

| | **As at 30 June 2024** *RMB'000* **(unaudited)** | As at 31 December 2023 *RMB'000* (audited) |
|---|---|---|
| Within 1 year | **30,195** | 28,621 |
| 1–2 years | **2,365** | 6,351 |
| 2–3 years | **1,556** | 2,685 |
| Over 3 years | **2,585** | 135 |
| | **36,701** | 37,792 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### Business Overview

The Group is a reputable property management service provider offering comprehensive property management and related services for residential and non-residential properties in the PRC. Its parent group, Hongkun Group, is a leading property developer in the Beijing-Tianjin-Hebei Region and has been ranked among the Top 100 Property Developers in the PRC* (中國房地產開發企業百強). The Group had been ranked one of the Top 100 Property Management Companies in the PRC* (中國物業服務百強企業) by China Index Academy* (中國指數研究院) for six consecutive years since 2016 and ranked 40th among the Top 100 Property Management Companies in the PRC* (中國物業服務百強企業) in 2021. Through upholding the Group's service philosophy of "creating an enjoyable living environment (讓人們住得開心)" and the dedication to the Group's core values of "friendliness, persistence, innovation and excellence" in delivering its services, the Group envisions to become an outstanding property management service provider in the PRC. As at 30 June 2024, the Group provided property management services to properties spanning across 15 cities in the Beijing-Tianjin-Hebei Region, Hainan Province, Hubei Province, Anhui Province, Jiangsu Province and Shanghai, managing a total revenue-bearing GFA of approximately 13.1 million sq.m., comprising 63 residential properties (with over 98,000 units in total) and 19 non-residential properties.

For the six months ended 30 June 2024, the Company generated revenue of approximately RMB186.9 million, representing an increase of approximately 9.5% as compared with the corresponding period in 2023; realised gross profit of approximately RMB41.1 million, representing a decrease of about 12.7% as compared with the corresponding period in 2023. The profit and total comprehensive income amounted to approximately RMB6.7 million, representing a decrease of approximately 49.6% as compared with the corresponding period in 2023. The gross profit margin and net profit margin for the six months ended 30 June 2024 were 22.0% and 3.6%, respectively, representing a decrease of 5.6 percentage points and 4.2 percentage points as compared with the corresponding period in 2023, respectively.

As at 30 June 2024, the Group's contracted GFA was approximately 15.8 million sq.m., and the total revenue-bearing GFA under management exceeded 13.1 million sq.m., which is consistent with that as at 31 December 2023; the number of the Group's managed residential property projects was 63, with a total revenue-bearing GFA of approximately 12.2 million sq.m., accounting for 93.5% of total revenue-bearing GFA; the number of the Group's managed non-residential property projects was 19, with a total revenue-bearing GFA of approximately 0.9 million sq.m., accounting for 6.5% of the total revenue-bearing GFA.

The table below sets forth our (i) contracted GFA; (ii) revenue-bearing GFA; and (iii) number of properties under our management in relation to the properties for which we had commenced our provision of property management services, as at the dates indicated:

| | **As at 30 June** | |
|---|---|---|
| | **2024** | 2023 |
| **Residential Properties** | | |
| Contracted GFA *('000 sq.m.) (Note)* | **13,660** | 13,241 |
| Revenue-bearing GFA *('000 sq.m.)* | **12,272** | 11,286 |
| Number of properties managed | **63** | 56 |
| **Non-residential Properties** | | |
| Contracted GFA *('000 sq.m.) (Note)* | **2,109** | 2,109 |
| Revenue-bearing GFA *('000 sq.m.)* | **859** | 859 |
| Number of properties managed | **19** | 13 |
| **Total** | | |
| Contracted GFA *('000 sq.m.) (Note)* | **15,769** | 15,350 |
| Revenue-bearing GFA *('000 sq.m.)* | **13,131** | 12,145 |
| Number of properties managed | **82** | 69 |

*Note:* Contracted GFA refers to the total GFA managed and the total GFA to be managed by the Group under signed property management service agreements.

## FUTURE OUTLOOK

In the first half of 2024, China's export continued to grow and domestic demand continued to expand. The overall economic situation began to stabilize and rebound from a macro perspective. At the same time, the adjustment of the real estate market has entered a deep-water zone. The property management industry has gradually moved towards marketization and standardization after the development in recent years, and with a gradually sound ecological system. In this context, our Group never forgets the vision of "quality service for life". Based on service standards and guided by customer needs, we insist on refined services, standardized control, and firmly move forward to integrate our services into the better lives of customers.

### Move forward steadily with integrity and innovation

With a focus on future planning, while consolidating the existing market, our Group relies on its own management scale and advantages in all business formats to continuously increase market expansion efforts, pursue high-quality scale growth, actively layout new tracks in segmented fields, and strive to build core advantages in residential property, commercial building property and other fields. In the first half of 2024, our Group successfully signed 10 projects from third party property developers. By focusing on cities through centralized strategies in future, we will continuously increase the density of projects in individual cities, to effectively reduce the costs and increase the efficiency.

At the same time, the Group continues to make efforts in value-added services, including cleaning, greening, elderly-caring delivery, community new model retail, convenient maintenance, space operation, etc. We always adhere to innovation and are committed to the use of advanced technology, and combining our professional skills and scientific management concepts to improve our service quality.

**Strengthening quality and reshaping the core**

Adhering to the service philosophy of "creating an enjoyable living environment", our Group always adheres to the customer centric approach and continuously promotes the service of "standardized operation + professional service + market-oriented development", constantly builds a solid foundation for development and innovates service measures, forming a service loop through demand analysis, research and solution, innovative promotion, feedback and upgrading, in order to improve service standards and quality control systems. We always insist on building the core competitiveness – excellent service capabilities, starting from the entire living cycle of residents, covering 16 major categories of services, with the design of a total of 101 service details, covering every bit of life from the four stages of being prospective property owners, adaptation period, stability period, and being mature property owners. We always take care of every member of a family with a cumulative and persistent attitude and a caring approach.

We are committed to equipping every service staff with a new service concept, a good service attitude, and high-quality service. By providing affectionate and meticulous humanized services, we aim to create a happy experience for our customers. Through refined property management, we ensure that we provide customers with considerate and detailed services.

**Dedicated to serving and co-creating value**

Our Group organically combines property management with value-added services, to achieve equal emphasis on basic property and value-added services. With community operation centers as the core and owners' needs as the guidance, value-added services involve every aspect of owner's life and establish a more harmonious and win-win relationship with owners, enhancing the development momentum and brand strength of the enterprise, and further promoting the development of socialized family service.

Looking ahead to the work in the second half of 2024, in addition to ensuring operating profits, our Group will continue to strengthen the established operating standard system, collaborate with quality control, and provide training for customer butler service. On the basis of the current business, we will do a good job in the extension of diversified business services and fully meet the growing diversified living needs of customers.

In the second half of 2024, all employees of Ye Xing Group will continue to adhere to the market-oriented approach and take customer needs as the foundation to create a service of "love everywhere, life without boundaries, love is close at hand", enable customers' living needs to be fully met in the community, and focus on the core concept of "loving life, loving the environment, and loving goodness", with one heart and one mind to achieve the annual target and tasks. At the same time, we continue to strengthen the quality of customer service, broaden the boundaries of our services, and explore development paths and profit growth points from an innovative perspective, so as to achieve high-quality services and rapid business development, and continue to create greater value for customers, society, and Shareholders.

## FINANCIAL REVIEW

### Results of Operations

The Group's revenue was mainly derived from property management services, property developer related services and value-added services. For the six months ended 30 June 2024, the Group's total revenue was approximately RMB186.9 million, representing an increase of approximately RMB16.2 million or approximately 9.5% as compared to that of approximately RMB170.7 million for the corresponding period in 2023. For the six months ended 30 June 2024, the revenue generated from property management services, property developer related services and value-added services contributed approximately 84.5%, 2.1% and 13.4% to the total revenue, respectively.

The following table sets forth a breakdown of our revenue by type of services for the periods indicated:

| | **Six months ended 30 June** | | | |
|---|---|---|---|---|
| | **2024** | | 2023 | |
| | ***RMB'000*** **(unaudited)** | *%* | *RMB'000* (unaudited) | *%* |
| Property management services | **157,927** | **84.5** | 147,707 | 86.5 |
| Property developer related services | **4,014** | **2.1** | 3,073 | 1.8 |
| Value-added services | **24,915** | **13.4** | 19,948 | 11.7 |
| Total | **186,856** | **100.0** | 170,728 | 100.0 |

### Property Management Services

The revenue generated from property management services was approximately RMB157.9 million for the six months ended 30 June 2024, increased by approximately RMB10.2 million or about 6.9% as compared to the corresponding period in 2023. The revenue of property management services generated from residential properties was approximately RMB127.5

million, slightly increased by approximately RMB6.7 million or about 5.5% as compared to the corresponding period in 2023. Such increase was mainly due to the increase in number of projects under management and total revenue-bearing GFA, and 2 newly delivered residential properties during the period, which generated a total revenue of approximately RMB2.0 million. The revenue of property management services generated from non-residential properties was approximately RMB30.4 million, increased by approximately RMB3.5 million or about 13.0% as compared to the corresponding period in 2023, primarily because the Group did not renew the service agreements of 2 non-residential properties expired during the period, and the 4 newly signed non-residential properties during the period generated a total revenue of approximately RMB4.8 million. The total revenue-bearing GFA under management increased slightly from approximately 12.1 million sq.m. as at 30 June 2023 to approximately 13.1 million sq.m. as at 30 June 2024.

The following table sets forth a breakdown of our total revenue-bearing GFA and our revenue derived from the property management services by type of properties as at the dates indicated and for the periods indicated:

| | **As at/Six months ended 30 June** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | | | | 2023 | | | |
| | **Revenue-bearing GFA** | | **Revenue** | | Revenue-bearing GFA | | Revenue | |
| | ***'000 sq.m.*** | **%** | ***RMB'000*** **(unaudited)** | **%** | *'000 sq.m.* | % | *RMB'000* (unaudited) | % |
| Residential properties | **12,272** | **93.5** | **127,479** | **80.7** | 11,286 | 92.9 | 120,769 | 81.8 |
| Non-residential properties | **859** | **6.5** | **30,448** | **19.3** | 859 | 7.1 | 26,938 | 18.2 |
| | **13,131** | **100.0** | **157,927** | **100.0** | 12,145 | 100.0 | 147,707 | 100.0 |

The following table sets forth a breakdown of our total revenue-bearing GFA and our revenue derived from property management services by type of property developers as at the dates indicated and for the periods indicated:

| | **As at/Six months ended 30 June** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | | | | 2023 | | | |
| | **Revenue-bearing GFA** | | **Revenue** | | Revenue-bearing GFA | | Revenue | |
| | ***'000 sq.m.*** | **%** | ***RMB'000*** **(unaudited)** | **%** | *'000 sq.m.* | % | *RMB'000* (unaudited) | % |
| Hongkun Group | **10,222** | **77.8** | **134,230** | **85.0** | 9,473 | 78.0 | 133,109 | 90.1 |
| Third-party property developers | **2,909** | **22.2** | **23,697** | **15.0** | 2,672 | 22.0 | 14,598 | 9.9 |
| | **13,131** | **100.0** | **157,927** | **100.0** | 12,145 | 100.0 | 147,707 | 100.0 |

The following table sets forth a breakdown of our total revenue-bearing GFA and our revenue derived from property management services by geographic coverage as at the dates indicated and for the periods indicated:

| | As at/Six months ended 30 June | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2024** | | | | 2023 | | | |
| | **Revenue-bearing GFA** | | **Revenue** | | Revenue-bearing GFA | | Revenue | |
| | ***'000 sq.m.*** | ***%*** | ***RMB'000*** **(unaudited)** | ***%*** | *'000 sq.m.* | *%* | *RMB'000* (unaudited) | *%* |
| Beijing | **2,721** | **20.7** | **49,844** | **31.6** | 2,638 | 21.8 | 48,343 | 32.7 |
| Tianjin | **1,975** | **15.0** | **30,820** | **19.5** | 1,550 | 12.8 | 26,009 | 17.6 |
| Hebei Province | **4,196** | **32.0** | **41,127** | **26.0** | 3,475 | 28.6 | 39,839 | 27.0 |
| Beijing-Tianjin-Hebei Region | **8,892** | **67.7** | **121,791** | **77.1** | 7,663 | 63.2 | 114,191 | 77.3 |
| Hainan Province | **675** | **5.1** | **4,995** | **3.2** | 594 | 4.9 | 4,596 | 3.1 |
| Hubei Province | **810** | **6.2** | **9,545** | **6.0** | 784 | 6.5 | 9,554 | 6.5 |
| Anhui Province | **–** | **–** | **96** | **0.1** | 379 | 3.1 | 2,920 | 2.0 |
| Jiangsu Province | **2,716** | **20.7** | **16,499** | **10.4** | 2,713 | 22.2 | 15,265 | 10.3 |
| Shanghai | **–** | **–** | **–** | **–** | – | – | 615 | 0.4 |
| Guangdong Province | **38** | **0.3** | **532** | **0.4** | 12 | 0.1 | 566 | 0.4 |
| Sichuan Province | **–** | **–** | **4,469** | **2.8** | – | – | – | – |
| | **13,131** | **100.0** | **157,927** | **100.0** | 12,145 | 100.0 | 147,707 | 100.0 |

**Property Developer Related Services**

The revenue generated from property developer related services increased by approximately RMB0.9 million or about 29.0% from approximately RMB3.1 million for the six months ended 30 June 2023 to approximately RMB4.0 million for the six months ended 30 June 2024. The revenue generated from sales assistance services for the six months ended 30 June 2024 was approximately RMB3.5 million, representing an increase of approximately RMB1.0 million or about 40.0% as compared with the corresponding period in 2023.

The following table sets forth a breakdown of number of projects of property developer related services and our revenue derived from property developer related services by geographic coverage as at the dates indicated and for the periods indicated:

| | As at/Six months ended 30 June | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | | 2023 | | |
| | **Number of projects** | **Revenue** | | Number of projects | Revenue | |
| | | ***RMB'000*** | **%** | | *RMB'000* | % |
| | | **(unaudited)** | | | (unaudited) | |
| Beijing | **–** | **–** | **–** | – | – | – |
| Tianjin | **1** | **372** | **9.3** | 3 | 973 | 31.7 |
| Hebei Province | **2** | **2,928** | **72.9** | 3 | 1,610 | 52.4 |
| Beijing-Tianjin-Hebei Region | **3** | **3,300** | **82.2** | 6 | 2,583 | 84.1 |
| Hainan Province | **1** | **65** | **1.6** | 1 | 192 | 6.2 |
| Hubei Province | **1** | **117** | **2.9** | 1 | 61 | 2.0 |
| Anhui Province | **1** | **532** | **13.3** | 1 | 237 | 7.7 |
| | **6** | **4,014** | **100.0** | 9 | 3,073 | 100.0 |

**Value-added Services**

The revenue generated from value-added services increased by approximately RMB5.0 million or about 25.1% from approximately RMB19.9 million for the six months ended 30 June 2023 to approximately RMB24.9 million for the six months ended 30 June 2024. The increase was mainly due to the increase in number of projects managed, and our Group has invested more resources including setting up a team to expand the value-added services.

The following table sets forth a breakdown of our revenue derived from our value-added services for the periods indicated:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2024** | | 2023 | |
| | ***RMB'000*** | **%** | *RMB'000* | % |
| | **(unaudited)** | | (unaudited) | |
| Home living services *(Note 1)* | **13,032** | **52.3** | 7,761 | 38.9 |
| Leasing of common areas *(Note 2)* | **10,141** | **40.7** | 11,595 | 58.1 |
| Others | **1,742** | **7.0** | 592 | 3.0 |
| | **24,915** | **100.0** | 19,948 | 100.0 |

*Notes:*

(1) Our home living services primarily included collection of electricity, air-conditioning and heating fees, and household repair and maintenance services provided to property owners and residents of our managed residential or non-residential properties.

(2) Our leasing of common areas primarily represented the leasing of certain common areas of our managed residential or non-residential properties to third-party services providers for setting up advertisement lightboxes, distilled water vending machines, screens in lifts and other facilities.

**Cost of Services**

Our cost of services primarily consists of (i) labour costs which arose mainly from the security, cleaning and gardening services; (ii) subcontracting cost; (iii) utility expenses; (iv) office expenses; and (v) maintenance costs.

Our cost of services increased by approximately RMB22.2 million or about 18.0% from approximately RMB123.6 million for the six months ended 30 June 2023 to approximately RMB145.8 million for the six months ended 30 June 2024.

To maximise our cost and operational efficiency, we outsource our cleaning, gardening, equipment maintenance, site security services and car park management to subcontractors who are Independent Third Parties. We believe that the subcontracting arrangement allows us to leverage the resources and expertise of the subcontractors, reduce our operating costs, and enhance our overall efficiency and profitability.

**Gross Profit and Gross Profit Margin**

For the six months ended 30 June 2024, the gross profit of the Group was approximately RMB41.1 million, representing a decrease of approximately RMB6.0 million or approximately 12.7% as compared to approximately RMB47.1 million for the six months ended 30 June 2023. The gross profit margin was 22.0% for the six months ended 30 June 2024 and 27.6% for the six months ended 30 June 2023. The decrease in gross profit margin was mainly because the Group has signed 10 third-party property developer projects during the period, which had relatively low gross profit margin as compared with Hongkun Group's projects.

## Selling Expenses and Administrative Expenses

Our selling expenses primarily consist of (i) promotional expenses; (ii) salaries and allowances for our sales personnel; and (iii) travelling expenses and entertainment expenses. The total selling expenses of the Group for the six months ended 30 June 2024 were approximately RMB1.4 million, representing a decrease of approximately RMB1.1 million or about 44.0% as compared to approximately RMB2.5 million for the six months ended 30 June 2023. The decrease was mainly due to the decrease in promotional activities held during the period.

Our administrative expenses primarily consist of (i) salaries and allowances for our administrative and management personnel in headquarters; (ii) travelling expenses; (iii) professional fees; (iv) lease-related expenses; and (v) bank charges.

For the six months ended 30 June 2024, the administrative expenses of the Group were approximately RMB21.5 million, representing a decrease of approximately RMB3.0 million or about 12.2% as compared to approximately RMB24.5 million for the six months ended 30 June 2023. The decrease was mainly due to the high turnover rate of administrative staff resulting in the decrease in administrative staff costs.

## Other Income

For the six months ended 30 June 2024, other income of the Group amounted to approximately RMB0.9 million, representing a decrease of approximately RMB0.1 million or about 10.0% as compared to approximately RMB1.0 million for the six months ended 30 June 2023.

## Income Tax Expenses

For the six months ended 30 June 2024, the income tax expenses of the Group were approximately RMB3.7 million (six months ended 30 June 2023: approximately RMB3.2 million).

## Profit for the Period

For the six months ended 30 June 2024, the net profit of the Group was approximately RMB6.7 million, representing a decrease of approximately RMB6.6 million or about 49.6% as compared to approximately RMB13.3 million for the six months ended 30 June 2023. The decrease was primarily due to (i) the decrease in gross profit from approximately RMB47.1 million for the six months ended 30 June 2023 to approximately RMB41.1 million for the period, and (ii) the increase in impairment loss of trade and other receivables, net from approximately RMB3.9 million for the six months ended 30 June 2023 to approximately RMB7.2 million for the period.

**Financial Position**

As at 30 June 2024, the total assets of the Group were approximately RMB468.3 million (as at 31 December 2023: approximately RMB439.5 million), and the total liabilities were approximately RMB225.7 million (as at 31 December 2023: approximately RMB203.6 million). As at 30 June 2024, the current ratio was 1.5 (as at 31 December 2023: 1.5).

As at 30 June 2024 and 31 December 2023, the Group had no outstanding bank borrowings and undrawn banking facilities.

The Board will continue to follow a prudent policy in managing the Group's cash and cash equivalents and maintain a strong liquidity position to ensure that the Group is able to take full advantage of future growth opportunities.

**Property, Plant and Equipment**

Our property, plant and equipment included (i) the building for staff quarters; and (ii) furniture, fixtures and equipment in office premises and management offices and sites. Our property, plant and equipment was approximately RMB34.8 million as at 30 June 2024, representing a decrease of approximately RMB2.4 million or about 6.5% as compared with that of approximately RMB37.2 million as at 31 December 2023. It was primarily attributable to the depreciation charged for the six months ended 30 June 2024.

**Intangible Assets**

Our intangible assets were approximately RMB11.2 million as at 30 June 2024. The intangible assets were attributed to the acquisition of Jiangsu Wanhao, which were initially measured at approximately RMB16.9 million and subsequently measured at cost less accumulated amortisation (with a useful life of eight years) and impairment losses.

**Right-of-use Assets**

Our right-of-use assets represented our right to use our leased assets (i.e. office premises and staff quarters) with lease terms of over one year, which were initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses under HKFRS 16.

Our right-of-use assets decreased by approximately RMB1.1 million or about 2.9% from approximately RMB37.3 million as at 31 December 2023 to approximately RMB36.2 million as at 30 June 2024, which was primarily due to the depreciation charged for the six months ended 30 June 2024.

### Goodwill

As at 30 June 2024, our goodwill was approximately RMB29.7 million (as at 31 December 2023: approximately RMB29.7 million). Goodwill was initially measured at cost, being the excess of sum of the consideration transferred over the net of amount of identifiable assets acquired and the liabilities assumed. The amount mainly represented goodwill acquired from acquisition of Jiangsu Wanhao in 2021.

### Trade and Other Receivables

Our trade and other receivables increased by approximately RMB37.9 million or about 39.9% from approximately RMB95.1 million as at 31 December 2023 to approximately RMB133.0 million as at 30 June 2024, mainly due to the increase in trade receivables. Our trade receivables increased by approximately RMB37.7 million or about 48.1% from approximately RMB78.4 million as at 31 December 2023 to approximately RMB116.1 million as at 30 June 2024, mainly due to the nature of our business that the peak of property fee collection is at the end of the year. Approximately RMB23.4 million of trade receivables as at 30 June 2024 had been recovered as at the date of this announcement.

### Amounts Due from Related Parties and Fellow Subsidiaries

***Trade nature amounts due from fellow subsidiaries***

Our trade nature amounts due from fellow subsidiaries mainly represented the outstanding balances to be received from the Parent Group in respect of the provisions of our property management services and property developer related services.

Our trade nature amounts due from fellow subsidiaries decreased by approximately RMB3.8 million or about 6.2% from approximately RMB61.6 million as at 31 December 2023 to approximately RMB57.8 million as at 30 June 2024, which was mainly because impairment loss of approximately RMB1.4 million was recognised and settlements received from fellow subsidiaries during the six months ended 30 June 2024.

### Trade and Other Payables

As at 30 June 2024, our trade and other payables were approximately RMB108.5 million, representing a decrease of approximately RMB7.1 million or approximately 6.1% as compared to that of approximately RMB115.6 million as at 31 December 2023, mainly due to the decrease in accrued staff costs arising from settlement of staff bonus and high staff turnover during the period.

### Contract Liabilities

Our contract liabilities primarily represented the payments in advance from our customers for the provision of our property management services. Pursuant to the signed property management service agreements, we usually charge property owners and residents a fixed fee by issuing demand notes, which are generally required to be paid in advance on an annual basis for residential properties and in advance on a monthly or quarterly basis for non-residential properties. Our contract liabilities increased by approximately RMB26.0 million or about 32.2% to approximately RMB106.8 million as at 30 June 2024 (as at 31 December 2023: approximately RMB80.8 million). The increase was mainly due to the increase in number of properties managed and revenue-bearing GFA.

### Contingent Liabilities

As at 30 June 2024, we did not have any material contingent liabilities.

### Liabilities to Assets Ratio

Liabilities to assets ratio is calculated based on the total liabilities divided by the total assets. Liabilities to assets ratio remained stable at 0.48 as at 30 June 2024 and 0.46 as at 31 December 2023, respectively.

### Asset Pledged

As at 30 June 2024, none of the assets of the Group was pledged.

**Proceeds from the Listing**

The Shares were listed on the Main Board of the Stock Exchange on 13 March 2020 and 100,000,000 new Shares were issued. The over-allotment option was partially exercised and 5,310,000 new Shares were issued on 3 April 2020. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK$129.4 million (equivalent to approximately RMB116.2 million). The net proceeds from the Listing were higher than that stated in the Prospectus, due to a higher final issue price than the median of the range of offer prices stated in the Prospectus and lower-than-expected underwriting fees. Such proceeds will be applied in the manner consistent with that in the Prospectus which is detailed as follows:

| | **Disclosed in the Prospectus** | | | |
|---|---|---|---|---|
| **Intended usage** | **Approximate net proceeds utilized** *HK$ million* | **Approximate percentage** | **Proceeds planned to be utilized in 2020** *HK$ million* | **Proceeds planned to be utilized in 2021** *HK$ million* |
| Expansion of geographic presence and scale of operations in the PRC | 64.4 | 65.0% | 61.3 | 3.1 |
| Development and enhancement of our information system and technological initiatives | 12.9 | 13.0% | 12.9 | – |
| Expansion of our value-added services | 9.9 | 10.0% | 4.7 | 5.2 |
| Staff development | 2.0 | 2.0% | 2.0 | – |
| General working capital | 9.8 | 10.0% | – | – |
| Total | 99.0 | 100.0% | 80.9 | 8.3 |

Due to the abovementioned reasons, the net proceeds from the Listing increased to HK$129.4 million and therefore our expected usage increased proportionately as follows:

| | As at 30 June 2024 | | | | |
|---|---|---|---|---|---|
| **Intended usage** | **Actual amount of net proceeds** *HK$ million* | **Approximate percentage** | **Proceeds utilized** *HK$ million* | **Proceeds not yet utilized** *HK$ million* | **Proceeds planned to be utilized in 2024** *HK$ million* |
| Expansion of geographic presence and scale of operations in the PRC | 84.1 | 65.0% | 47.1 | 37.0 | 37.0 |
| Development and enhancement of our information system and technological initiatives | 16.9 | 13.0% | 5.9 | 11.0 | 11.0 |
| Expansion of our value-added services | 12.9 | 10.0% | 6.2 | 6.7 | 6.7 |
| Staff development | 2.6 | 2.0% | 1.5 | 1.1 | 1.1 |
| General working capital | 12.9 | 10.0% | 6.4 | 6.5 | 6.5 |
| Total | 129.4 | 100.0% | 67.1 | 62.3 | 62.3 |

As at 30 June 2024, the Company has utilized part of such proceeds according to the use as set out in the Prospectus. Approximately HK$47.1 million, representing approximately 36.4% of the actual amount of net proceeds, was utilized for expansion of geographic presence and scale of operations in the PRC, including acquiring Jiangsu Wanhao; approximately HK$5.9 million, representing approximately 4.6% of the actual amount of net proceeds, was utilized for development and enhancement of our information system and technological initiatives, including building up a resident communication database and upgrading the management fee collecting system; approximately HK$6.2 million, representing approximately 4.8% of the actual amount of net proceeds, was utilized for expansion of our value-added services, including setting up a business development team; approximately HK$1.5 million, representing approximately 1.2% of the actual amount of net proceeds, was utilized for staff development, including strengthening staff learning, development and promoting of systems; and approximately HK$6.4 million, representing approximately 4.9% of the actual amount of net proceeds, was utilized for the general working capital.

Our Group has been actively identifying appropriate acquisition opportunities, however, due to the significant increase in the number of acquisitions in the property management industry recently, the uncertainty of acquisition pricing raised, we adopt a more cautious attitude towards the evaluation of acquisition targets. Therefore, our progress in utilizing the proceeds from the Listing was delayed comparing with the plan. The expected timeline for utilising the unutilized proceeds will be one year, which is based on our best estimation and will be subject to change according to market conditions. The unutilized proceeds as at 30 June 2024 were deposited in the bank accounts.

**Significant Acquisitions and Disposals**

During the six months ended 30 June 2024, the Group did not have any significant acquisitions and disposals of subsidiaries, associates or joint ventures.

**Significant Investments**

As at 30 June 2024, the Group did not have any significant investments.

## DIVIDEND

No interim dividend was declared by the Board for the six months ended 30 June 2024 (for the six months ended 30 June 2023: nil).

## EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Group after 30 June 2024 and up to the date of this announcement.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules), if any) during the six months ended 30 June 2024. The Company did not have any treasury shares as at 30 June 2024.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Board, the Board confirms that the Company has maintained the public float as required by the Listing Rules as at the date of this announcement.

## REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee and by Crowe (HK) CPA Limited, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The report on review of the condensed consolidated financial statements of the Group by the auditor will be included in the Interim Report 2024 of the Company to be published on the websites of the Company and the Stock Exchange, respectively.

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high standards of corporate governance.

The Board believes that high standards of corporate governance are key to the Group's ability to protect Shareholders' interests, enhance corporate value, develop business strategies and policies, and improve transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis for the Company's corporate governance practices. The Company has also established a corporate governance framework and has developed a set of policies and procedures in accordance with the Corporate Governance Code. These policies and procedures provide the basis for strengthening the Board's ability to exercise governance and provide appropriate oversight of the business conduct and affairs of the Company.

During the six months ended 30 June 2024, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the deviation from code provision C.2.1 of the Corporate Governance Code which requires that the roles of the chairman of the board and the chief executive officer should be separate and should not be performed by the same individual.

Ms. Wu Guoqing is the general manager of Beijing Hongkun and is involved in the day-to-day management of our business. Although she does not hold the title of chief executive officer, she can be regarded as the *de facto* chief executive officer of the Group (the "**Chief Executive Officer**"). She is also the chairman of the Board (the "**Chairman**"). Ms. Wu has been responsible for the overall management, strategic planning and day-to-day business operations of the Group. The Board believes that at this stage of the Group's development, having the roles of both the Chairman and the Chief Executive Officer in the same person brings strong and consistent leadership to the Company for effective and efficient planning and implementation of business decisions and strategies. Accordingly, the Directors consider it is appropriate and reasonable to deviate from code provision C.2.1 of the Corporate Governance Code. However, it is the Company's long term objective to have different individuals in the two roles when suitable candidates are identified.

The Group will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiries to all Directors, they confirmed that they have complied with the Model Code during the six months ended 30 June 2024.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hongkunwuye.com). The interim report of the Company for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be available on the above websites in due course.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

| | |
|---|---|
| "Audit Committee" | the audit committee established by the Board to supervise the Company's accounting and financial reporting procedures and review the Company's financial statements |
| "Beijing Hongkun" | Beijing Hongkun Ruibang Property Management Company Limited* (北京鴻坤瑞邦物業管理有限公司), a limited liability company established under the laws of the PRC on 18 June 2003 and a wholly-owned subsidiary of the Company |
| "Board" | the board of Directors of our Company |
| "Company" or "our Company" | Ye Xing Group Holdings Limited (燁星集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 26 March 2019 |
| "Corporate Governance Code" | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "GFA" | gross floor area |
| "Group", "we", "us" or "our" | our Company and its subsidiaries, and Chinese entities controlled by the Company through contractual arrangements |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Hongkun Group" | Hongkun Jituan Company Limited* (鴻坤集團有限公司) and its subsidiaries, associated companies and joint ventures |

| | |
|---|---|
| “Independent Third Party” | third party who is not connected with any of our Directors or controlling Shareholders or any of our subsidiaries or any of our respective associates (within the meaning of the Listing Rules) |
| “Jiangsu Wanhao” | Jiangsu Wanhao Property Management Co., Ltd.* (江蘇萬豪物業服務有限公司), a limited liability company incorporated in the PRC on 24 September 2003 |
| “Listing” | the listing of Shares on the Stock Exchange on 13 March 2020 |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| “Parent Group” | Beijing Herun Asset Management Company Limited* (北京合潤資產管理有限公司) and its subsidiaries, associated companies and joint ventures |
| “PRC” or “China” | the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Prospectus” | the prospectus dated 28 February 2020 issued by the Company in relation to the Listing of its Shares on the Main Board of the Stock Exchange |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | ordinary share(s) in the share capital of the Company with nominal value of HK$0.01 each |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “sq.m.” | square meter |

| | |
|---|---|
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |

By Order of the Board
**Ye Xing Group Holdings Limited**
**Wu Guoqing**
*Chairman and executive Director*

Hong Kong, 27 August 2024

*As at the date of this announcement, the Board comprises Ms. Wu Guoqing, Mr. Zhao Weihao, Ms. Li Yin Ping and Ms. Zhang Chunying as executive Directors; Mr. Li Yifan as non-executive Director; and Mr. Cheung Wai Hung, Mr. Chan Cheong Tat, Ms. Chen Weijie and Mr. Leung Ka Wo as independent non-executive Directors.*

* *For identification purpose only*