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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 2021**

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2021, the Group's total revenue was approximately RMB159.5 million, representing an increase of approximately RMB19.7 million or about 14.1% as compared to that of approximately RMB139.8 million for the corresponding period in 2020. For the six months ended 30 June 2021, revenue generated from property management services, property developer related services and value-added services contributed approximately 76.8%, 12.5% and 10.7% to the total revenue, respectively.
- The revenue generated from property management services segment was approximately RMB122.5 million, increased by approximately 31.2% as compared to the corresponding period in 2020. As at 30 June 2021, the total revenue-bearing GFA under management was approximately 8.1 million sq.m., increased by approximately 0.5 million sq.m. as compared with that as at 31 December 2020.
- The revenue generated from property developer related services was approximately RMB19.9 million, decreased by approximately 38.2% as compared with the corresponding period in 2020.
- The revenue generated from value-added services was approximately RMB17.1 million, increased by approximately 20.4% as compared with the corresponding period in 2020.
- The profit and total comprehensive income amounted to approximately RMB27.2 million, representing a decrease of approximately 9.6% as compared with the corresponding period in 2020.

The Board announces the unaudited consolidated results of the Group for the six months ended 30 June 2021, with comparative figures for the six months ended 30 June 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	NOTES	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Revenue	3	159,461	139,819
Cost of services		(107,314)	(85,259)
Gross profit		52,147	54,560
Other income	4	1,602	6,449
Other gains or losses	5	1,816	1,336
Administrative expenses		(18,620)	(15,663)
Impairment loss, net of reversal		(1,216)	(1,244)
Selling expenses		(398)	(1,398)
Listing expenses		–	(4,853)
Interests on lease liabilities		(51)	(54)
Profit before tax		35,280	39,133
Income tax expense	6	(8,070)	(9,082)
Profit and total comprehensive income for the period	7	27,210	30,051
Profit and total comprehensive income for the period attributable to:			
– Owners of the Company		27,137	30,051
– Non-controlling interests		73	–
		27,210	30,051
Earnings per share (RMB cent)			
– Basic	9	6.70	8.28

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

		As at 30 June 2021 <i>RMB'000</i> (unaudited)	As at 31 December 2020 <i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		16,668	17,848
Intangible assets		3,000	3,500
Deferred tax assets		760	549
Right-of-use assets		1,401	811
Goodwill		1,519	1,519
		23,348	24,227
CURRENT ASSETS			
Trade and other receivables	10	56,994	37,246
Amounts due from related parties	11	147,634	88,648
Bank balances and cash	12	240,710	277,680
		445,338	403,574
CURRENT LIABILITIES			
Trade and other payables	13	111,896	125,474
Contract liabilities		89,314	67,949
Lease liabilities		1,291	968
Tax liabilities		5,264	32
		207,765	194,423
NET CURRENT ASSETS		237,573	209,151
TOTAL ASSETS LESS CURRENT LIABILITIES		260,921	233,378
NON-CURRENT LIABILITIES			
Lease liabilities		349	16
NET ASSETS		260,572	233,362
CAPITAL AND RESERVES			
Share capital	14	3,650	3,650
Reserves		256,793	229,656
Total equity attributable to owners of the Company		260,443	233,306
Non-controlling interests		129	56
TOTAL EQUITY		260,572	233,362

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 Cayman Islands Companies Law Chapter 22 (Law 3 of 1961, as consolidated and revised) on 26 March 2019. The shares of the Company have been listed on 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 34 (“HKAS 34”) Interim Financial Reporting issued by the Hong Kong Institution of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 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 application of amendments to 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 2021 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2020.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Covid-19 Rent Concession
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

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 or revised HKFRS in issue but not yet effective

The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2021 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
HKAS 1 and HKAS 8 (Amendments)	Presentation of financial statements, accounting policies, changes in accounting estimates and errors	1 January 2023
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Types of goods or services		
Property management services	122,516	93,402
Property developer related services	19,854	32,223
Value-added services	17,091	14,194
	159,461	139,819
Types of customers		
External customers	134,905	101,685
Fellow subsidiaries	24,556	38,134
	159,461	139,819
Timing of revenue recognition		
Over time	142,370	132,195
A point in time	17,091	7,624
	159,461	139,819

Information reported to the directors of the Company, being the chief operating decision maker (“CODM”) of the Group, for the purpose of resources allocation and assessment of segment the performance focuses on the revenue analysis of each operating segment in the provision of property management service, property developer related services, value-added services and others 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 service, property developer related services, value added services and others is prepared regularly for internal reporting to the CODM for resources allocation and performance assessment.

4. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest income arising from		
– bank balances	1,173	2,515
– loan receivables	–	3,379
Others	429	555
	<u>1,602</u>	<u>6,449</u>

5. OTHER GAINS OR LOSSES

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Government subsidy	2,326	–
Net exchange (loss)/gain	(222)	1,086
Others	(288)	250
	<u>1,816</u>	<u>1,336</u>

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
– PRC Enterprise Income Tax	8,281	9,240
Deferred tax	(211)	(158)
	<u>8,070</u>	<u>9,082</u>

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging the following items:		
Depreciation for property, plant and equipment	2,106	418
Depreciation for right-of-use assets	531	423
Amortisation of intangible assets	500	583
	<u>3,137</u>	<u>1,424</u>

8. DIVIDENDS

No dividend was paid, declared or proposed for the six months ended 30 June 2020. The directors of the Company have determined that no dividend will be paid for the six months ended 30 June 2021.

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	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	<u>27,137</u>	<u>30,051</u>
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>405,310,000</u>	<u>362,948,681</u>

The calculation of basic and diluted earnings per share for the six months ended 30 June 2020 were based on the assumption that the capitalisation issue as detailed in “History, Reorganisation and Corporate Structure” and “Share Capital” in the prospectus of the Company dated 28 February 2020 had been effective on 1 January 2020.

No diluted earnings per share was presented for the six months ended 30 June 2021 and 2020 as there were no potential ordinary shares in issue during the periods.

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2021 <i>RMB'000</i> (unaudited)	As at 31 December 2020 <i>RMB'000</i> (audited)
Trade receivables	50,652	30,983
Less: allowance for credit losses	(3,432)	(1,760)
	47,220	29,223
Other receivables:		
Deposits	978	936
Prepayments	5,477	3,142
Payments on behalf of residents	1,338	3,052
Advances to staff	1,866	1,213
Others	184	205
Less: allowance for credit losses	(69)	(525)
	9,774	8,023
Total trade and other receivables	56,994	37,246

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 2021 <i>RMB'000</i> (unaudited)	As at 31 December 2020 <i>RMB'000</i> (audited)
0 to 60 days	28,350	22,203
61 to 180 days	13,721	3,590
181 to 365 days	4,701	3,444
1 to 2 years	2,328	1,103
2 to 3 years	976	20
Over 3 years	576	623
	50,652	30,983

11. AMOUNTS DUE FROM RELATED PARTIES

	As at 30 June 2021 RMB'000 (unaudited)	As at 31 December 2020 RMB'000 (audited)
Trade nature		
Fellow subsidiaries (<i>Note a</i>)	<u>100,449</u>	<u>77,320</u>
Non-trade nature		
Fellow subsidiaries (<i>Note b</i>)	<u>47,185</u>	<u>11,328</u>
Total	<u><u>147,634</u></u>	<u><u>88,648</u></u>

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. During the current interim period, the Group has entered into a sole agent service agreement with its fellow subsidiary to facilitate the sale of car park spaces and the amount of non-trade nature represented the deposit paid to the fellow subsidiary to secure the sole agent status. Pursuant to the relevant agreement, the amount shall be refunded within twelve months from the end of reporting period and therefore the amount is classified as current assets. As at 30 June 2021, the balances were unsecured, interest-free and repayable on demand.

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

	As at 30 June 2021 RMB'000 (unaudited)	As at 31 December 2020 RMB'000 (audited)
0 to 60 days	16,488	11,299
61 to 180 days	12,029	16,624
181 to 365 days	25,841	17,660
1 to 2 years	16,132	29,524
2 to 3 years	29,138	2,213
Over 3 years	<u>821</u>	<u>–</u>
	<u><u>100,449</u></u>	<u><u>77,320</u></u>

12. BANK BALANCES AND CASH

The bank balances carry interest at variable rates with an average interest rate of 0.35% for the six months ended 30 June 2021 (year ended 31 December 2020: 0.3%) per annum.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2021 <i>RMB'000</i> (unaudited)	As at 31 December 2020 <i>RMB'000</i> (audited)
Trade payables	<u>34,616</u>	<u>37,769</u>
Other payables:		
Receipts on behalf of residents	8,104	8,437
Deposits received	44,941	50,022
Accrued staff costs	12,936	15,645
Accrued contribution to social insurance and housing provident funds	6,434	4,970
Other tax payables	4,433	6,899
Accrued expenses	333	1,456
Other payables	<u>99</u>	<u>276</u>
Total other payables	<u>77,280</u>	<u>87,705</u>
Total trade and other payables	<u><u>111,896</u></u>	<u><u>125,474</u></u>

The credit period granted by suppliers to the Group ranges from 30 days to 90 days. 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 2021 <i>RMB'000</i> (unaudited)	As at 31 December 2020 <i>RMB'000</i> (audited)
Within 1 year	26,957	37,271
1 - 2 years	7,235	147
2 - 3 years	91	148
Over 3 years	<u>333</u>	<u>203</u>
	<u><u>34,616</u></u>	<u><u>37,769</u></u>

14. SHARE CAPITAL

	Number of shares	Share capital of the Company	
		HK\$	RMB'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 31 December 2019	39,000,000	390,000	
Increase on 17 February 2020 (<i>Note i</i>)	<u>461,000,000</u>	<u>4,610,000</u>	
At 30 June 2020, 31 December 2020 and 30 June 2021	<u><u>500,000,000</u></u>	<u><u>5,000,000</u></u>	
Issued and fully paid:			
At 31 December 2019	<u>10,000</u>	<u>100</u>	<u>–</u>
Issue of new shares upon initial public offering (<i>Note iii</i>)	100,000,000	1,000,000	900
Capitalisation issue of shares (<i>Note ii</i>)	299,990,000	2,999,900	2,701
Exercise of over-allotment option (<i>Note iii</i>)	<u>5,310,000</u>	<u>53,100</u>	<u>49</u>
At 30 June 2020, 31 December 2020 and 30 June 2021	<u><u>405,310,000</u></u>	<u><u>4,053,100</u></u>	<u><u>3,650</u></u>

Notes:

- Pursuant to shareholders' written resolution dated on 17 February 2020, the authorised share capital of the Company was increased from HK\$390,000 to HK\$5,000,000 divided into 500,000,000 shares by the creation of a further 461,000,000 shares.
- On 13 March 2020, the Company capitalised the sum of HK\$2,999,900 (equivalent to RMB2,701,000) standing to the credit of the share premium account of the Company and applied such sum in paying up in full at par 299,990,000 shares for over-allotment and issued to existing shareholders.
- On 13 March 2020, in connection with the Listing, the Company issued 100,000,000 ordinary shares of HK\$0.01 each (a public offering in Hong Kong of 50,000,000 and an international offering of 50,000,000 shares) at a price of HK\$1.56 per share (equivalent to approximately RMB1.40 per share) for a total of HK\$156,000,000 (equivalent to approximately RMB140,437,000) with issuance costs amounted to HK\$12,119,000 (equivalent to approximately RMB11,001,000) being charged to the Company's share premium account.

In addition, on 3 April 2020, the over-allotment option in connection with the Listing was exercised and as a result, additional 5,310,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$1.56 per share (equivalent to approximately RMB1.43 per share) for a total of HK\$8,284,000 (equivalent to approximately RMB7,598,000) with issuance costs amounted to HK\$543,000 (equivalent to approximately RMB495,000) being charged to the Company's share premium account.

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 has 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 (讓人們住的開心)" 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 2021, the Group provided property management services to properties spanning across 12 cities in the Beijing-Tianjin-Hebei Region, Hainan Province, Hubei Province, Anhui Province, Jiangsu Province, Shaanxi Province and Shanghai, managing a total revenue-bearing GFA of approximately 8.1 million sq.m., comprising 36 residential properties (with over 58,000 units in total) and 20 non-residential properties.

For the six months ended 30 June 2021, the Company generated revenue of approximately RMB159.5 million, representing an increase of approximately 14.1% as compared with the corresponding period in 2020; realised gross profit of approximately RMB52.1 million, representing a decrease of about 4.6% as compared with the corresponding period in 2020. The total profit and other comprehensive income amounted to approximately RMB27.2 million, representing a decrease of approximately 9.6% as compared with the corresponding period in 2020. The gross profit margin and net profit margin for the six months ended 30 June 2021 were 32.7% and 17.1%, respectively, representing a decrease of 6.3 and 4.5 percentage points as compared with the corresponding period in 2020, respectively.

As at 30 June 2021, the Group's contracted GFA was approximately 11.3 million sq.m., and the total revenue-bearing GFA under management exceeded 8.1 million sq.m., representing an increase of approximately 3.1% and approximately 6.2% as compared with that as at 31 December 2020, respectively; the number of the Group's managed residential property projects was 36, with a total revenue-bearing GFA of approximately 7.0 million sq.m., accounting for 86.2% of total revenue-bearing GFA; the number of the Group's managed non-residential property projects was 20, with a total revenue-bearing GFA of approximately 1.1 million sq.m., accounting for 13.8% 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	
	2021	2020
Residential Properties		
Contracted GFA ('000 sq.m.) <i>(Note)</i>	9,703	6,692
Revenue-bearing GFA ('000 sq.m.)	6,987	4,517
Number of properties managed	36	24
Non-residential Properties		
Contracted GFA ('000 sq.m.) <i>(Note)</i>	1,633	1,600
Revenue-bearing GFA ('000 sq.m.)	1,120	1,053
Number of properties managed	20	19
Total		
Contracted GFA ('000 sq.m.) <i>(Note)</i>	11,336	8,292
Revenue-bearing GFA ('000 sq.m.)	8,107	5,570
Number of properties managed	56	43

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

It is a period of vigorous development and great significance for the property management industry in recent years, which has brought multiple opportunities for property management enterprises. Our Group needs to keep developing rapidly to cope with the development trend of the industry, meet the needs of customers and the expectations of the capital market, so as to realize the sustainable development of the Company. In order to achieve the transition from a traditional property management company to a modern property management company, the Company must realize the multidimensional transformation of “quality”, “ecology” and “offline + online”, and constantly link services and technology, in order to create opportunities for the sustainable development and improvement of business.

1. *Property management services*

Property management enterprises are facing new competition and challenges, such as the competition of scale and quality. The Group needs to pay more attention to the customer experience while focusing on the basic property services, improving the operation and service level by upgrading the service system and other means, in order to create a sense of home for the owners, and promoting the value preservation and appreciation of similar projects and the premium function and value preservation and appreciation function of new projects.

2. *Intelligent services*

Intelligent construction is still one of the focuses of the Group. Hong life +*(鴻生活+) intelligent service platform has established a H-Butler*(鴻管家), 400 customer service hotline system, Hongkunhui*(鴻坤薈) APP and Parking Easy*(好停車) platform, which have covered all our service segments, and have realised the comprehensive coverage of all residential projects in the PRC managed by the Group. The Group will focus on the application of technical means, with the intelligent management of “operation data oriented”, to better serve the property owners and the community.

3. *Diversified value-added services*

Based on the concept of “focusing on core business and supplemented by enterprise business”, the Group plans to develop diversified value-added services by integrating and utilizing various resources and focusing on “space, assets and people”. In the second half of 2021, we will focus on sales of car park spaces, property agency, decoration, financial service business, online mall, etc. to emphasise the value of the “last 100 meters” of community service.

4. *Green Community Construction*

In the second half of 2021, the Group will take “green, wisdom and diversity” as the development direction, comprehensively launch the construction action of “green community”, introduce the concept of green sustainable development into the traditional operation and management mode. By carrying out green management improvement around the seven dimensions of green system, intelligent management, energy conservation management, water conservation management, waste classification, environmental greening and pollution prevention, we will create a green and healthy living environment for the property owners.

In the second half of 2021, our Group will focus on strategic objectives, refine management objectives, dismantle key tasks and build an efficient organization, so as to guide the organization to achieve the development goal of sustainable, high-quality and high-growth, to achieve the goal of “create and share value together”, to keep providing customers with more valuable services, and to create good investment returns for the investors.

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 2021, the Group's total revenue was approximately RMB159.5 million, representing an increase of approximately RMB19.7 million or approximately 14.1% as compared to that of approximately RMB139.8 million for the corresponding period in 2020. For the six months ended 30 June 2021, the revenue generated from property management services, property developer related services and value-added services contributed approximately 76.8%, 12.5% and 10.7% 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			
	2021		2020	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	(unaudited)		(unaudited)	
Property management services	122,516	76.8%	93,402	66.8%
Property developer related services	19,854	12.5%	32,223	23.1%
Value-added services	17,091	10.7%	14,194	10.1%
Total	159,461	100.0%	139,819	100.0%

Property Management Services

The revenue generated from property management services was approximately RMB122.5 million for the six months ended 30 June 2021, increased by approximately RMB29.1 million, or about 31.2% as compared to the corresponding period in 2020. The revenue of property management services generated from residential properties was approximately RMB89.0 million, increased by approximately RMB27.7 million or about 45.2% as compared to the corresponding period in 2020. Such significant increase was mainly due to contributions of property management fee from those residential properties newly delivered in the second half of 2020 had been fully reflected, which generated a total revenue of approximately RMB20.8 million. The revenue of property management services generated from non-residential properties was approximately RMB33.5 million, increased by approximately RMB1.4 million or about 4.4% as compared to the corresponding period in 2020, and it is expected to continue to recover in the second half of 2021. The total revenue bearing GFA under management increased from approximately 5.6 million sq.m. as at 30 June 2020 to approximately 8.1 million sq.m. as at 30 June 2021, mainly because 12 residential properties and one non-residential property were newly delivered during the period.

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

	As at/six months ended 30 June							
	2021				2020			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%	
		(unaudited)		(unaudited)				
Residential properties	6,987	86.2%	88,975	72.6%	4,517	81.1%	61,321	65.7%
Non-residential properties	1,120	13.8%	33,541	27.4%	1,053	18.9%	32,081	34.3%
	8,107	100.0%	122,516	100.0%	5,570	100.0%	93,402	100.0%

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

	As at/six months ended 30 June							
	2021				2020			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%	
		(unaudited)		(unaudited)				
Hongkun Group	7,958	98.2%	118,947	97.1%	5,517	99.0%	90,223	96.6%
Third party property developers	149	1.8%	3,569	2.9%	53	1.0%	3,179	3.4%
	8,107	100.0%	122,516	100.0%	5,570	100.0%	93,402	100.0%

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

	As at/six months ended 30 June										
	2021				2020						
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue				
'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%				
(unaudited)				(unaudited)							
Lump sum basis	7,302	90.1%	117,168	95.6%	4,771	85.7%	88,176	94.4%			
Commission basis	805	9.9%	5,348	4.4%	799	14.3%	5,226	5.6%			
	<u>8,107</u>	<u>100.0%</u>	<u>122,516</u>	<u>100.0%</u>	<u>5,570</u>	<u>100.0%</u>	<u>93,402</u>	<u>100.0%</u>			

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

	As at/six months ended 30 June										
	2021				2020						
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue				
'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%				
(unaudited)				(unaudited)							
Beijing	2,387	29.5%	50,619	41.3%	2,230	40.1%	46,612	49.9%			
Tianjin	1,120	13.8%	20,570	16.8%	447	8.0%	12,288	13.2%			
Hebei Province	2,980	36.8%	34,108	27.8%	1,718	30.8%	21,304	22.8%			
Beijing-Tianjin-Hebei Region	6,487	80.1%	105,297	85.9%	4,395	78.9%	80,204	85.9%			
Hainan Province	506	6.3%	4,266	3.5%	454	8.1%	4,221	4.5%			
Hubei Province	553	6.8%	6,328	5.2%	337	6.0%	3,410	3.7%			
Shaanxi Province	42	0.5%	1,335	1.1%	42	0.8%	1,410	1.5%			
Anhui Province	157	1.9%	1,416	1.2%	150	2.7%	2,240	2.4%			
Jiangsu Province	270	3.3%	2,668	2.2%	100	1.8%	1,914	2.0%			
Shanghai	92	1.1%	1,206	0.9%	92	1.7%	3	0.0%			
	<u>8,107</u>	<u>100%</u>	<u>122,516</u>	<u>100.0%</u>	<u>5,570</u>	<u>100.0%</u>	<u>93,402</u>	<u>100.0%</u>			

Property Developer Related Services

The revenue generated from property developer related services decreased by approximately RMB12.3 million or about 38.2% from approximately RMB32.2 million for the six months ended 30 June 2020 to approximately RMB19.9 million for the six months ended 30 June 2021. The revenue generated from sales assistance services for the six months ended 30 June 2021 was approximately RMB10.1 million, representing a decrease of approximately RMB7.5 million or about 42.6% as compared with the corresponding period in 2020, but was similar to that for the second half of 2020; the revenue generated from pre-delivery cleaning and preparation services for the six months ended 30 June 2021 was approximately RMB2.4 million, representing a decrease of approximately RMB5.7 million or about 70.3% as compared with the corresponding period in 2020, since there was only one residential property newly delivered during the first half of 2021.

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

	Six months ended 30 June					
	2021			2020		
	Number of projects	Revenue		Number of projects	Revenue	
		RMB'000 (unaudited)	%		RMB'000 (unaudited)	%
Beijing	1	1,402	7.1%	9	9,272	28.8%
Tianjin	5	7,276	36.6%	6	6,217	19.3%
Hebei Province	11	8,860	44.6%	8	12,279	38.1%
Beijing-Tianjin-Hebei Region	17	17,538	88.3%	23	27,768	86.2%
Hainan Province	1	341	1.7%	1	344	1.1%
Hubei Province	1	1,408	7.1%	1	2,756	8.6%
Jiangsu Province	-	-	-	1	273	0.8%
Anhui Province	1	52	0.3%	-	-	-
Guangdong Province	1	515	2.6%	1	783	2.4%
Shanghai	-	-	-	1	299	0.9%
	21	19,854	100.0%	28	32,223	100.0%

Value-added Services

The revenue generated from value-added services increased by approximately RMB2.9 million or about 20.4% from approximately RMB14.2 million for the six months ended 30 June 2020 to approximately RMB17.1 million for the six months ended 30 June 2021. The increase was mainly due to the increase in number of properties managed.

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			
	2021		2020	
	Revenue		Revenue	
	RMB'000	%	RMB'000	%
	(unaudited)		(unaudited)	
Home living services (<i>Note 1</i>)	6,201	36.3%	7,626	53.8%
Leasing of common areas (<i>Note 2</i>)	10,029	58.7%	2,986	21.0%
Others	861	5.0%	3,582	25.2%
	17,091	100.0%	14,194	100.0%

Notes:

- (1) Our home living services primarily included our collection of electricity tariffs, air-conditioning and heating fees, 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 about 25.8% from approximately RMB85.3 million for the six months ended 30 June 2020 to approximately RMB107.3 million for the six months ended 30 June 2021. The increase was primarily attributable to (i) the continuous increase in number of our projects under management and total revenue-bearing GFA; (ii) the discontinuation of reduction in national social security benefit for employees in 2021; and (iii) the increase in resource investment to develop our value-added services.

To maximise our cost and operational efficiency, we outsource our cleaning, gardening, equipment maintenance, site security services and car park management to independent third party subcontractors. 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 2021, the gross profit of the Group was approximately RMB52.1 million, representing a decrease of approximately RMB2.5 million or approximately 4.6% as compared to approximately RMB54.6 million for the six months ended 30 June 2020. The gross profit margin was 32.7% for the six months ended 30 June 2021 and 39.0% for the six months ended 30 June 2020. The decrease in gross profit margin was mainly due to the significant increase of revenue from residential properties projects which had relatively low gross profit margin as compared with non-residential properties 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 2021 were approximately RMB0.4 million.

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

For the six months ended 30 June 2021, the administrative expenses of the Group were approximately RMB18.6 million, representing an increase of approximately RMB2.9 million or about 18.5% as compared to approximately RMB15.7 million for the six months ended 30 June 2020. The increase was mainly due to (i) the discontinuation of reduction in national social security benefits for employees in 2021; (ii) the increase in headcount of our headquarters to cope with our continuous business expansion; and (iii) the increase in professional fee after the Listing.

Other Income

For the six months ended 30 June 2021, other income of the Group amounted to approximately RMB1.6 million, representing a decrease of approximately RMB4.8 million or about 75.0% as compared to approximately RMB6.4 million for the six months ended 30 June 2020. The decrease was mainly because no interest income arose from loan receivables in 2021.

Income Tax Expenses

For the six months ended 30 June 2021, the income tax expenses of the Group was approximately RMB8.1 million (six months ended 30 June 2020: approximately RMB9.1 million).

Profit for the Period

For the six months ended 30 June 2021, the net profit of the Group was approximately RMB27.2 million, representing a decrease of approximately RMB2.9 million or about 9.6% as compared to that approximately RMB30.1 million for the six months ended 30 June 2020. The decrease was mainly due to (i) the significant decrease of interest income of approximately RMB4.7 million and (ii) the increase of administrative expenses of approximately RMB2.9 million, which partially offset by the decrease of listing expenses of approximately RMB4.9 million.

FINANCIAL POSITION

As at 30 June 2021, the total assets of the Group were approximately RMB468.7 million (as at 31 December 2020: approximately RMB427.8 million), and the total liabilities were approximately RMB208.1 million (as at 31 December 2020: approximately RMB194.4 million). As at 30 June 2021, the current ratio was 2.1 (as at 31 December 2020: 2.1).

As at 30 June 2021 and 31 December 2020, 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 our staff quarters; and (ii) our furniture, fixtures and equipment in our office premises and management offices and sites. Our property, plant and equipment was approximately RMB16.7 million as at 30 June 2021, representing a decrease of approximately RMB1.1 million or about 6.2% as compared with that of approximately RMB17.8 million as at 31 December 2020. The decrease was primarily attributable to the depreciation charged for the six months ended 30 June 2021.

Intangible Assets

Our intangible assets of approximately RMB3.0 million as at 30 June 2021 represented the mobile applications, Hongkunhui* (鴻坤薈) and H-Butler* (鴻管家) acquired from Hongkun Group in June 2019, which were initially measured at cost of acquisition of RMB5.0 million and subsequently measured at cost less accumulated amortisation (with useful life of five 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 increased by approximately RMB0.6 million or about 75% from approximately RMB0.8 million as at 31 December 2020 to approximately RMB1.4 million as at 30 June 2021.

Goodwill

Our goodwill of approximately RMB1.5 million as at 31 December 2020 and 30 June 2021 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 arising from acquisition of Tianjin Hongsheng.

Trade and Other Receivables

Our trade and other receivables increased by approximately RMB19.8 million or about 53.2% from approximately RMB37.2 million as at 31 December 2020 to approximately RMB57.0 million as at 30 June 2021, mainly due to the increase in trade receivables. Our trade receivables increased by approximately RMB18.0 million or about 61.6% from approximately RMB29.2 million as at 31 December 2020 to approximately RMB47.2 million as at 30 June 2021, mainly due to (i) the continuous growth in our revenue; (ii) the nature of our business that the peak of property fee collection is at the end of the year. Approximately RMB16.0 million of our trade receivables as at 30 June 2021 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 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 increased by approximately RMB23.1 million or about 30.0% from approximately RMB77.3 million as at 31 December 2020 to approximately RMB100.4 million as at 30 June 2021, which was mainly because during the six months ended 30 June 2021, the reconciliation and settlement efficiency with fellow subsidiaries continued to be affected by the COVID-19 epidemic.

Non-trade nature amounts due from fellow subsidiaries

Our non-trade nature amounts due from fellow subsidiaries of approximately RMB11.3 million and approximately RMB47.2 million as at 31 December 2020 and 30 June 2021 respectively were unsecured, interest-free and repayable on demand. Our non-trade nature amount due from fellow subsidiaries increased by approximately RMB35.9 million or about 317.6%. In order to provide value-added services to those newly delivered residential properties, the Group entered into a sole agent service agreement with a fellow subsidiary to facilitate the sale of car park spaces and deposit has been paid to the fellow subsidiary pursuant to the relevant agreement in order to secure the sole agent status.

The Directors confirmed that, other than the above-mentioned security deposit arising from the acquisition of business, we do not have any non-trade related balances with related parties (including our fellow subsidiaries) after the Listing.

Trade and Other Payables

As at 30 June 2021, the trade and other payables were approximately RMB111.9 million, representing a decrease of approximately RMB13.6 million or approximately 10.8% as compared to that of approximately RMB125.5 million as at 31 December 2020, mainly due to (i) our trade payables decreased by approximately RMB3.2 million or about 8.5% to approximately RMB34.6 million as at 30 June 2021 (as at 31 December 2020: approximately RMB37.8 million), and (ii) our deposits received decreased by approximately RMB5.1 million or about 10.2% to approximately RMB44.9 million as at 30 June 2021 (as at 31 December 2020: approximately RMB50.0 million).

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 property management service agreements signed, we usually charge to property owners and residents a fixed amount by issuing demand notes, which are generally required to be paid in advance on an annual basis for residential properties and a monthly or quarterly basis for non-residential properties. Our contract liabilities increased by approximately RMB21.4 million or about 31.5% to approximately RMB89.3 million as at 30 June 2021 (as at 31 December 2020: RMB67.9 million). The increase was mainly due to the increase in number of properties managed and revenue-bearing GFA.

Contingent Liabilities

As at 30 June 2021, 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 0.44 as at 30 June 2021 and 0.45 as at 31 December 2020.

Asset Pledge

As at 30 June 2021, 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:

Intended usage	Disclosed in the Prospectus			
	Approximate net proceeds utilised (HK\$ million)	Approximate percentage	Proceeds planned to be utilised in 2020 (HK\$ million)	Proceeds planned to be utilised 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	<u>99.0</u>	<u>100.0%</u>	<u>80.9</u>	<u>8.3</u>

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:

Intended usage	As at 30 June 2021					
	Actual amount of net proceeds (HK\$ million)	Approximate percentage	Proceeds utilised (HK\$ million)	Proceeds not yet utilised (HK\$ million)	Proceeds planned to be utilised in 2021 (HK\$ million)	Proceeds planned to be utilised in 2022 (HK\$ million)
Expansion of geographic presence and scale of operations in the PRC	84.1	65.0%	-	84.1	80.0	4.1
Development and enhancement of our information system and technological initiatives	16.9	13.0%	-	16.9	16.9	-
Expansion of our value-added services	12.9	10.0%	-	12.9	6.1	6.8
Staff development	2.6	2.0%	-	2.6	2.6	-
General working capital	12.9	10.0%	-	12.9	11.7	1.2
Total	129.4	100.0%	-	129.4	117.3	12.1

As at 30 June 2021, the Company has not utilised such proceeds according to the use as set out in the Prospectus, but some related projects will be commenced in the second half of 2021.

During the six months ended 30 June 2021, the Group has been actively identifying appropriate acquisition opportunities and has contacted 2 property management companies located in Beijing and Shaanxi Province respectively. For the property management company located in Beijing, the GFA under management was approximately 3.0 million sq.m and 36 projects were under its management. For the property management company located in Shaanxi Province, the GFA under management was approximately 0.8 million sq.m and 12 projects were under its management. However, the Group was unable to reach an agreement with the two companies on the acquisition price and terms, and thus no acquisition was made.

The functions upgrade of our mobile applications Hongkunjui* 鴻坤薈 has been commenced and expected to be launched for operation in the fourth quarter in 2021. After that, the residents can select the value-added services and products online anytime.

The upgrade of our new automated car park management system in some of our managed residential properties will be launched for operation in the fourth quarter in 2021. After that, the automated car park management system will be synchronized with the property fee charging system, which will provide users with a more flexible charging mode and reduce the settlement time.

The development of centralized smart solution platform will also be carried out to cooperate with the use of property engineering and operation departments to realize the online management of patrol inspection and maintenance of equipment and facilities and the online management of quality inspection, which will help to improve work efficiency and reduce manual operation errors.

The expected timeline for utilising the unutilised proceeds will be two years, which is based on our best estimation and will be subject to change according to market conditions. The unutilized proceeds as at 30 June 2021 were deposited in the bank accounts.

Significant Acquisitions and Disposals

During the six months ended 30 June 2021, the Group did not have any significant acquisitions and disposals.

Significant Investments

As at 30 June 2021, the Group did not have any major investments.

DIVIDEND

No interim dividend was declared by the Board for the six months ended 30 June 2021.

EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Group after 30 June 2021.

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 during the six months ended 30 June 2021.

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 2021 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 by the auditor will be included in the Interim Report 2021 to be dispatched to the Shareholders.

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 2021, the Company has complied with all applicable code provisions set out in the Corporate Governance Code, except for the deviation from code provision A.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. She is also the Chairman of the Board. 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 A.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 2021.

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 2021 containing all the information required by the Listing Rules will be despatched to the Shareholders and 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 Board committee established by the Board to supervise the Company’s accounting and financial reporting procedures and the Company’s financial statements review
“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 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”, “we”, “us” or “our”	our Company and our subsidiaries, and Chinese entities controlled by the Company through contractual arrangements

“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)
“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 10 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 the Hong Kong Special Administrative Region of the People’s Republic of China, 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 yuan, the lawful currency of the PRC
“Shares”	ordinary shares in the share capital of the Company with nominal value of HK\$0.1 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tianjin Hongsheng”

Tianjin Hongsheng Property Services Company Limited*
(天津鴻盛物業服務有限公司), a limited liability
company established under the laws of the PRC on 27
December 2013

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

Hong Kong, 27 August 2021

* *For identification purpose only*

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.