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CHEN XING

Chen Xing Development Holdings Limited

辰興發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2286)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2022 (the “**Reporting Period**”), the contracted sales of the Group amounted to approximately RMB287.8 million and the contracted gross floor area (“**GFA**”) amounted to approximately 32,416 square meters (“**sq.m.**”), representing an increase of approximately 66.2% and approximately 0.1% as compared with the same period of last year, respectively;
- Revenue of the Group for the Reporting Period amounted to approximately RMB509.8 million, of which approximately RMB507.7 million was revenue from property development;
- Gross profit of the Group for the Reporting Period amounted to approximately RMB115.0 million, of which approximately RMB114.2 million was gross profit from property development;
- Net profit of the Group for the Reporting Period amounted to approximately RMB37.6 million, of which approximately RMB9.0 million was net profit attributable to equity holders of the Company;
- Total GFA of land bank of the Group amounted to approximately 2,814,941 sq.m. and the average cost of land bank was approximately RMB834.9 per sq.m. as at the end of the Reporting Period;
- Contracted average sales price (the “**Average Sales Price**”) of the Group for the Reporting Period was approximately RMB8,878.3 per sq.m.;
- Basic earnings per share of the Company for the Reporting Period was approximately RMB0.01; and
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2022.

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the “**Board**”) of directors (the “**Directors**”) of Chen Xing Development Holdings Limited (the “**Company**”) together with its subsidiaries (collectively, the “**Group**”) is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2022 together with the comparative figures for the same period in 2021. The Group’s interim results have not yet been audited, but have been reviewed by the Company’s audit committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 RMB’000 (unaudited)	2021 RMB’000 (unaudited)
REVENUE	5	509,828	591,501
Cost of sales		(394,784)	(410,224)
Gross profit		115,044	181,277
Other income and gains	5	8,217	10,181
Selling and distribution expenses		(28,533)	(23,849)
Administrative expenses		(19,268)	(30,152)
Other expenses		(2,483)	(33,108)
Finance costs		(9,754)	(11,946)
Share of profits and losses of:			
Joint ventures		955	1,482
PROFIT BEFORE TAX	6	64,178	93,885
Income tax expense	7	(26,536)	(63,039)
PROFIT FOR THE PERIOD		37,642	30,846
Attributable to:			
Owners of the parent		8,957	20,429
Non-controlling interests		28,685	10,417
		37,642	30,846
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
— for profit for the period	8	RMB0.01	RMB0.03

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	37,642	30,846
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	2,150	(571)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	2,150	(571)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(5,842)	(4,133)
Income tax effect	1,458	1,033
	(4,384)	(3,100)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(4,384)	(3,100)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(2,234)	(3,671)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	35,408	27,175
Attributable to:		
Owners of the parent	6,723	16,758
Non-controlling interests	28,685	10,417
	35,408	27,175

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2022

	<i>Notes</i>	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	63,239	67,862
Investment properties		133,000	133,000
Right-of-use assets		1,217	1,239
Properties under development		133,552	133,552
Intangible assets		17	48
Investment in joint ventures		4,949	3,994
Equity investments designated at fair value through other comprehensive income		48,356	54,198
Time deposit		10,550	10,550
Deferred tax assets		230,544	225,769
		<hr/>	<hr/>
Total non-current assets		625,424	630,212
CURRENT ASSETS			
Properties under development		9,449,247	9,783,856
Completed properties held for sale		1,140,870	821,338
Inventories		20,214	20,186
Trade receivables	10	4,830	3,953
Prepayments, other receivables and other assets		1,043,488	864,512
Tax recoverable		61,455	71,363
Pledged deposits		11,296	12,583
Restricted cash		201,759	159,701
Cash and cash equivalents		228,252	240,373
		<hr/>	<hr/>
Total current assets		12,161,411	11,977,865
CURRENT LIABILITIES			
Trade and bills payables	11	1,259,453	1,236,669
Other payables and accruals		2,259,015	2,246,366
Contract liabilities		4,149,551	4,025,605
Interest-bearing bank and other borrowings		313,780	2,386,114
Tax payable		218,772	217,012
		<hr/>	<hr/>
Total current liabilities		8,200,571	10,111,766
		<hr/>	<hr/>
NET CURRENT ASSETS		3,960,840	1,866,099
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,586,264	2,496,311
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	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	2,808,809	754,264
Deferred tax liabilities	28,087	28,087
	<hr/>	<hr/>
Total non-current liabilities	2,836,896	782,351
	<hr/>	<hr/>
NET ASSETS	1,749,368	1,713,960
	<hr/> <hr/>	<hr/> <hr/>
EQUITY		
Equity attributable to owners of the parent		
Share capital	4,855	4,855
Reserves	1,522,295	1,515,572
	<hr/>	<hr/>
	1,527,150	1,520,427
	<hr/>	<hr/>
Non-controlling interests	222,218	193,533
	<hr/>	<hr/>
TOTAL EQUITY	1,749,368	1,713,960
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 November 2014. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the head office and principal place of business of the Company is located at 18 Anning Street, Yuci District, Jinzhong City, Shanxi Province, the People's Republic of China (the "PRC").

The Company is an investment holding company and its subsidiaries are principally engaged in property development with focus on development projects of residential and commercial properties.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021.

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost convention, except for investment properties, wealth management products and equity investment which have been measured at fair value. These unaudited interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 9,
HKAS 39 and HKFRS 7,
HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform — Phase 2

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate (“RFR”). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity’s financial instruments and risk management strategy.

The Group had certain interest-bearing bank and other borrowings denominated in RMB based on the China Interbank Offered Rate as at 30 June 2022. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the “economically equivalent” criterion is met.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and services and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resources allocation and performance assessment.

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

No information about major customers is presented as no single customer individually contributed to over 10% of the Group's revenue for the six months ended 30 June 2022 and 2021.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
<i>Revenue from contracts with customers</i>	508,426	590,233
<i>Revenue from other sources</i>		
Property leasing income	1,402	1,268
	<u>509,828</u>	<u>591,501</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Type of goods or services		
Sale of properties	507,686	589,799
Sale of construction materials	740	434
	<hr/>	<hr/>
Total revenue from contracts with customers	508,426	590,233
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition		
Goods transferred at a point in time	508,426	590,233
	<hr/> <hr/>	<hr/> <hr/>
<u>Other income</u>		
Bank interest income	579	1,910
Interest income from third parties	3,586	3,586
Gross rental income	3,471	4,585
Others	581	100
	<hr/>	<hr/>
	8,217	10,181
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6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of properties sold	393,509	409,798
Cost of construction materials sold	1,275	426
Depreciation of property, plant and equipment	4,612	5,359
Depreciation of right-of-use assets	22	246
Amortisation of intangible assets	15	31
Lease payments not included in the measurement of lease liabilities	397	526
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	7,898	13,015
Pension scheme contributions	661	1,090
Staff welfare expense	1,081	1,646
	9,640	15,751
Bank interest income	(579)	(1,910)
Interest income from third parties	(3,586)	(3,586)

7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The major components of the Group's income tax expense are as follows:

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax:		
Income tax charge	26,289	29,003
Land appreciation tax	3,561	32,698
Deferred tax	(3,314)	1,338
	<hr/>	<hr/>
Total tax charge for the period	<u>26,536</u>	<u>63,039</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

	For the six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings:		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>8,957</u>	<u>20,429</u>
	<hr/>	<hr/>
	600,000	600,000
	<hr/>	<hr/>

The Group did not have any dilutive potential ordinary shares during the six months ended 30 June 2022 and 2021.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets with a cost of RMB100,000 (the six months ended 30 June 2021: RMB1,085,000).

During the six months ended 30 June 2022, the Group had no asset disposal cost (the six months ended 30 June 2021: RMB812,000).

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2022 <i>RMB'000</i> (unaudited)	As at 31 December 2021 <i>RMB'000</i> (audited)
Within 3 month	883	17
3 to 6 months	—	1
6 to 12 months	635	3,935
Over 12 months	3,312	—
	<u>4,830</u>	<u>3,953</u>

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables at the end of the Reporting Period, based on the payment due dates, is as follows:

	As at 30 June 2022 <i>RMB'000</i> (unaudited)	As at 31 December 2021 <i>RMB'000</i> (audited)
Less than 1 year	499,326	270,091
1 to 2 years	222,080	318,041
2 to 3 years	395,851	165,392
3 to 4 years	95,971	372,405
4 to 5 years	13,617	4,570
Over 5 years	32,608	106,170
	<u>1,259,453</u>	<u>1,236,669</u>

12. DIVIDENDS

The Board did not declare any interim dividend for the six months ended 30 June 2022 (the six months ended 30 June 2021: Nil).

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present the interim results of the Group for the six months ended 30 June 2022.

RESULTS PERFORMANCE AND REVIEW OF FIRST HALF YEAR OF 2022

For the first half of 2022, the real estate market in China remained in the adjusting stage. Due to the resurgence of the COVID-19 epidemic, the real estate market and industry faced many unexpected challenges. The national land market was inactive in the first half of 2022, and the scale for the supply and demand as well as the sales of land decreased. Meanwhile, overall expectations for the real estate industry decreased as the sales market continued to adjust and the sales results dropped significantly. Therefore, real estate companies of all scales faced greater funding pressure in the first half of 2022, leading to a lower growth of corporate development.

At the same time, the government promulgated various policies to promote the real estate market during the first half of 2022. All regions have fully implemented localised policies where second-tier and third-tier cities promulgating a wide range of policies, which stimulated market demands to a certain extent and kickstarted the depressed market. Overall, in the first half of 2022, the positive signals released by government regulatory authorities on multiple occasions as well as the many policies launched to optimise regulation on the real estate market allowed for a recovery of the overall real estate industry.

The Company was also affected by the overall environment of real estate industry and the market, and our sales performance for the first half of 2022 did not meet our expectation. However, through the continuing efforts of the Board and the management of the Company, the business strategy was adjusted in time. Risks were resolved within a controllable range and the Company maintained steady operation.

During the Reporting Period, the amount of the Group's contracted sales was approximately RMB287.8 million, representing an increase of approximately 66.2% as compared with the same period of last year. Contracted GFA sold amounted to approximately 32,416 sq.m., representing an increase of approximately 0.1% as compared with that in the same period of last year.

During the Reporting Period, the Group recorded a revenue of approximately RMB509.8 million, representing a decrease of approximately 13.8% as compared with the same period of last year, of which approximately RMB507.7 million was revenue from property development, representing a decrease of approximately 13.9% as compared with the same period of last year. The profit for the period attributable to owners of the Group was approximately RMB9.0 million, representing a decrease of approximately 56.2% as compared with the same period of last year.

As at the end of the Reporting Period, the Group's land bank was approximately 2,814,941 sq.m.

PROSPECTS FOR SECOND HALF YEAR OF 2022

For the second half of 2022, the real estate market in China will continue to adjust as policies supporting the property market are introduced, with guaranteeing the delivery of properties being the main direction, which is expected to restore consumer confidence. The real estate market will gradually return to stability and the overall development of the industry will be better than that in the first half of 2022. According to the prediction on situation of the current China real estate market and future development trends, the Company will follow a path in line with the government's policies, grasp the changes in the market cycle in a timely manner, seize market opportunities and achieve stable development.

In the second half of 2022, the Company will follow the local regulating and controlling policies introduced in the cities where the Company's projects are located, actively make corresponding adjustments to the operating strategy, adjust the marketing strategy in time to promote sales collection and accelerate capital returns, and enhance our capability to respond to and resolve risks. In the meanwhile, we will control the Company's operational costs effectively, simplify the company management process, formulate measures to improve the Company's management efficiency from multiple aspects, and explore and develop new management models.

The Company will continue to focus on the development of residential properties for home upgrades, enhance the strength of products and services through product design, usage of new materials and technology as well as introduction of high-end property services. We aim to provide high-end residential properties for home upgrades with higher quality and better service, increase our share in the high-end improvement product market and comprehensively enhance the industry competitiveness of the Company and the market competitiveness of our products. In terms of corporate team building, the Company will also create a professional core team and high-caliber management team, and continue to train reserve talents during industry adjustment to meet the Company's need of steady development of talents.

ACKNOWLEDGEMENT

Finally, I would like to express my sincerest gratitude on behalf of the Board to the management and staff of the Company for their hard work. At the same time, I would also like to thank the investors, customers and partners for their great support and trust in the Group.

Bai Xuankui

Chairman

Jinzhong, Shanxi, the PRC

26 August 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Reporting Period, the Group's contracted sales amounted to approximately RMB287.8 million, representing an increase of approximately 66.2% as compared with the same period of last year. During the Reporting Period, the Group's revenue amounted to approximately RMB509.8 million, representing a decrease of approximately 13.8% as compared to the same period of last year, among which, revenue derived from property development was approximately RMB507.7 million, representing a decrease of approximately 13.9% as compared with the same period of last year. During the Reporting Period, the Group had gross profit of approximately RMB115.0 million, net profit of approximately RMB37.6 million, of which net profit attributable to equity holders of the Company was approximately RMB9.0 million.

Contracted Sales

For the six months ended 30 June 2022 and 2021, the Group's contracted sales were approximately RMB287.8 million and RMB173.2 million, respectively, representing an increase of approximately 66.2%. The Group's total contracted GFA for the six months ended 30 June 2022 and 2021 were approximately 32,416 sq.m. and 32,369 sq.m., respectively, representing an increase of approximately 0.1%. By geographic location, the Group's contracted sales from Jinzhong, Taiyuan, Mianyang and Haikou were approximately RMB22.1 million, RMB40.0 million, RMB217.9 million and RMB7.8 million, respectively, accounting for approximately 7.7%, 13.9%, 75.7% and 2.7% of the Group's total contracted sales, respectively.

The table below sets forth the Group's contracted sales for the six months ended 30 June 2022 by geographic location:

	Contracted Sales for the six months ended 30 June 2022 (RMB million)	Contracted Sales for the six months ended 30 June 2021 (RMB million)	Contracted GFA for the six months ended 30 June 2022 (sq.m.)	Contracted GFA for the six months ended 30 June 2021 (sq.m.)	Contracted Average Sales Price for the six months ended 30 June 2022 (RMB/sq.m.)	Contracted Average Sales Price for the six months ended 30 June 2021 (RMB/sq.m.)
Jinzhong						
Yijun Community (頤郡小區)	0.6	2.8	318	478	1,771.0	5,770.9
Chenxing Yijun (辰興頤郡)	19.4	42.0	2,761	5,279	7,032.3	7,959.9
Xiyuan (熙苑)	—	1.2	—	157	—	7,889.6
Xin Xing International Cultural Town (新興國際文教城) (Phases III, IV and V)	2.1	1.2	331	39	6,248.4	31,865.3
Taiyuan						
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase I)	18.6	6.9	1,942	806	9,566.2	8,503.9
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase II)	1.9	30.5	1,046	2,456	1,806.6	12,428.6
Yosemite Valley Town — Taiyuan (龍城優山美郡) (Phase III)	19.5	37.2	2,501	4,633	7,778.2	8,029.5
Mianyang						
Chang Xing Star Gardens (長興星城)	1.1	44.2	856	18,066	1,251.9	2,445.4
Chang Xing Jinhutingyuan (長興金湖庭院)	216.8	—	22,173	—	9,776.3	—
Hainan						
Chenxing Shangpinhui (辰興尚品匯)	7.8	7.2	488	455	16,071.1	15,864.8
Total	287.8	173.2	32,416	32,369	8,878.3	5,350.8

Note:

Contracted sales, total contracted GFA and contracted average sales price in the above table also include car parking spaces sold, if applicable.

Property Projects

The Group's property projects are divided into the following three categories depending on their development stages: completed properties, properties under development and properties held for future development. As some of the projects are developed successively in several phases, a single project may involve different development phases like completed, under development and held for future development.

As at 30 June 2022, the Group had completed a total GFA of approximately 3,105,440 sq.m. and a land bank with a total GFA of approximately 2,814,941 sq.m. comprising (i) a total GFA of approximately 148,664 sq.m. which is completed but unsold; (ii) a total GFA of approximately 1,740,013 sq.m. which is under development; and (iii) a total planned GFA of approximately 926,264 sq.m. which is held for future development.

The Group selectively retains the ownership of substantially all self-developed commercial properties with strategic values to generate sustainable and stable revenue. As at 30 June 2022, the Group had investment properties with a total GFA of approximately 21,613 sq.m.

Property Portfolio Summary

Intended use⁽¹⁾	Total GFA completed (sq.m.)	GFA under development (sq.m.)	Total GFA held for future development (sq.m.)
Mid-rise	872,716	89,693	320,660
High-rise	1,203,967	577,208	234,812
Townhouses	27,612	196,834	—
Multi-story garden apartments	576,743	124,427	16,771
Retail outlets	189,151	266,243	112,936
SOHO apartments	6,931	15,984	15,791
Hotels	—	108,743	—
Parking spaces	221,205	338,092	207,873
Ancillary ⁽²⁾	7,115	22,789	17,421
Total GFA	3,105,440	1,740,013	926,264
Attributable GFA⁽³⁾	2,931,748	1,466,096	809,957

Notes:

- (1) Includes the portion of GFA held by the Group as public facilities (not saleable or leaseable).
- (2) Includes primarily public facilities which are not saleable or leaseable.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interest in the relevant projects or project phases.

Completed Projects

The following table sets forth a summary of information on the Group's completed projects and corresponding project phases, if any, as at 30 June 2022:

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/Leaseable GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)
Jinzhong (晉中)										
1. East Lake Mall (東湖井)	Jinzhong City, Shanxi Province (山西省晉中市)	Retail outlets	July 2000	1,330	17,886	—	10,610	7,276	—	100.00
2. Grand International Mall & Apartments (君豪國際)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	June 2007	7,465	65,544	9,081	8,241	48,222	—	100.00
3. Blossom Gardens (錦綉新城)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	April 2007	5,261	39,080	—	—	39,080	—	100.00
4. Xin Xing International Cultural Town (新興國際文教城)										
Phase I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	December 2005	5,600	24,602	—	—	24,602	—	100.00
Phase II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	April 2012	17,968	93,061	—	—	92,910	151	100.00
Phase III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	December 2009	255,918	545,047	2,588	—	542,459	—	100.00
Phase IV	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	July 2016	30,987	71,103	2,019	—	69,084	—	100.00
Phase V	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	July 2016	22,578	50,438	3,266	—	46,137	1,035	100.00
5. Upper East Gardens (上東庭院)										
Phase I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	November 2006	19,361	47,926	—	—	47,926	—	100.00
Phase II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	December 2011	24,343	75,889	—	—	75,889	—	100.00
6. Riverside Gardens — Zuoquan (左權濱河嘉園)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial	December 2007	73,035	98,545	—	—	97,990	555	100.00
7. SOLO Apartments (尚座公寓)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial/Complex	September 2009	2,411	9,783	257	—	9,526	—	100.00

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/Leaseable GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)
8. Riverside Gardens — Heshun (和順濱河小區)										
Stage I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	June 2008	60,100	62,508	—	—	62,168	340	100.00
Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	October 2012	5,898	51,217	—	—	51,217	—	100.00
9. Mandarin Gardens — Taigu (太谷文華庭院)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	May 2011	30,690	51,525	—	—	51,525	—	100.00
10. Shuncheng Street Underground Space (順城街地下空間)	Jinzhong City, Shanxi Province (山西省晉中市)	Retail outlets	August 2015	—	897	—	—	897	—	100.00
11. Yijun Community (頤郡小區)										
Phase I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	November 2020	25,661	59,660	32,074	—	26,754	832	51.00
12. Xiyuan (熙苑)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	November 2021	46,603	58,971	4,405	—	54,566	—	33.66
13. Chenxing Yijun (辰興頤郡)										
Stage I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	January 2022	15,432	29,053	12,095	—	16,494	464	100.00

Taiyuan (太原)

1. Yosemite Valley Town — Taiyuan (龍城優山美郡)										
Southern District, Phase I	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	December 2014	117,128	406,165	24,178	—	381,987	—	100.00
Northern District, Phase I	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	November 2016	108,005	397,867	14,512	—	312,976	70,379	100.00
Phase II (portion)	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	June 2020	68,164	194,807	12,859	—	181,948	—	100.00

Project	Location	Project type	Actual completion date	Site area (sq.m.)	Completed GFA (sq.m.)	Saleable/ Leaseable GFA remaining unsold (sq.m.)	GFA held for investment (sq.m.)	GFA sold (sq.m.)	Other GFA ⁽¹⁾ (sq.m.)	Ownership interest ⁽²⁾ (%)
Mianyang (綿陽)										
1. Yosemite Valley Town (優山美郡)	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	May 2012	74,124	126,329	5,288	—	119,196	1,845	83.89
2. Elite Gardens (天禦)	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	September 2014	68,529	116,816	1,265	—	114,864	687	83.89
3. Chang Xing Star Gardens (長興星城)										
Phase I	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	June 2017	68,150	288,450	8,166	—	278,963	1,321	83.89
Phase II	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	November 2020	36,158	122,271	16,611	—	104,729	931	83.89
Total				1,190,899	3,105,440	148,664	18,851	2,859,385	78,540	
Total attributable GFA⁽³⁾				1,107,623	2,931,748	124,978	18,851	2,710,557	77,362	

Notes:

- (1) Includes the GFA held by the Group as public facilities (not saleable or leasable).
- (2) Calculated based on the Group's actual ownership interests in the respective project companies.
- (3) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

Properties under Development and Properties Held for Future Development

The following table sets forth a summary of information on the Group's projects under development and corresponding project stages, if any, and properties held for future development as at 30 June 2022:

Project	Location	Project type	Site area (sq.m.)	Actual/ estimated completion date	Under development			Held for future development			
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with land use right certificate not yet obtained (sq.m.)	Ownership interest ⁽¹⁾ (%)	
Jinzhong (晉中)											
1. Phase I of Longtian (龍田項目一期)			129,049			449,634	427,999	30,059	—	—	51.00
Stage I	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial/ Parking Space	14,346	December 2022	78,954	74,203	30,059	—	—	—	51.00
Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial/ Parking Space	24,367	December 2022	110,725	101,385	—	—	—	—	51.00
Stage III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/Commercial/ Parking Space	26,682	December 2022	126,120	121,061	—	—	—	—	51.00
Stage IV	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial/ Parking Space	13,422	December 2022	28,819	28,819	—	—	—	—	51.00
Stage V	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial/ Parking Space	50,232	December 2022	105,016	102,531	—	—	—	—	51.00
2. Yijun Community (頤郡小區)			79,203			52,641	19,267	2,189	154,347	—	51.00
Stage I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential	21,102	December 2022	52,641	19,267	2,189	—	—	—	51.00
Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial	16,410	August 2024	—	—	—	44,157	—	—	51.00
Stage III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	41,691	August 2024	—	—	—	110,190	—	—	51.00
3. Chenxing Yijun (辰興頤郡)			181,854			101,894	99,145	43,379	356,400	—	100.00
Stage I (portion)	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	41,169	December 2023	101,894	99,145	43,379	—	—	—	100.00
Stage II	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	37,462	December 2024	—	—	—	99,500	—	—	100.00
Stage III	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	85,669	December 2024	—	—	—	209,300	—	—	100.00
Stage IV	Jinzhong City, Shanxi Province (山西省晉中市)	Residential/ Commercial	17,554	December 2024	—	—	—	47,600	—	—	100.00
4. Shiguang Zhicheng (時光之城)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial	28,296	October 2023	112,383	53,880	—	—	—	—	100.00
5. Jinxiu SOHO (錦綉中心)	Jinzhong City, Shanxi Province (山西省晉中市)	Commercial	3,461	May 2023	20,506	—	—	—	—	—	100.00

Project	Location	Project type	Site area (sq.m.)	Actual/ estimated completion date	Under development			Held for future development		
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with land use right certificate not yet obtained (sq.m.)	Ownership interest ⁽¹⁾ (%)
Taiyuan (太原)										
1. Yosemite Valley Town — Taiyuan (龍城優山美郡)			125,192		406,532	380,625	205,027	—	—	100.00
Phase II (portion)	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	43,071	December 2022	177,032	163,979	62,297	—	—	100.00
Phase III	Taiyuan City, Shanxi Province (山西省太原市)	Residential/ Commercial	60,273	November 2023	216,881	216,646	142,730	—	—	100.00
Phase IV	Taiyuan City, Shanxi Province (山西省太原市)	Primary school	21,848	September 2022	12,619	—	—	—	—	100.00
Haikou (海口)										
1. Shangpinhui (尚品匯)	Haikou City, Hainan Province (海南省海口市)	Commercial	43,795	October 2022	98,140	55,876	2,237	—	—	100.00
2. Jiangdong Shangyuan (江東上院)	Haikou City, Hainan Province (海南省海口市)	Residential/ Commercial	57,446	December 2024	56,425	—	—	17,240	—	100.00
Wuzhishan (五指山)										
1. Yijun (頤郡)			92,522		136,422	12,293	—	—	—	100.00
Phase I	Wuzhishan City, Hainan Province (海南省五指山市)	Commercial	28,745	November 2023	48,013	1,559	—	—	—	100.00
Phase II	Wuzhishan City, Hainan Province (海南省五指山市)	Residential	23,827	May 2024	35,274	—	—	—	—	100.00
Phase III	Wuzhishan City, Hainan Province (海南省五指山市)	Residential	18,244	May 2024	26,666	10,734	—	—	—	100.00
Phase IV	Wuzhishan City, Hainan Province (海南省五指山市)	Residential	21,706	May 2024	26,469	—	—	—	—	100.00

Project	Location	Project type	Site area (sq.m.)	Actual/ estimated completion date	Under development			Held for future development		
					GFA under development (sq.m.)	Saleable/ leasable GFA (sq.m.)	Pre-sold GFA (sq.m.)	Planned GFA (sq.m.)	GFA with land use right certificate not yet obtained (sq.m.)	Ownership interest ⁽¹⁾ (%)
Xishuangbanna (西雙版納)										
1. Chenxing International Health City (辰興國際健康城)			223,780		132,861	—	—	145,781	—	100.00
Stage I	Xishuangbanna Autonomous Prefecture, Yunnan Province (雲南省西雙版納傣族自治州)	Residential/ Commercial	51,965	November 2023	37,396	—	—	—	—	100.00
Stage II	Xishuangbanna Autonomous Prefecture, Yunnan Province (雲南省西雙版納傣族自治州)	Residential/ Commercial	171,815	December 2024	95,465	—	—	145,781	—	100.00
Mianyang (綿陽)										
1. Jinhutingyuan (金湖庭院)			154,367		172,575	93,130	45,045	252,496	—	83.89
Phase I	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	62,672	December 2023	172,575	93,130	45,045	—	—	83.89
Phase II	Mianyang City, Sichuan Province (四川省綿陽市)	Residential/ Commercial	91,695	December 2025	—	—	—	252,496	—	83.89
Total			1,118,965		1,740,013	1,142,215	327,936	926,264	—	
Total Attributable GFA⁽²⁾					1,466,096	908,051	304,878	809,957	—	

Notes:

- (1) Calculated based on the Group's actual ownership interests in the respective project companies.
- (2) Comprises the total GFA attributable to the Group based on the Group's actual interests in the relevant projects or project phases.

The table below sets forth a summary of information on the Group's investment properties as at 30 June 2022:

Project	Type of property	Total GFA held for investment (sq.m.)	Effective leased GFA (sq.m.)	Occupancy rate (%)	Rental income for the six months ended 30 June	
					2022 (RMB million)	2021
Grand International Mall & Apartments (君豪國際)	Retail outlets	8,241	—	—	—	—
East Lake Mall (東湖井)	Retail outlets	10,610	8,161	76.9	0.5	0.5
Office Building of West Yingbin Street (迎賓西街辦公樓)	Retail outlets	2,762	1,063	38.5	0.9	0.8
Total		21,613	9,224	—	1.4	1.3

The table below sets forth a summary of the Group's land bank as at 30 June 2022 by geographical location:

	Completed Saleable/ Leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	Future development Planned GFA (sq.m.)	Total land bank ⁽¹⁾ Total GFA (sq.m.)	Percentage of total land bank	Average land cost
					(%)	(RMB/sq.m.)
Jinzhong	65,785	737,058	510,747	1,313,590	46.7	853.9
Taiyuan	51,549	406,532	—	458,081	16.3	393.5
Mianyang	31,330	172,575	252,496	456,401	16.2	1,063.9
Haikou	—	154,565	17,240	171,805	6.1	2,183.2
Wuzhishan	—	136,422	—	136,422	4.8	1,145.2
Xishuangbanna	—	132,861	145,781	278,642	9.9	1,006.9
Total	148,664	1,740,013	926,264	2,814,941	100.0	834.9

Note:

(1) Land bank equals the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

The table below sets forth a summary of the Group's land bank as at 30 June 2022 by type of property:

	Completed Saleable/ Leasable GFA remaining unsold (sq.m.)	Under development GFA under development (sq.m.)	Held for future development Planned GFA (sq.m.)	Total land bank ⁽¹⁾ Total GFA (sq.m.)	Percentage of total land bank (%)
Mid-rise	46,289	89,693	320,660	456,642	16.2
High-rise	25,475	577,208	234,812	837,495	29.8
Townhouses	1,472	196,834	—	198,306	7.1
Multi-story garden apartments	3,408	124,427	16,771	144,606	5.1
Available-for-sale office/ commercial properties	39,612	266,243	112,936	418,791	14.9
SOHO apartments	58	15,984	15,791	31,833	1.1
Hotels	—	108,743	—	108,743	3.9
Parking spaces	32,350	338,092	207,873	578,315	20.5
Ancillary facilities ⁽²⁾	—	22,789	17,421	40,210	1.4
Total	148,664	1,740,013	926,264	2,814,941	100.0

Notes:

(1) Land bank equals the sum of (i) saleable/leasable GFA remaining unsold, (ii) total GFA under development and (iii) total planned GFA held for future development.

(2) Includes primarily public facilities which are not saleable.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's revenue amounted to approximately RMB509.8 million, representing a decrease of approximately 13.8% as compared with approximately RMB591.5 million for the corresponding period of last year. The decrease was mainly because the decrease in total GFA of completed properties delivered during the Reporting Period.

During the Reporting Period, the Group's revenue from property development amounted to approximately RMB507.7 million, representing a decrease of approximately 13.9% as compared with the corresponding period of last year. The decrease was mainly because the decrease in total GFA of completed properties delivered during the Reporting Period.

Sales and Services Cost

The Group's sales and services cost decreased by approximately 3.8% from approximately RMB410.2 million for the six months ended 30 June 2021 to approximately RMB394.8 million for the six months ended 30 June 2022, which was mainly due to a corresponding decrease in cost of sales and services with the decrease in revenue during the Reporting Period.

Gross Profit

During the Reporting Period, the Group's gross profit was approximately RMB115.0 million, representing a decrease of approximately 36.5% from approximately RMB181.3 million for the six months ended 30 June 2021. The Group's gross profit margin during the Reporting Period was approximately 22.6%, representing a decrease of approximately 8.0 percentage points as compared with approximately 30.6% for the corresponding period of last year.

During the Reporting Period, the Group's gross profit on property development was approximately RMB114.2 million, representing a decrease of approximately 36.6% as compared with approximately RMB180.0 million for the six months ended 30 June 2021. The decrease in the gross profit on property development of the Group was mainly due to the decrease in the selling prices of delivered projects during the Reporting Period, leading to a decrease in revenue from sales.

During the Reporting Period, the gross profit margin of property development of the Group was approximately 22.5%, representing a decrease of approximately 8.0 percentage points as compared with a gross profit margin of approximately 30.5% for the six months ended 30 June 2021.

Other Income and Gains

The Group's other income and gains amounted to approximately RMB8.2 million during the Reporting Period, while the other income and gains amounted to approximately RMB10.2 million for the six months ended 30 June 2021. The decrease was primarily due to the decrease in bank interest income and rental income during the Reporting Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately 19.6% from approximately RMB23.8 million for the six months ended 30 June 2021 to approximately RMB28.5 million for the six months ended 30 June 2022, primarily due to the increase in sales agency fee during the Reporting Period.

Administrative Expenses

The Group's administrative expenses decreased by approximately 36.1% from approximately RMB30.2 million for the six months ended 30 June 2021 to approximately RMB19.3 million for the six months ended 30 June 2022, primarily due to the decrease in labour costs and office expenses during the Reporting Period.

Finance Costs

The Group's finance costs decreased by approximately 18.3% from approximately RMB11.9 million for the six months ended 30 June 2021 to approximately RMB9.8 million for the six months ended 30 June 2022, primarily due to the decrease in finance costs for Yosemite Valley Town — Taiyuan project during the Reporting Period.

Income Tax Expense

The Group's income tax expense decreased by approximately 57.9% from approximately RMB63.0 million for the six months ended 30 June 2021 to approximately RMB26.5 million for the six months ended 30 June 2022, primarily due to the decrease in profit before tax and land appreciation tax during the Reporting Period.

Profit and Total Comprehensive Income for the Period

As a result of the foregoing, the Group's profit and total comprehensive income for the period increased by approximately 30.3% from approximately RMB27.2 million for the six months ended 30 June 2021 to approximately RMB35.4 million for the six months ended 30 June 2022.

Cash Position

As at 30 June 2022, the Group's cash and cash equivalents amounted to approximately RMB228.3 million, representing a decrease of approximately 5.0% as compared with approximately RMB240.4 million as at 31 December 2021.

Net Operating Cash Flow

The Group recorded a positive operating cash flow of approximately RMB95.0 million as at 30 June 2022 as compared with a negative operating cash flow of approximately RMB393.5 million as at 30 June 2021.

Borrowings

The Group had outstanding bank borrowings of approximately RMB3,122.6 million as at 30 June 2022, with 85.7% of bank and other borrowings at fixed rate and the Group had outstanding bank borrowings of approximately RMB3,140.4 million as at 31 December 2021.

Pledged Assets

Certain of the Group's borrowings were secured by properties under development and investment properties. As at 30 June 2022, the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB1,410.1 million, while the assets pledged to secure certain borrowings granted to the Group amounted to approximately RMB1,586.3 million as at 31 December 2021.

Financial Guarantees and Contingent Liabilities

In line with the market practice, the Group has entered into agreements of arrangements with various banks for the provision of mortgage financing to its customers. The Group does not conduct any independent credit checks on customers, but relies on the credit checks conducted by mortgagee banks. As with other PRC property developers, the banks usually require the Group to guarantee its customers' obligations to repay the mortgage loans on the properties. The guarantee period normally lasts until the bank receives the strata-title building ownership certificate (分戶產權證) from the customer as security of the mortgage loan granted. As at 30 June 2022, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB2,073.2 million, the Group's outstanding guarantees in respect of the mortgages of its customers amounted to approximately RMB1,979.5 million as at 31 December 2021.

The Group had no significant contingent liabilities as at 30 June 2022.

Material Acquisitions and Disposals and Significant Investments

Save as disclosed herein, the Group did not have any material acquisition and disposal and significant investment during the Reporting Period.

Significant Events after the Reporting Period

As of the date of this announcement, the Group did not have any significant events after the Reporting Period.

Future Plans for Material Investments or Capital Assets

The Company will continue to invest in property development projects and acquire suitable land parcels in selected cities as it sees fit. It is expected that internal resources and bank borrowings will be sufficient to meet the required funding requirements. Save as disclosed in the prospectus and above, the Group did not have any future plans for material investments or capital assets as at the date of this announcement.

Employees and Remuneration Policies

As at 30 June 2022, the Group had 247 employees. As of 30 June 2022, the Group incurred employee costs of approximately RMB14.49 million. Remuneration for the employees generally includes salary and performance-based quarterly bonuses. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans operated by the municipal and provincial governments, including housing provident funds, pension, medical, occupational injury and unemployment benefit plans.

INTERIM DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2022 (the six months ended 30 June 2021: Nil).

CORPORATE GOVERNANCE PRACTICE

The Company is always committed to maintaining high standards of corporate governance with a view to assuring the conduct of management of the Company and protecting the interests of all shareholders. The Company is fully aware that transparency and accountability in corporate governance are crucially important to the shareholders. The Board considers that sound corporate governance maximizes the shareholders' interest.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code of corporate governance. The Company has complied with all the applicable code provisions of the CG Code during the Reporting Period.

To ensure that the Company complies with the CG Code, the Company will constantly review and strengthen its corporate governance practice and enhance its internal control in reliance on the assistance of its legal and compliance advisors as to PRC and Hong Kong laws.

The Board consists of four executive Directors and three independent non-executive Directors. The Board is responsible for the operation and coordination of the development of the Company and monitoring the Company's businesses, strategic decisions and performance, and has full and timely access to all relevant information in relation to the Company's businesses and affairs, while the day-to-day management is delegated to the management of the Company. The independent non-executive Directors possess professional qualifications and related management experience in areas of financial accounting, corporate governance, etc. and contribute to the Board with their professional opinions.

Mr. Bai Xuankui (“**Chairman Bai**”) is an executive Director and the chairman of the Board. He is responsible for the management of the Board and the overall strategic planning, business development and corporate governance functions. The Company believes that Chairman Bai, who has been serving as a Director and the chairman of the Board since its establishment, can facilitate the Company in formulating appropriate development strategies. Regarding business operations, the Company's senior management, which comprises experienced and high-caliber individuals from various sectors, will ensure decisions made by the Board are thoroughly implemented.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by Directors. Having made specific enquiries with all Directors, each of them has confirmed that he has complied with the Model Code during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this announcement, based on information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Stock Exchange.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the code provision of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua. The Audit Committee is chaired by Mr. Tian Hua.

The Audit Committee has reviewed, with the management and the Board, the accounting principles and policies adopted by the Company, as well as relevant laws and regulations, and discussed risk management, internal control and financial reporting matters of the Group, including the review of the interim results for the six months ended 30 June 2022. The Audit Committee considered that the interim results are in compliance with the applicable accounting principles and policies, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF THE INTERIM RESULTS AND THE INTERIM REPORT

In accordance with the requirements under the Listing Rules, this result announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chen-xing.cn), respectively.

In accordance with the requirements under the Listing Rules, the interim report for the six months ended 30 June 2022 containing information about the Company will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company, respectively, in due course.

By order of the Board
Chen Xing Development Holdings Limited
Bai Xuankui
Chairman

Hong Kong, 26 August 2022

As at the date of this announcement, the executive Directors are Mr. Bai Xuankui, Mr. Bai Wukui, Mr. Bai Guohua and Mr. Dong Shiguang and the independent non-executive Directors are Mr. Tian Hua, Mr. Qiu Yongqing and Ms. Gao Jianhua.