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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 ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2019 RESULTS HIGHLIGHTS**

- For the year ended 31 December 2019, the Group's total revenue was approximately RMB273.6 million, representing an increase of approximately RMB22.4 million or about 8.9% as compared to that of approximately RMB251.2 million for the year ended 31 December 2018. For the year ended 31 December 2019, revenue generated from property management services, property developer related services and value-added services contributed 69.1%, 23.4% and 7.5% to the total revenue, respectively.
- The increase of revenue generated from property management service segment was approximately RMB19.8 million, or about 11.7% as compared to that in 2018. The GFA under management increased by approximately 0.3 million sq.m. to a total of 4.9 million sq.m..
- The revenue generated from property developer related services slightly increased approximately RMB1.4 million, or about 2.2% to RMB63.9 million year-on-year.
- The revenue generated from value-added services slightly increased approximately RMB1.2 million, or about 6.1% to RMB20.6 million year-on-year.
- The Group achieved core net profit<sup>Note</sup> of RMB41.6 million, representing an increase of 11.9% year-on-year.

*Note:* The core net profit represents the Group's profit excluding the effect of listing expenses.

The board of directors (the “**Board**”) of Ye Xing Group Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the year ended 31 December 2019, with comparative figures for the year ended 31 December 2018. These final result have been reviewed by the Audit Committee of the Company.

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

*For the year ended 31 December 2019*

		<b>Year ended 31 December</b>	
		<b>2019</b>	<b>2018</b>
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	<b>273,580</b>	251,177
Cost of services		<u><b>(179,103)</b></u>	<u>(169,451)</u>
Gross profit		<b>94,477</b>	81,726
Other income	5(a)	<b>534</b>	211
Other gains or losses	5(b)	<b>695</b>	2,241
Administrative expenses		<b>(34,386)</b>	(26,576)
Impairment loss, net of reversal		<b>(579)</b>	(1,691)
Selling expenses		<b>(2,635)</b>	(6,138)
Listing expenses		<b>(15,754)</b>	–
Interests on lease liabilities		<u><b>(173)</b></u>	<u>(245)</u>
Profit before tax		<b>42,179</b>	49,528
Income tax expense	6	<u><b>(16,301)</b></u>	<u>(12,307)</u>
Profit and total comprehensive income for the year	7	<u><b>25,878</b></u>	<u>37,221</u>
Profit and total comprehensive income for the year attributable to:			
– Owners of the Company		<b>25,878</b>	36,940
– Non-controlling interests		<u>–</u>	<u>281</u>
		<u><b>25,878</b></u>	<u>37,221</u>
Earnings per share ( <i>RMB cent</i> )			
– Basic	8	<u><b>9.44</b></u>	<u>15.54</u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2019*

	<i>NOTES</i>	<b>2019</b> <b>RMB'000</b>	2018 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,947</b>	2,440
Intangible assets		<b>4,500</b>	–
Deferred tax assets		<b>587</b>	1,359
Right-of-use assets		<b>1,586</b>	2,433
Goodwill		<b>1,519</b>	1,519
		<b>11,139</b>	7,751
<b>CURRENT ASSETS</b>			
Trade and other receivables	<i>10</i>	<b>30,911</b>	24,841
Amounts due from related parties	<i>11</i>	<b>177,502</b>	134,970
Bank balances and cash		<b>27,859</b>	92,750
		<b>236,272</b>	252,561
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>13(a)</i>	<b>103,986</b>	95,203
Contract liabilities	<i>13(b)</i>	<b>60,236</b>	50,205
Lease liabilities		<b>895</b>	1,063
Amount due to a related party	<i>12</i>	<b>–</b>	18,588
Tax liabilities		<b>5,311</b>	5,901
		<b>170,428</b>	170,960
<b>NET CURRENT ASSETS</b>		<b>65,844</b>	81,601
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>76,983</b>	89,352
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		<b>922</b>	1,750
<b>NET ASSETS</b>		<b>76,061</b>	87,602
<b>CAPITAL AND RESERVES</b>			
Paid-up capital/Share capital		<b>–</b>	33,000
Reserves		<b>76,061</b>	54,602
<b>TOTAL EQUITY</b>		<b>76,061</b>	87,602

## NOTES

### 1. GENERAL

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 Company's immediate holding company is Ascendor Futur, a limited company which was incorporated as an exempted company with limited liability in the British Virgin Islands. Its ultimate holding company is Will Full Holdings Limited ("Will Full"), a limited liability company incorporated in the British Virgin Islands (the "BVI") which is controlled by Mr. Zhao Weihao.

On 29 June 2018, Beijing Hongkun obtained approval for its shares to be listed on the National Equities Exchange and Quotations ("NEEQ") in the PRC (stock code: 872889). Its shares started to be traded on the NEEQ on 1 August 2018. On 27 November 2018, Beijing Hongkun's shareholders resolved to voluntarily delist Beijing Hongkun's shares from the NEEQ. The delisting completed on 19 December 2018.

The shares of the Company have been listed on Main board of The Stock Exchange of Hong Kong Limited on 13 March 2020.

The consolidated financial statements is presented in RMB, which is the same as the functional currency of the Company.

### 2. BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the principles of merger accounting.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSS

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>2</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

#### 4. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for (i) property management service income, (ii) property developer related services, and (iii) value-added services.

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 performance focuses on the revenue analysis of each operating segment in the provision of property management service, property developer related services and value-added services of the Group. Other than the revenue analysis as set out below, 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 and value added services is prepared regularly for internal reporting to the CODM for resources allocation and performance assessment.

No analysis of segment assets and segment liabilities is presented as these information are not regularly provided to the CODM for review.

##### Revenue from major services

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Type of services		
Property management services	189,138	169,301
Property developer related services	63,873	62,487
Value-added services	20,569	19,389
	<u>273,580</u>	<u>251,177</u>

##### Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Fellow subsidiaries ( <i>Note</i> )	<u>92,081</u>	<u>91,232</u>

*Note:* The fellow subsidiaries are companies in which the controlling shareholders of the Company has beneficial interest.

## 5. OTHER INCOME AND OTHER GAINS OR LOSSES

### (a) Other Income

	2019 RMB'000	2018 RMB'000
Bank interest income	85	211
Value-add tax refund	449	—
	<u>534</u>	<u>211</u>

### (b) Other Gains or Losses

	2019 RMB'000	2018 RMB'000
Loss on disposal of property, plant and equipment	—	(35)
Gain on disposal of a subsidiary	—	37
Gain on deregistration of a subsidiary	—	98
Gain on fair value changes of financial assets at fair value through profit or loss	—	1,628
Gain on waiver of trade and other payables upon deregistration of subsidiaries	—	363
Net exchange gain	512	—
Others	183	150
	<u>695</u>	<u>2,241</u>

## 6. INCOME TAX EXPENSE

	Year ended 31 December	
	2019 RMB'000	2018 RMB'000
Current tax		
PRC Enterprise Income Tax ("EIT")	15,529	12,492
Deferred tax	772	(185)
	<u>16,301</u>	<u>12,307</u>

Under the Law of the People's Republic of China on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong for the years ended 31 December 2019 and 2018.

The Company and the group entity incorporated in the British Virgin Islands is not subject to income tax in the Cayman Islands or any other jurisdiction.

## 7. PROFIT FOR THE YEAR

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Profit for the year has been arrived at after charging:		
Auditors' remuneration	1,432	353
Directors' emoluments	1,241	1,228
Other staff's salaries and other benefits	80,155	86,953
Other staff's contributions to retirement benefit scheme	9,323	10,777
Other staff's contributions to housing provident funds	2,965	2,271
	<hr/>	<hr/>
Total staff costs	93,684	101,229
	<hr/>	<hr/>
Depreciation for property, plant and equipment	686	625
Amortisation of intangible assets	500	–
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## 8. EARNINGS PER SHARE

The calculation of basic earnings per share during the years ended 31 December 2019 and 2018 are based on the assumption that the Reorganisation and the capitalisation issue as detailed in “History, Reorganisation and corporate structure” and “Share Capital” in the Prospectus have been effective on 1 January 2018.

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

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Earnings for the purposes of basic earnings per share, as appropriate (Profit for the year attributable to owners of the Company)	25,878	36,940
	<hr/> <hr/>	<hr/> <hr/>
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares for the purposes of basic earnings per share	274,024,521	237,780,000
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No diluted earnings per share is presented for each of the years ended 31 December 2019 and 2018 as there is no potential ordinary shares in issue during those years.

## 9. DIVIDENDS

No dividend was declared or paid by the Company since its incorporation.

On 21 January 2019, Beijing Hongkun declared and paid dividends in an aggregate amount of RMB35,500,000 to the then shareholders.

## 10. TRADE AND OTHER RECEIVABLES

	2019 <i>RMB'000</i>	2018 <i>RMB'000</i>
Trade receivables	16,070	18,218
Less: allowance for credit losses	<u>(2,165)</u>	<u>(1,705)</u>
	<u>13,905</u>	<u>16,513</u>
Other receivables:		
Deposits ( <i>Note a</i> )	705	775
Prepayments	1,691	1,513
Payments on behalf of residents ( <i>Note b</i> )	4,082	3,689
Advances to staff	1,667	1,890
Receivable from disposal of a subsidiary	–	275
Deferred share issue costs	8,684	–
Others	444	334
Less: allowance for credit losses	<u>(267)</u>	<u>(148)</u>
	<u>17,006</u>	<u>8,328</u>
Total trade and other receivables	<u><u>30,911</u></u>	<u><u>24,841</u></u>

*Notes:*

- (a) The amounts represented the deposits paid for staff quarters, Point of Sales machines and tendering activities. The deposits are refundable in the next twelve months at each of the end of the reporting period and therefore the amounts are classified as current assets.
- (b) The amounts represented the amounts paid on behalf of residents to the utilities service providers for the services provided.

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 its third parties.



The following is an aged analysis of trade receivables, before the impairment allowance, present based on the date of demand note issued:

	<b>At 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
0 to 60 days	<b>4,671</b>	7,528
61 to 180 days	<b>4,043</b>	3,531
181 to 365 days	<b>3,999</b>	3,213
1 to 2 years	<b>1,934</b>	2,952
2 to 3 years	<b>973</b>	561
Over 3 years	<b>450</b>	433
	<b>16,070</b>	18,218

# **11. AMOUNTS DUE FROM RELATED PARTIES**

	<b>At 31 December</b>		<b>Maximum amount outstanding during the year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Trade nature				
Fellow subsidiaries	<b>60,349</b>	77,671	<b>100,744</b>	77,877
Non-trade nature				
Fellow subsidiaries	<b>117,153</b>	57,299	<b>167,470</b>	80,327
Total	<b>177,502</b>	134,970		

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

	<b>At 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
0 to 60 days	<b>22,316</b>	18,551
61 to 180 days	<b>22,818</b>	24,968
181 to 365 days	<b>9,110</b>	29,446
1 to 2 years	<b>6,023</b>	4,706
2 to 3 years	<b>82</b>	—
	<b>60,349</b>	77,671

The Group's non-trade amounts due from related parties as at 31 December 2019 were unsecured and interest free. The amounts have been fully settled subsequent to the end of the reporting period.

## 12. AMOUNT DUE TO A RELATED PARTY

	At 31 December	
	2019	2018
	RMB'000	RMB'000
<b>Non-trade nature</b>		
Fellow subsidiaries	–	18,588

The amount due to a related party was unsecured, interest-free and has been settled during the year ended 31 December 2019.

## 13. TRADE AND OTHER PAYABLES

### (a) Trade and other payables

	NOTES	2019	2018
		RMB'000	RMB'000
Trade payables		20,599	19,955
Other payables:			
Receipts on behalf of residents	(a)	8,620	9,782
Deposits received	(b)	34,891	39,743
Payable on behalf of a fellow subsidiary	(c)	402	397
Accrued staff costs		12,610	9,368
Accrued contribution to social insurance and housing provident funds		6,640	5,810
Other tax payables		5,173	4,781
Accrued expenses		5,204	5,123
Accrued share issue costs and listing expenses		9,596	–
Other payables		251	244
Total other payables		83,387	75,248
Total trade and other payables		103,986	95,203

Notes:

- (a) The balances represented the receipts on behalf of community residents to settle the utilities bills from utilities suppliers.
- (b) The balances mainly represented by the utility received from the property-owners and residents. The deposits received are repayable on demand and accordingly the amounts are classified as current liabilities.
- (c) The Group entered into an assets management agreement with a fellow subsidiary, pursuant to which the Group should pay the payroll, promotion fees and other expenses on behalf of the fellow subsidiary to suppliers and relevant staff and receive from the fellow subsidiary at cost. The balances represented the accrued payables to those counterparties on behalf of the fellow subsidiary.

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

	<b>At 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Within 1 year	<b>20,137</b>	19,066
1-2 years	<b>190</b>	379
2-3 years	<b>63</b>	379
Over 3 years	<b>209</b>	131
	<hr/>	<hr/>
	<b>20,599</b>	19,955
	<hr/> <hr/>	<hr/> <hr/>

**(b) Contract liabilities**

The contract liabilities represented the advance from customers for property management services, property developer related services and value-added services. The payment terms vary and depend on the terms of the Group's property management services contracts.

As at 1 January 2018, contract liabilities amounted to RMB52,780,000.

When the Group receives advanced consideration from customers before the property management service activities commence, this will give rise to contract liabilities, until the revenue recognised on relevant contract upon provision of property management services.

All contract liabilities are expected to be recognised as revenue within one year.

## 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 four consecutive years since 2016 and ranked 48th among the Top 100 Property Management Companies in the PRC\* (中國物業服務百強企業) in 2019. 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 31 December 2019, the Group provided property management services to properties spanning across eight cities in the Beijing-Tianjin-Hebei Region, Hainan province, Hubei province, and Shaanxi province, managing a total revenue-bearing GFA of approximately 4.9 million sq.m., comprising 22 residential properties (with over 40,000 units in total) and 17 non-residential properties.

In 2019, the Company achieved revenue of RMB273.6 million, an increase of 8.9% year over year; realized gross profit of RMB94.5 million, an increase of 15.6% year over year; realized core net profit RMB41.6 million (excluding the effect of listing expenses), an increase of 11.9% year over year. The gross profit margin and net profit margin in 2019 were 34.5% and 15.2%, respectively, marking an increase of 2.0% and 0.4% compared with 2018, respectively.

As of the end of 2019, the Group's contracted GFA was approximately 7.3 million square meters, and the total revenue-bearing GFA under management exceeded 4.9 million square meters, marking an increase of 6.1% and 7.5% compared with 2018, respectively; the number of the Company's managed residential property projects was 22, with a total revenue-bearing GFA of 4.1 million square meters, accounting for 83.8% of total revenue-bearing GFA; the number of the Company's managed non-residential property projects was 17, with a total revenue-bearing GFA of 0.8 million square meters, accounting for 16.2% of 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:

	<b>As at 31 December</b>	
	<b>2019</b>	<b>2018</b>
<b>Residential Properties</b>		
Contracted GFA ('000 sq.m.)	<b>5,941</b>	5,805
Revenue-bearing GFA ('000 sq.m.)	<b>4,125</b>	3,948
Number of properties managed	<b>22</b>	21
<b>Non-residential Properties</b>		
Contracted GFA ('000 sq.m.)	<b>1,315</b>	1,031
Revenue-bearing GFA ('000 sq.m.)	<b>797</b>	629
Number of properties managed	<b>17</b>	15
<b>Total</b>		
Contracted GFA ('000 sq.m.)	<b>7,256</b>	6,836
Revenue-bearing GFA ('000 sq.m.)	<b>4,922</b>	4,577
Number of properties managed	<b>39</b>	36

*Note:*

Contract GFA refers to the total GFA managed and the total GFA to be managed by our Group under signed property management service agreements.

## **Future Outlook**

The novel coronavirus pneumonia outbreak in early 2020, the Company actively responded to the government's call, adhered to the front line of prevention and control of the epidemic, and did a good job of "Preventing the Coronavirus from Entering and Spreading Within a Region". In this "war" against the epidemic, the Company ensured that the community project is well-armed, the owners are in a good mood, the rear material support is strong, and the personnel communicates are timely and effective through epidemic prevention measures such as disinfection coverage, temperature monitoring, closed management, garbage epidemic prevention, personnel protection, and vehicle inspection. With our own high-quality service and responsible attitude, We have built a "protective wall" for the owners, and created a safe, healthy and convenient living and working environment for the owners through continuous optimization of services.

Due to the impact of this epidemic, downward pressure on domestic and foreign economies has further increased. The property management industry, as a livelihood industry and security industry, is not only less affected by macroeconomics, but also highlights its importance in the epidemic. For property management companies with laying out key areas for national development, high-quality assets and strong profitability, our Group is expected to complete a counter-trend expansion while maintaining stable growth in performance.

Based on the current market situation, the Company will grasp the new development opportunities brought by landing in the capital market, focus on development opportunities in the Beijing-Tianjin-Hebei, Yangtze River Delta and Pearl River Delta regions, strengthen the depth and breadth of its business map, and achieve rapid growth in revenue and profits. Meanwhile, the Company will vigorously develop diversified operations and services, increase the proportion of value-added services, optimize the revenue structure, further increase the level of profit, and achieve continuous improvement of the efficiency of the Company.

In 2020, the Company will take the listing on the Main Board of the Stock Exchange as an opportunity to actively meet new opportunities and challenges in the development of the industry. Based on the provision of high-quality property services, the Company will strive to achieve high-quality, rapid and healthy sustainable development, continue to provide customers with more valuable services and create good investment returns for 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 year ended 31 December 2019, the Group's total revenue was approximately RMB273.6 million, representing an increase of approximately RMB22.4 million or approximately 8.9% as compared to that of approximately RMB251.2 million for the year ended 31 December 2018. Revenue generated from property management services, property developer related services and value-added services contributed 69.1%, 23.4% and 7.5% to the total revenue, respectively.

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

	Year ended 31 December			
	2019		2018	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management service	<b>189,138</b>	<b>69.1</b>	169,301	67.4
Property developer related service	<b>63,873</b>	<b>23.4</b>	62,487	24.9
Value-added service	<b>20,569</b>	<b>7.5</b>	19,389	7.7
Total	<b>273,580</b>	<b>100.0</b>	251,177	100.0

## Property management services

The increase of revenue generated from property management services was approximately RMB19.8 million year-on-year, or about 11.7%, of which the revenue generated from residential properties was approximately RMB9.8 million or approximately 9.6% and the increase in non-residential properties of approximately RMB10.0 million or approximately 15.0%. The increase of revenue generated from property management services was mainly due to one residential property and three non-residential properties were newly delivered during the year. As a result, the GFA under management increase from 4.6 million sq.m. for the year ended 31 December 2018 to 4.9 million sq.m. for the year ended 31 December 2019.

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/Year ended 31 December							
	2019				2018			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%
Residential properties	4,125	83.8%	112,083	59.3%	3,948	86.3%	102,284	60.4%
Non-residential properties	797	16.2%	77,055	40.7%	629	13.7%	67,017	39.6%
	<u>4,922</u>	<u>100.0%</u>	<u>189,138</u>	<u>100.0%</u>	<u>4,577</u>	<u>100.0%</u>	<u>169,301</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 type of property developers for the periods indicated:

	As at/Year ended 31 December							
	2019				2018			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%
Hongkun Group	4,869	98.9%	185,156	97.9%	4,535	99.1%	166,514	98.4%
Third Party property developers	53	1.1%	3,982	2.1%	42	0.9%	2,787	1.6%
	<u>4,922</u>	<u>100.0%</u>	<u>189,138</u>	<u>100.0%</u>	<u>4,577</u>	<u>100.0%</u>	<u>169,301</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 revenue model for the periods indicated:

	As at/Year ended 31 December							
	2019				2018			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%
Lump sum basis	4,123	83.8%	178,046	94.1%	3,778	82.5%	158,914	93.9%
Commission basis	799	16.2%	11,092	5.9%	799	17.5%	10,387	6.1%
	<u>4,922</u>	<u>100.0%</u>	<u>189,138</u>	<u>100.0%</u>	<u>4,577</u>	<u>100.0%</u>	<u>169,301</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/Year ended 31 December							
	2019				2018			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%
Beijing	2,030	41.3%	108,332	57.3%	1,874	41.0%	97,661	57.7%
Tianjin	447	9.1%	23,547	12.4%	407	8.9%	20,162	11.9%
Hebei province	1,612	32.8%	39,534	20.9%	1,544	33.7%	36,074	21.3%
Beijing-Tianjin-Hebei Region	4,089	83.2%	171,413	90.6%	3,825	83.6%	153,897	90.9%
Hainan province	454	9.2%	8,772	4.6%	454	9.9%	6,551	3.9%
Hubei province	337	6.8%	6,122	3.3%	256	5.6%	6,066	3.6%
Shaanxi province	42	0.8%	2,831	1.5%	42	0.9%	2,787	1.6%
	<u>4,922</u>	<u>100.0%</u>	<u>189,138</u>	<u>100.0%</u>	<u>4,577</u>	<u>100.0%</u>	<u>169,301</u>	<u>100.0%</u>

### Property developer related services

The increase of revenue generated from property developer related services was approximately RMB1.4 million or about 2.2% from RMB62.5 million for the year ended 31 December 2018 to RMB63.9 million for the year ended 31 December 2019. We provided sales assistance services for two new projects in Guangdong province and Shanghai respectively, which contributed an additional revenue of approximately RMB0.9 million.



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

	As at/Year ended 31 December					
	2019			2018		
	Number of projects	Revenue		Number of projects	Revenue	
		RMB'000	%		RMB'000	%
Beijing	6	19,891	31.2%	7	18,526	29.6%
Tianjin	6	13,663	21.4%	7	16,184	25.9%
Hebei province	8	17,330	27.1%	7	13,304	21.3%
Beijing-Tianjin-Hebei Region	20	50,884	79.7%	21	48,014	76.8%
Hainan province	2	923	1.4%	2	4,584	7.3%
Hubei province	1	4,582	7.2%	2	4,700	7.5%
Jiangsu province	1	3,656	5.7%	1	2,209	3.5%
Anhui province	1	2,936	4.6%	1	2,980	4.9%
Guangdong province	1	516	0.8%			
Shanghai	1	377	0.6%			
	<b>27</b>	<b>63,873</b>	<b>100.0%</b>	<b>27</b>	<b>62,487</b>	<b>100.0%</b>

### Value-added services

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

	Year ended 31 December			
	2019		2018	
	Revenue		Revenue	
	RMB'000	%	RMB'000	%
Home living services (Note 1)	10,434	50.7%	10,386	53.6%
Leasing of common areas (Note 2)	9,518	46.3%	5,180	26.7%
Equipment repair and installation services (Note 3)	—	—	2,798	14.4%
Housekeeping services (Note 4)	—	—	99	0.5%
Others	617	3.0%	926	4.8%
	<b>20,569</b>	<b>100.0%</b>	<b>19,389</b>	<b>100.0%</b>

*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 lightbox, distilled water vending machines, screens in lifts and other facilities.
- (3) Our equipment repair and installation services primarily represented the provision of repair and installation services of equipment, machinery and elevators in our managed residential properties mainly to Hongkun Group by Hebei Norden, which was established in July 2017 and was sold to its non-controlling shareholder, namely Guangzhou Norden in December 2018.
- (4) Our housekeeping services primarily represented the provision of housekeeping services to property owners and residents of our managed residential properties by Beijing Hongkun Love Housekeeping, which was established in March 2017 and was deregistered in July 2018.

The revenue generated from value-added services increased approximately RMB1.2 million or 6.1% from RMB19.4 million for the year ended 31 December 2018 to RMB20.6 million for the year ended 31 December 2019. The increase mainly due to the increase in revenue generated from leasing of common areas of approximately RMB4.3 million or about 83.7%, offset by the decrease in revenue from dis-continuing operation of (i) equipment repair and installation services and (ii) housekeeping services.

**Cost of services**

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

Our cost of services increased by approximately 5.7% from approximately RMB169.5 million for the year ended 31 December 2018 to approximately RMB179.1 million for the year ended 31 December 2019. This increase was primarily attributable to the increase in subcontracting costs from approximately RMB52.0 million for the year ended 31 December 2018 to approximately RMB77.1 million for the year ended 31 December 2019 mainly due to (a) the increase in our outsourcing of our cleaning, gardening, equipment maintenance and site security services to our subcontractors for the year ended 31 December 2019 (which in turn leading to the decrease in our labour costs from approximately RMB78.9 million for the year ended 31 December 2018 to approximately RMB67.5 million for the year ended 31 December 2019); and (b) the increase in our total revenue-bearing GFA.

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 year ended 31 December 2019, the gross profit of the Group was approximately RMB94.5 million, representing an increase of RMB12.8 million or approximately 15.6% as compared to approximately RMB81.7 million for the year ended 31 December 2018. The gross profit margin remained stable at 34.5% for the year ended 31 December 2019 and 32.5% for the year ended 31 December 2018.

### **Selling Expenses and Administrative Expenses**

Our selling and distribution expenses primarily consist of (i) promotional expenses; (ii) salaries and allowances for our sales personnel; and (iii) travelling and entertainment expenses. The total selling expenses of the Group for the year ended 31 December 2019 was approximately RMB2.6 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 year ended 31 December 2019, the administrative expenses of the Group was approximately RMB34.4 million, representing an increase of approximately RMB7.8 million or approximately 29.4% as compared to approximately RMB26.6 million for the year ended 31 December 2018. This increase was mainly due to the increase in headcount of our headquarters to cope with our business expansion and the increase in average salaries of our employees.

### **Other Income**

For the year ended 31 December 2019, other income of the Group amounted to a net revenue of approximately RMB0.5 million, representing a slightly increase in absolute amount as compared to that of approximately RMB0.2 million for the year ended 31 December 2018, which was primarily attributable to the value-add tax refund of approximately RMB0.4 million.

### **Income Tax Expense**

For the year ended 31 December 2019, the income tax expense of the Group was approximately RMB16.3 million (2018: RMB12.3 million).

## **Profit for the year**

For the year ended 31 December 2019, the net profit of the Group was approximately RMB25.9 million, representing a decrease of approximately RMB11.3 million or approximately 30.4% as compared to that of approximately RMB37.2 million for the year ended 31 December 2018, which is mainly due to the listing expense approximately RMB15.8 million incurred.

## **FINANCIAL POSITION**

As at 31 December 2019, the total assets of the Group were approximately RMB247.4 million (as at 31 December 2018: approximately RMB260.3 million), and the total liabilities were approximately RMB171.4 million (as at 31 December 2018: approximately RMB172.7 million). As at 31 December 2019, the current ratio was 1.4 (as at 31 December 2018: 1.5).

## **Property, Plant and Equipment**

Our property, plant and equipment included (i) our 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 increased approximately RMB0.5 million or about 20.8% from approximately RMB2.4 million as at 31 December 2018 to approximately RMB2.9 million as at 31 December 2019, primarily attributable to the addition of our property, plant and equipment of approximately RMB1.2 million mainly in relation to our office furniture, fixtures and equipment, partially offset by our depreciation of approximately RMB0.7 million in charged in 2019.

## **Intangible Assets**

Our intangible assets of approximately RMB4.5 million as at 31 December 2019 represented the mobile applications, Hongkunhui\* (鴻坤薈) and H-Butler\* (鴻管家) acquired from Hongkun Group in June 2019, which was 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 was initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses under HKFRS 16.

Our right-of-use assets decreased approximately RMB0.8 million or about 34.8% from approximately RMB2.4 million as at 31 December 2018 to approximately RMB1.6 million as at 31 December 2019 was primarily attributable to our depreciation of right-of-use assets of approximately RMB1.0 million in charged in 2019.

## **Goodwill**

Our goodwill of approximately RMB1.5 million as at 31 December 2018 and 2019, 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 approximately RMB6.1 million or about 24.4% from approximately RMB24.8 million as at 31 December 2018 to approximately RMB30.9 million as at 31 December 2019 mainly in relation to our deferred share issue cost which approximately RMB8.7 million as at 31 December 2019 (as at 31 December 2018: nil), partially offset by the decrease on trade receivables. Our trade receivables decrease approximately RMB2.6 million or 15.8% from approximately RMB16.5 million as at 31 December 2018 to approximately RMB13.9 million as at 31 December 2019 mainly due to our improvement on collection control.

## **Amounts due from Related Parties and Fellow Subsidiaries**

### ***Trade nature amount due from fellow subsidiaries***

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

Our trade nature amounts due from fellow subsidiaries decreased approximately RMB17.4 million or about 22.3% from approximately RMB77.7 million as at 31 December 2018 to approximately RMB60.3 million as at 31 December 2019 mainly due to our improvement on collection control.

### ***Non-trade nature amounts due from fellow subsidiaries***

Our non-trade nature amounts due from fellow subsidiaries of approximately RMB57.3 million and RMB117.2 million as at 31 December 2018 and 2019 respectively, were non-trade in nature, unsecured, interest-free and repayable on demand which mainly represented fund transfers between Hongkun Group and our Group, and the payments of costs and expenses incurred by Hongkun Group in respect of its property development business operations which were paid on behalf by our Group.

As at the date of this announcement, all outstanding non-trade amounts due from fellow subsidiaries as at December 2019 were fully settled. Our Directors confirmed that we will not have any non-trade related party balances with our related parties (including our fellow subsidiaries) after the listing.

## **Trade and Other Payables**

As at 31 December 2019, the trade and other payables was approximately RMB104.0 million, representing an increase of approximately RMB8.8 million or 9.2% as compared to that of approximately RMB95.2 million as at 31 December 2018, mainly due to the the recognition of our accrued share issue costs and listing expenses of approximately RMB9.6 million for the year ended 31 December 2019.

## **Contract Liabilities**

Our contract liabilities primarily represented the payments in advance from our customers for the provision of our property management services because pursuant to the property management service agreements, we usually charge a fixed amount of fees by issuing demand notes to property owners and residents, 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 approximately RMB10.0 million or about 20.0% to approximately RMB60.2 million as at 31 December 2019 (as at 31 December 2018: RMB50.2 million), which is mainly due to (i) the increase in our revenue of project management service, as result of the newly delivered projects; (ii) our improvement on collection control.

## **Asset Pledge**

As at 31 December 2019, none of the assets of the Group was pledged.

## **Proceeds from the Listing**

The shares of the Company were listed on the Main Board of the Stock Exchange on 13 March 2020 and issued 115,000,000 new Shares. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK\$121.3 million (approximately RMB108.9 million). Such proceeds will be applied in the manner consistent with that in the Prospectus which is detailed as follows:

- approximately 65.0% of the net proceeds from the Listing will be used for the expansion of our geographic presence and scale of operations in the PRC. We plan to achieve this through (a) the strategic acquisitions of the entire interest of quality property management companies that provide property management services in other parts of the PRC beyond our geographic reach during the Track Record Period (as defined in the Prospectus); and (b) establishing new subsidiaries or opening new branches locally;
- approximately 13.0% of the net proceeds from the Listing will be used to develop and enhance our information system and technological initiatives, in order to maximise our cost and operational efficiency and service quality;

- approximately 10.0% of the net proceeds from the Listing will be used for expanding our value-added services, such as group procurement services, travel agency services, etc. We plan to allocate and renovate selected areas within our managed property to serve as a venue for community-related value-added services providers to conduct their services;
- approximately 2.0% of the net proceeds from the Listing will be used for staff development. We plan to organise and develop new online training tools and resources to provide systematic training and promotion programme within our ranks, with an aim to continually strengthen and equip our staff with up-to-date knowledge and skills necessary to the smooth delivery of the ever-diversifying types of services introduced or to be introduced by us to facilitate the comfort living of property owners and residents; and
- approximately 10.0% of the net proceeds from the Listing will be used for our working capital and general corporate purposes.

As at the date of this announcement, the Company has not utilised such proceeds according to the use as set out in the Prospectus as the Company was only recently listed on 13 March 2020. 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 in view of the current and future development of the market conditions. The unutilized proceeds are deposited in the bank accounts.

### **Significant Acquisitions and Disposals**

Save as disclosed in the financial information, during the year ended 31 December 2019, the Group did not have any significant acquisitions and disposals.

### **Significant Investments**

As at 31 December 2019, the Group did not have any major investments.

### **ANNUAL GENERAL MEETING**

The 2020 AGM will be held on Monday, 25 May 2020 and the notice of 2020 AGM will be published and despatched to the shareholders in the manner as required by the Listing Rules in due course.

### **DIVIDEND**

No dividend was recommended by the Board for the year ended 31 December 2019.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the qualification as shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 20 May 2020 to Monday, 25 May 2020, both days inclusive. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office at Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 19 May 2020, being the last share registration date.



## EVENTS AFTER THE REPORTING PERIOD

Save as elsewhere disclosed in this report, events and transaction took place subsequent to 31 December 2019 are details as below:

On 17 February 2020 and 22 February 2020, written resolutions of the shareholders of the Company were passed to approve the matters set out in the section headed “Statutory and General Information - A. Further information about our Company and our subsidiaries - 3. Written resolution of the shareholders” in Appendix V to the Prospectus. It was resolved, among other things:

- (i) 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;
- (ii) conditional on the share premium account being credited as a result of the global offering, it was authorised to capitalise an amount of HK\$2,999,900 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 299,990,000 shares for allotment and issue to shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on 17 February 2020 and 22 February 2020; and
- (iii) conditionally approved and adopted a Share Option Scheme, the principal terms of which are set out in the section headed “D. Share option scheme” in Appendix V to the Prospectus.

The outbreak of a respiratory illness caused by a novel coronavirus, or known as the COVID-19, in China, has affected many businesses to different extent. As the Group’s business are all in various locations in the mainland where different precautions measures were imposed by local governments, all at once or implemented at different stages depending on the latest development, the Group’s ability to serve its customers may be largely depending on various government measures and continuous supply from its suppliers and the availability of workforce, which may be affected by the temporary suspension of supplier’s plant and/or travel restrictions and home quarantine requirements. Due to the inherent unpredictable nature and rapid development relating to the novel coronavirus and its pervasive impact, the Group has taken action to negotiate with its major suppliers and employees to confirm continuous and adequate supply of goods and manpower.



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

As the Company's shares were not listed on the Stock Exchange as at 31 December 2019, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

## **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.

## **AUDIT COMMITTEE**

The audit committee of the Company, comprising Mr. Chan Cheong Tat as chairman as well as Mr. Cheung Wai Hung and Ms. Chen Weijie as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 December 2019.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **CORPORATE GOVERNANCE CODE**

As the Company was not a listed company during the year ended 31 December 2019, the Corporate Governance Code was not applicable to the Company during that period, but has been applicable to it since the Listing Date. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the period between the Listing Date and date of this announcement.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

As the Company's shares were not listed on the Stock Exchange as at 31 December 2019, related rules under the Listing Rules concerning the Model Code that Directors shall observe do not apply to the Company for the year ended 31 December 2019.

The Company has adopted the Model Code by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the Code of Conduct regarding securities transaction by the Directors ("**Codes of Securities Transaction**"). The Company has made specific enquiry to all directors and all directors have confirmed that they have complied with the Model Code and Codes of Securities Transaction from the Listing Date and up to the date of this announcement.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.hongkunwuye.com](http://www.hongkunwuye.com)). The annual report of the Company for the year ended 31 December 2019 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

## DEFINITIONS

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

"AGM"	annual general meeting
"Audit Committee"	a committee of the Board established by the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company
"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
"Board"	the board of Directors of the Company
"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

“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”, “we”, “us” or “our”	the Company, its subsidiaries and entities under the Company’s control through contractual arrangements in the PRC
“Hongkun Group”	Hongkun Jituan Company Limited* (鴻坤集團有限公司) and its subsidiaries, associated companies and joint ventures
“Independent Third Party”	third party who is not connected with any of our Directors or our Controlling Shareholders or any of our subsidiaries or any of our respective associates (within the meaning of the Listing Rules)
“IPO”	Initial Public Offering
“Listing”	The Shares of the Company were listed on the Stock Exchange on 13 March 2020
“Listing Date”	13 March 2020, being the date on which the Shares of the Company was listed on the Stock Exchange
“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
“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 which, 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 of the Company 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

“Share(s)”	ordinary share(s) in the 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

\* *For identification only*

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

Hong Kong, 27 March 2020

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