

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Ye Xing Group Holdings Limited
燁星集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1941)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2020, the Group's total revenue was approximately RMB139.8 million, representing an increase of approximately RMB8.8 million or about 6.7% as compared to that of approximately RMB131.0 million for the corresponding period in 2019. For the six months ended 30 June 2020, revenue generated from property management services, property developer related services and value-added services contributed 66.8%, 23.1% and 10.1% to the total revenue, respectively.
- The revenue generated from property management service segment was approximately RMB93.4 million, increased by approximately 2.5% as compared to the corresponding period in 2019. As at 30 June 2020, the total GFA under management was approximately 5.6 million sq.m., increased by approximately 0.9 million sq.m. as compared with the corresponding period in 2019.
- The revenue generated from property developer related services was approximately RMB32.2 million, remained stable as compared with the corresponding period in 2019.
- The revenue generated from value-added services was approximately RMB14.2 million, increased by approximately 86.4% as compared with the corresponding period in 2019.
- The Group achieved net profit of approximately RMB30.1 million, representing an increase of 132.2% as compared with the corresponding period in 2019; the core net profit ^{Note} was approximately RMB34.9 million, representing an increase of approximately 47.8% as compared with the corresponding period in 2019.

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

The board of directors of Ye Xing Group Holdings Limited announces the unaudited consolidated results of the Company and its subsidiaries for the six months ended 30 June 2020, with comparative figures for the six months ended 30 June 2019.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

		Six months ended	
		30/06/2020	30/06/2019
	<i>NOTES</i>	RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	139,819	130,991
Cost of services		(85,259)	(83,346)
Gross profit		54,560	47,645
Other income	4A	6,449	47
Other gains or losses	4B	1,336	321
Administrative expenses		(15,663)	(14,322)
Impairment loss, net of reversal		(1,244)	(415)
Selling expenses		(1,398)	(919)
Listing expenses		(4,853)	(10,676)
Interests on lease liabilities		(54)	(88)
Profit before tax		39,133	21,593
Income tax expense	5	(9,082)	(8,650)
Profit and total comprehensive income for the period	6	30,051	12,943
Earnings per share (RMB cent)			
– Basic	8	8.28	5.23
– Diluted		8.28	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	NOTES	30/06/2020 RMB'000 (unaudited)	31/12/2019 RMB'000 (unaudited)
NON-CURRENT ASSETS			
Property, plant and equipment		2,900	2,947
Intangible assets		3,917	4,500
Deferred tax assets		745	587
Right-of-use assets		1,255	1,586
Goodwill		1,519	1,519
		<u>10,336</u>	<u>11,139</u>
CURRENT ASSETS			
Trade and other receivables	9	45,468	30,911
Loan receivables	10	118,283	–
Amounts due from related parties	11	102,153	177,502
Bank balances and cash	12	148,030	27,859
		<u>413,934</u>	<u>236,272</u>
CURRENT LIABILITIES			
Trade and other payables	13	102,780	103,986
Contract liabilities		59,989	60,236
Lease liabilities		1,372	895
Amounts due to a related party	14	6,247	–
Tax liabilities		8,856	5,311
		<u>179,244</u>	<u>170,428</u>
NET CURRENT ASSETS		<u>234,690</u>	<u>65,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>245,026</u>	<u>76,983</u>
NON-CURRENT LIABILITIES			
Lease liabilities		495	922
Contract liabilities		1,880	–
		<u>2,375</u>	<u>922</u>
NET ASSETS		<u>242,651</u>	<u>76,061</u>
CAPITAL AND RESERVES			
Share capital	15	3,650	–
Reserves		239,001	76,061
TOTAL EQUITY		<u>242,651</u>	<u>76,061</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1. GENERAL AND BASIS OF PREPARATION

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

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) Interim Financial Reporting issued by the Hong Kong Institution of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

In preparing for the initial listing of the shares of the Company on the Stock Exchange (“the Listing”), the companies now comprising the Group underwent a group reorganisation as described in the annual report of the Group for the year ended 31 December 2019 (the “Group Reorganisation”).

The Group Reorganisation was completed on 2 July 2019. The condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2019 have been prepared to present the results and cash flows of the companies now comprising the Group, as if the group structure upon the completion of the Group Reorganisation had been in existence throughout the six months period ended 30 June 2019 or since their respective dates of incorporation/establishment/acquisition, where applicable.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

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

3. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended	
	30/06/2020	30/06/2019
	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services		
Property management services	93,402	91,130
Property developer related services	32,223	32,247
Value-added services	14,194	7,614
	139,819	130,991
Types of customers		
External customers	101,685	85,855
Fellow subsidiaries	38,134	45,136
	139,819	130,991
Timing of revenue recognition		
Over time	132,195	126,718
A point in time	7,624	4,273
	139,819	130,991

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, value-added services and others of the Group. Other than the revenue analysis as set out above, no operating results and other discrete financial information including geographical location by operating segments relating to provision of property management service, property developer related services, value added services and others is prepared regularly for internal reporting to the CODM for resources allocation and performance assessment.

4A. OTHER INCOME

	Six months ended	
	30/06/2020	30/06/2019
	<i>RMB'000</i>	<i>RMB'000</i>
Interest income arising from		
– bank balances	2,515	47
– loan receivables	3,379	–
Others	555	–
	<u>6,449</u>	<u>47</u>

4B. OTHER GAINS OR LOSSES

	Six months ended	
	30/06/2020	30/06/2019
	<i>RMB'000</i>	<i>RMB'000</i>
Net exchange gain	1,086	215
Others	250	106
	<u>1,336</u>	<u>321</u>

5. INCOME TAX EXPENSE

	Six months ended	
	30/06/2020	30/06/2019
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
– PRC Enterprise Income Tax	9,240	7,863
Deferred tax	(158)	787
	<u>9,082</u>	<u>8,650</u>

6. PROFIT FOR THE PERIOD

	Six months ended	
	30/06/2020	30/06/2019
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period has been arrived at after charging the following items:		
Depreciation for property, plant and equipment	418	338
Depreciation for right-of-use assets	423	490
Amortisation of intangible assets	583	–
	<u>1,424</u>	<u>828</u>

7. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

8. EARNINGS PER SHARE

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

	Six months ended	
	30/06/2020	30/06/2019
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	30,051	12,943
	<i>Number of shares</i>	<i>Number of shares</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	362,948,681	247,618,508
Effect of dilutive potential ordinary shares		
– Over-allotment option*	–	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	362,948,681	N/A

* The Company's over-allotment options have no diluted effect on earnings per share for the six months ended 30 June 2020 as the exercise price of the over-allotment options was higher than the average market price for Company's share for the relevant period.

The calculation of basic earnings per share during the six months ended 30 June 2019 are based on the assumption that the Group Reorganisation and the capitalisation issue as detailed in "History, Reorganisation and Corporate Structure" and "Share Capital" in the prospectus of the Company dated 28 February 2020 had been effective on 1 January 2019.

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

No diluted earnings per share was presented for the six months period ended 30 June 2019 as there were no potential ordinary shares in issue during the period.

9. TRADE AND OTHER RECEIVABLES

	30/06/2020 RMB'000	31/12/2019 RMB'000
Trade receivables	38,970	16,070
Less: allowance for credit losses	(3,531)	(2,165)
	<u>35,439</u>	<u>13,905</u>
Other receivables:		
Payments on behalf of residents	3,718	4,082
Prepayments	2,667	1,691
Advances to staff	2,464	1,667
Deposits	803	705
Deferred share issue costs	–	8,684
Others	522	444
Less: allowance for credit losses	(145)	(267)
	<u>10,029</u>	<u>17,006</u>
Total trade and other receivables	<u><u>45,468</u></u>	<u><u>30,911</u></u>

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

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

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

	30/06/2020 RMB'000	31/12/2019 RMB'000
0 to 60 days	11,820	4,671
61 to 180 days	17,571	4,043
181 to 365 days	4,539	3,999
1 to 2 years	3,825	1,934
2 to 3 years	928	973
Over 3 years	287	450
	<u>38,970</u>	<u>16,070</u>

10. LOAN RECEIVABLES

During the current interim period, in order to better utilize idle cash, the Group, as lender, entered into loan agreements with 22 independent third parties (the “Borrowers”) , each amounting RMB5.0 million to RMB12.0 million, each carrying fixed interest of 5.2% per annum to 10% per annum and repayable from 24 March 2021 to 7 April 2021.

11. AMOUNTS DUE FROM RELATED PARTIES

	30/06/2020 RMB'000	31/12/2019 RMB'000
Trade nature		
Fellow subsidiaries (<i>Note a</i>)	<u>82,633</u>	<u>60,352</u>
Non-trade nature		
Fellow subsidiaries (<i>Note b</i>)	<u>19,520</u>	<u>117,150</u>
Total	<u><u>102,153</u></u>	<u><u>177,502</u></u>

Notes:

- The Group generally grants a credit period of 30 days for its property developer related services and value-added services to its related parties and no credit term granted to related parties for its provision of property management services in which such income is generally required to be settled upon the date of issuance of demand note.
- During the current interim period, the Group has entered into a sole agent service agreement with its fellow subsidiary to facilitate the sale of car park spaces and the amount of RMB19,520,000 represented the deposit paid to the fellow subsidiary to secure the sole agent status. Pursuant to the relevant agreement, the amount shall be refunded within twelve months from the end of reporting period and therefore the amount is classified as current assets. As at 31 December 2019, the balances were unsecured, interest free and repayable on demand.

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

	30/06/2020 RMB'000	31/12/2019 RMB'000
0 to 60 days	18,129	22,319
61 to 180 days	16,552	22,818
181 to 365 days	38,537	9,110
1 to 2 years	7,872	6,023
2 to 3 years	<u>1,543</u>	<u>82</u>
	<u><u>82,633</u></u>	<u><u>60,352</u></u>

12. BANK BALANCES AND CASH

The bank balances carry interest at variable rate with an average interest rate of 0.3% (six months ended 30 June 2019: 0.3%) per annum.

13. TRADE AND OTHER PAYABLES

	30/06/2020 RMB'000	31/12/2019 RMB'000
Trade payables	26,994	20,599
Other payables:		
Deposits received	37,319	34,891
Receipts on behalf of residents	10,014	8,620
Accrued staff costs	9,486	12,610
Accrued contribution to social insurance and housing provident funds	6,433	6,640
Other tax payables	6,502	5,173
Accrued expenses	5,781	5,204
Accrued share issue costs and listing expenses	–	9,596
Payable on behalf of a fellow subsidiary	–	402
Others	251	251
Total other payables	75,786	83,387
Total trade and other payables	102,780	103,986

The credit period granted by suppliers to the Group ranges from 30 days to 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30/06/2020 RMB'000	31/12/2019 RMB'000
Within 1 year	26,084	20,137
1 - 2 years	511	190
2 - 3 years	128	63
Over 3 years	271	209
	26,994	20,599

14. AMOUNT DUE TO A RELATED PARTY

The Group's amount due to a fellow subsidiary as at 30 June 2020 was non-trade nature, unsecured, interest-free and repayable on demand.

15. SHARE CAPITAL

	Number of shares	Share capital of the Company	
		HK\$	RMB'000
Ordinary shares of HK\$0.01 each			
Authorised:			
On the date of incorporation, 30 June 2019 and 31 December 2019	39,000,000	390,000	
Increase on 17 February 2020 (<i>Note i</i>)	461,000,000	4,610,000	
	<u>500,000,000</u>	<u>5,000,000</u>	
At 30 June 2020	<u>500,000,000</u>	<u>5,000,000</u>	
Issued and fully paid:			
On the date of incorporation	1	–	–
New ordinary shares issued on 31 May 2019 (<i>Note ii</i>)	8,354	84	–
New ordinary shares issued on 3 June 2019 (<i>Note ii</i>)	1,645	16	–
	<u>10,000</u>	<u>100</u>	<u>–</u>
At 30 June 2019 and 31 December 2019	<u>10,000</u>	<u>100</u>	<u>–</u>
Issue of new shares upon initial public offering (<i>Note iv</i>)	100,000,000	1,000,000	900
Capitalisation issue of shares (<i>Note iii</i>)	299,990,000	2,999,900	2,701
Exercise of over-allotment option (<i>Note iv</i>)	5,310,000	53,100	49
	<u>405,310,000</u>	<u>4,053,100</u>	<u>3,650</u>
At 30 June 2020	<u>405,310,000</u>	<u>4,053,100</u>	<u>3,650</u>

Notes:

- i. Pursuant to shareholders' written resolution dated on 17 February 2020, the authorised share capital of the Company was increased from HK\$390,000 to HK\$5,000,000 divided into 500,000,000 shares by the creation of a further 461,000,000 shares.
- ii. On 31 May 2019, 8,354 additional shares were issued and fully paid, in which 7,925 shares were allotted to Ascendor Futur Holding Limited ("Ascendor Futur"), while 429 shares were allotted to Winz Strategy Company Limited ("Winz Strategy") at par. On 3 June 2019, 1,645 additional shares were allotted and issued to Winz Strategy, all credited as fully paid by Winz Strategy at par. Upon completion of such subscriptions, the Company was then owned as to 79.26% (7,926 shares) and 20.74% (2,074 shares) by Ascendor Futur and Winz Strategy, respectively.
- iii. On 13 March 2020, the Company capitalised the sum of HK\$2,999,900 (equivalent to RMB2,701,000) standing to the credit of the share premium account of the Company and applied such sum in paying up in full at par 299,990,000 shares for allotment and issued to existing shareholders.

- iv. On 13 March 2020, in connection with the Listing, the Company issued 100,000,000 ordinary shares of HK\$0.01 each (a public offering in Hong Kong of 50,000,000 and an international offering of 50,000,000 shares) at a price of HK\$1.56 per share (equivalent to approximately RMB1.40 per share) for a total of HK\$156,000,000 (equivalent to approximately RMB140,437,000) with issuance costs amounted to HK\$12,119,000 (equivalent to approximately RMB11,001,000) being charged to the Company's share premium account.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Overview

The Group is a renowned 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 44th among the Top 100 Property Management Companies in the PRC in 2020. Through upholding the Group's service philosophy of "creating an enjoyable living environment" 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.

For the six months ended 30 June 2020, the Group achieved revenue of approximately RMB139.8 million, an increase of approximately 6.7% as compared with the corresponding period in 2019; realized gross profit of approximately RMB54.6 million, an increase of approximately 14.5% as compared with the corresponding period in 2019; realized net profit of approximately RMB30.1 million, an increase of approximately 132.2% and realized core net profit of approximately RMB34.9 million (excluding the effect of listing expenses), an increase of approximately 47.8% as compared with the corresponding period in 2019. The gross profit margin and net profit margin were 39.0% and 21.5%, respectively, for the six months ended 30 June 2020, marking an increase of approximately 2.6 and 11.6 percentage points as compared with the corresponding period in 2019, respectively.

As of 30 June 2020, the Group's contracted GFA was approximately 8.3 million square meters, and the total revenue-bearing GFA under management exceeded 5.6 million square meters, marking an increase of approximately 15.0% and 19.6% as compared with that as at 30 June 2019 respectively; the number of the Group's managed residential property projects was 24, with a total revenue-bearing GFA of 4.5 million square meters, accounting for approximately 81.1% of total revenue-bearing GFA; and the number of the Group's managed non-residential property projects was 19, with a total revenue-bearing GFA of 1.1 million square meters, accounting for approximately 18.9% 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 the Group had commenced our provision of property management services, as at the dates indicated:

	As at 30 June	
	2020	2019
Residential Properties		
Contracted GFA ('000 sq.m.)	6,692	5,941
Revenue-bearing GFA ('000 sq.m.)	4,517	4,029
Number of properties managed	24	21
Non-residential Properties		
Contracted GFA ('000 sq.m.)	1,600	1,271
Revenue-bearing GFA ('000 sq.m.)	1,053	627
Number of properties managed	19	13
Total		
Contracted GFA ('000 sq.m.)	8,292	7,212
Revenue-bearing GFA ('000 sq.m.)	5,570	4,656
Number of properties managed	43	34

Note:

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

Future Outlook

The outbreak of novel coronavirus pneumonia occurred in early 2020. The Group 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 Group ensured that the community project is well-armed, the owners are in a good mood, the rear material support is strong, and the personnel communications 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 pandemic, 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 pandemic. As a property management provider with key laying out 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 Group 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 Group.

In the second half year of 2020, the Group 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 Group 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 six months ended 30 June 2020, the Group's total revenue was approximately RMB139.8 million, representing an increase of approximately RMB8.8 million or approximately 6.7% as compared to that of approximately RMB131.0 million for the corresponding period in 2019. Revenue generated from property management services, property developer related services and value-added services contributed 66.8%, 23.1% and 10.1% to the total revenue, respectively.

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

	Six months ended 30 June			
	2020		2019	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Property management service	93,402	66.8%	91,130	69.6%
Property developer related service	32,223	23.1%	32,247	24.6%
Value-added service	14,194	10.1%	7,614	5.8%
Total	139,819	100.0%	130,991	100.0%

Property Management Services

The revenue generated from property management services was approximately RMB93.4 million for the six months ended 30 June 2020, increased by approximately RMB2.3 million, or about 2.5% as compared to the corresponding period in 2019. Such increase was mainly due to the increase in the revenue generated from residential properties of approximately RMB6.5 million or approximately 11.8%, and offset by the decrease in revenue generated from non-residential properties was approximately RMB4.2 million or approximately 11.6% as compared to the corresponding period in 2019, with the GFA under management increased from 4.7 million sq.m. as at 30 June 2019 to 5.6 million sq.m. as at 30 June 2020, mainly because during the six months ended 30 June 2020, two residential properties and two non-residential properties were newly delivered.

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

	As at/six months ended 30 June							
	2020				2019			
	Revenue-bearing GFA '000 sq.m.	%	Revenue RMB'000	%	Revenue-bearing GFA '000 sq.m.	%	Revenue RMB'000	%
Residential properties	4,517	81.1%	61,321	65.7%	4,029	86.5%	54,825	60.2%
Non-residential properties	1,053	18.9%	32,081	34.3%	627	13.5%	36,305	39.8%
	<u>5,570</u>	<u>100.0%</u>	<u>93,402</u>	<u>100.0%</u>	<u>4,656</u>	<u>100.0%</u>	<u>91,130</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/six months ended 30 June							
	2020				2019			
	Revenue-bearing GFA '000 sq.m.	%	Revenue RMB'000	%	Revenue-bearing GFA '000 sq.m.	%	Revenue RMB'000	%
Hongkum Group	5,517	99.0%	90,223	96.6%	4,614	99.1%	89,716	98.4%
Third party property developers	53	1.0%	3,179	3.4%	42	0.9%	1,414	1.6%
	<u>5,570</u>	<u>100.0%</u>	<u>93,402</u>	<u>100.0%</u>	<u>4,656</u>	<u>100.0%</u>	<u>91,130</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/six months ended 30 June							
	2020				2019			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%
Lump sum basis	4,771	85.7%	88,176	94.4%	3,857	82.8%	85,749	94.1%
Commission basis	799	14.3%	5,226	5.6%	799	17.2%	5,381	5.9%
	<u>5,570</u>	<u>100.0%</u>	<u>93,402</u>	<u>100.0%</u>	<u>4,656</u>	<u>100.0%</u>	<u>91,130</u>	<u>100.0%</u>

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

	As at/six months ended 30 June							
	2020				2019			
	Revenue-bearing GFA		Revenue		Revenue-bearing GFA		Revenue	
	'000 sq.m.	%	RMB'000	%	'000 sq.m.	%	RMB'000	%
Beijing	2,230	40.1%	46,612	49.9%	1,872	40.2%	52,015	57.1%
Tianjin	447	8.0%	12,288	13.2%	407	8.7%	11,194	12.3%
Hebei province	1,718	30.8%	21,304	22.8%	1,544	33.2%	19,128	20.9%
Beijing-Tianjin-Hebei Region	4,395	78.9%	80,204	85.9%	3,823	82.1%	82,337	90.3%
Hainan province	454	8.1%	4,221	4.5%	454	9.8%	4,446	4.9%
Hubei province	337	6.0%	3,410	3.7%	337	7.2%	2,933	3.2%
Shaanxi province	42	0.8%	1,410	1.5%	42	0.9%	1,414	1.6%
Anhui province	150	2.7%	2,240	2.4%	—	—	—	—
Jiangsu province	100	1.8%	1,914	2.0%	—	—	—	—
Shanghai	92	1.7%	3	0.0%	—	—	—	—
	<u>5,570</u>	<u>100.0%</u>	<u>93,402</u>	<u>100.0%</u>	<u>4,656</u>	<u>100.0%</u>	<u>91,130</u>	<u>100.0%</u>

Property Developer Related Services

The revenue generated from property developer related services was approximately RMB32.2 million for the six months ended 30 June 2020, remained stable as compared with the six months ended 30 June 2019.

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

	As at/six months ended 30 June					
	2020			2019		
	Number of projects	Revenue		Number of projects	Revenue	
		RMB'000	%		RMB'000	%
Beijing	9	9,272	28.8%	4	12,253	37.9%
Tianjin	6	6,217	19.3%	6	7,208	22.4%
Hebei province	8	12,279	38.1%	7	7,238	22.4%
Beijing-Tianjin-Hebei Region	23	27,768	86.2%	17	26,699	82.7%
Hainan province	1	344	1.1%	2	475	1.5%
Hubei province	1	2,756	8.6%	1	1,799	5.6%
Jiangsu province	1	273	0.8%	1	1,651	5.1%
Anhui province	–	–	–	1	1,623	5.1%
Guangdong province	1	783	2.4%	–	–	–
Shanghai	1	299	0.9%	–	–	–
	28	32,223	100.0%	22	32,247	100.0%

Value-added Services

The revenue generated from value-added services increased by approximately RMB6.6 million or approximately 86.4% from approximately RMB7.6 million for the six months ended 30 June 2019 to approximately RMB14.2 million for the six months ended 30 June 2020. The increase was mainly due to an increase of approximately RMB3.3 million or approximately 75.0% in revenue generated from home living services.

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

	Six months ended 30 June			
	2020		2019	
	Revenue		Revenue	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Home living services (<i>Note 1</i>)	7,626	53.8%	4,357	57.2%
Leasing of common areas (<i>Note 2</i>)	2,986	21.0%	2,998	39.4%
Others	3,582	25.2%	259	3.4%
	<u>14,194</u>	<u>100.0%</u>	<u>7,614</u>	<u>100.0%</u>

Notes:

- (1) Our home living services primarily included our collection of electricity tariffs, air-conditioning and heating fees, household repair and maintenance services provided to property owners and residents of our managed residential or non-residential properties.
- (2) Our leasing of common areas primarily represented the leasing of certain common areas of our managed residential or non-residential properties to third-party services providers for setting up advertisement lightboxes, distilled water vending machines, screens in lifts and other facilities.

Cost of Services

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

Our cost of services increased by approximately 2.3% from approximately RMB83.3 million for the six months ended 30 June 2019 to approximately RMB85.3 million for the six months ended 30 June 2020. This increase was primarily attributable to the increase in subcontracting costs from approximately RMB29.9 million for the six months ended 30 June 2019 to approximately RMB46.1 million for the six months ended 30 June 2020 mainly due to (a) the increase in our outsourcing of our cleaning, gardening, equipment maintenance and site security services to our subcontractors for the six months ended 30 June 2020, (b) the increase in our total revenue-bearing GFA, and partially offset by (c) the effect of social insurance relief policy during the COVID-19 outbreak.

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

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2020, the gross profit of the Group was approximately RMB54.6 million, representing an increase of approximately RMB7.0 million or approximately 14.5% as compared to approximately RMB47.6 million for the six months ended 30 June 2019. Benefit from the cost control benefits, the gross profit margin increased from 36.4% for the six months ended 30 June 2019 to 39.0% for the six months ended 30 June 2020.

Selling and Distribution 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 expenses and entertainment expenses. The total selling and distribution expenses of the Group for the six months ended 30 June 2020 were approximately RMB1.4 million.

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

For the six months ended 30 June 2020, the administrative expenses of the Group were approximately RMB15.7 million, representing an increase of approximately RMB1.4 million or approximately 9.4% as compared to approximately RMB14.3 million for the six months ended 30 June 2019. 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 six months ended 30 June 2020, other income of the Group amounted to a net revenue of approximately RMB6.4 million, representing an increase of approximately RMB6.4 million in absolute amount as compared to that of approximately RMB0.0 million for the six months ended 30 June 2019, which was primarily attributable to the interest income of approximately RMB5.9 million.

Income Tax Expense

For the six months ended 30 June 2020, the income tax expense of the Group was approximately RMB9.1 million (the corresponding period in 2019: RMB8.7 million).

Profit for the Year

For the six months ended 30 June 2020, the net profit of the Group was approximately RMB30.1 million, representing an increase of approximately RMB17.2 million or approximately 132.2% as compared to that of approximately RMB12.9 million for the six months ended 30 June 2019, which was mainly due to the increase of the revenue by approximately RMB8.8 million and the increase of the other income by approximately RMB6.4 million as above mentioned, and the decrease of listing fee by approximately RMB5.8 million.

FINANCIAL POSITION

As at 30 June 2020, the total assets of the Group were approximately RMB424.3 million (as at 31 December 2019: approximately RMB247.4 million), and the total liabilities were approximately RMB181.6 million (as at 31 December 2019: approximately RMB171.4 million). As at 30 June 2020, the current ratio was 2.3 (as at 31 December 2019: 1.4).

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 was approximately RMB2.9 million as at 30 June 2020, remained flat as compared with that as at 30 June 2019, primarily attributable to the addition of our property, plant and equipment of approximately RMB0.4 million mainly in relation to our office furniture, fixtures and equipment, partially offset by the depreciation of approximately RMB0.4 million charged for the six months ended 30 June 2020.

Intangible Assets

Our intangible assets of approximately RMB3.9 million as at 30 June 2020 represented the mobile applications, Hongkunhui* (鴻坤薈) and H-Butler* (鴻管家) acquired from Hongkun Group in June 2019, which were initially measured at cost of acquisition of RMB5.0 million and subsequently measured at cost less accumulated amortization (with useful life of five years) and impairment losses.

Right-of-use assets

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

Our right-of-use assets decreased by approximately RMB0.3 million or about 20.9% from approximately RMB1.6 million as at 31 December 2019 to approximately RMB1.3 million as at 30 June 2020, which was primarily attributable to our depreciation of right-of-use assets of approximately RMB0.4 million charged for the six months ended 30 June 2020.

Goodwill

Our goodwill of approximately RMB1.5 million as at 31 December 2019 and 30 June 2020 was initially measured at cost, being the excess of sum of the consideration transferred over the net of amount of identifiable assets acquired and the liabilities assumed arising from acquisition of Tianjin Hongsheng.

Trade and Other Receivables

Our trade and other receivables increased by approximately RMB14.6 million or about 47.1% from approximately RMB30.9 million as at 31 December 2019 to approximately RMB45.5 million as at 30 June 2020, mainly attributable to the increase in our trade receivables to approximately RMB35.4 million as at 30 June 2020 (as at 31 December 2019: RMB13.9 million), mainly due to a) the nature of our business that the peak of property fee collection is at the end of the year, b) the collection of property management fee from non-residential properties affected by COVID-19, which resulted in the amount of trade receivables with the increase in the aging of 0-60 days and 61-180 days as at 30 June 2020 increased as compared with the corresponding period in 2019.

Amounts Due from Related Parties and Fellow Subsidiaries

Trade nature amounts due from fellow subsidiaries

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

Our trade nature amounts due from fellow subsidiaries increased by approximately RMB22.3 million or about 36.9% from approximately RMB60.3 million as at 31 December 2019 to approximately RMB82.6 million as at 30 June 2020, which was mainly due to the effect of COVID-19. During the six months ended 30 June 2020, the progress of reconciliation and settlement with fellow subsidiaries were affected by the COVID-19, the trade nature amount due from fellow subsidiaries with aging 181 to 356 days as at 30 June 2020 was increased as compared with that as at 30 June 2019.

Non-trade nature amounts due from fellow subsidiaries

Our non-trade nature amounts due from fellow subsidiaries of approximately RMB117.2 million and RMB19.5 million as at 31 December 2019 and 30 June 2020 respectively, were non-trade in nature, unsecured, interest-free and repayable on demand, which mainly because in order to provide value-added services to a residential property in Wuxi, the Group entered into a sole agent service agreement with its fellow subsidiary to facilitate the sale of car park spaces and RMB19.5 million has been paid to the fellow subsidiary as the deposit to secure the sole agent status. Pursuant to normal industry practice and the relevant agreement, the deposit is expected to be refunded within twelve months from the date of this announcement.

Our Directors confirmed that in addition to the above-mentioned security deposits arising from the acquisition of business, we will not have any non-trade nature related party balances with our related parties (including our fellow subsidiaries) after the Listing.

Trade and Other Payables

As at 30 June 2020, the trade and other payables were approximately RMB102.8 million, representing a decrease of approximately RMB1.2 million or approximately 1.2% as compared to that of approximately RMB104.0 million as at 31 December 2019, mainly due to the decrease of other payables (approximately RMB84.4 million and RMB75.8 million as at 31 December 2019 and 30 June 2020 respectively) and offset by the increase in trade payables (as at 30 June 2020: approximately RMB27.0 million, as at 31 December 2019: approximately RMB20.6 million).

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 were approximately RMB61.9 million as at 30 June 2020 (as at 31 December 2019: RMB60.2 million).

Contingent Liabilities

As at 30 June 2020, we did not have any material contingent liabilities.

Liabilities to Assets Ratio

Liabilities to assets ratio is calculated based on the total liabilities divided by the total assets. Liabilities to assets ratio remained stable at 0.43 as at 30 June 2020 and 0.69 as at 31 December 2019.

Asset Pledge

As at 30 June 2020, 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 100,000,000 new Shares were issued. On 3 April 2020, the over allotment option was partially exercised and 5,310,000 new Shares were issued. After deducting the underwriting fees and relevant expenses, net proceeds from the Listing amounted to approximately HK\$129.4 million (approximately RMB116.2 million). The net proceeds from the Listing are more than that stated in the Prospectus, due to the fact that the final offer price was higher than the mid-point of the offer price range that stated in the Prospectus and the underwriting fees were lower than expected. Such proceeds will be applied in the manner consistent with that disclosed in the Prospectus which is detailed as follows:

Intended usage	Amount of net proceeds <i>HKD' million</i>	Approximate percentage	Disclosed in the Prospectus	
			Proceeds planned to be utilised in 2020 <i>HKD' million</i>	Proceeds planned to be utilised in 2021 <i>HKD' million</i>
1 Geographic expansion of our property management services in the PRC	64.4	65.0%	61.3	3.1
2 Development and enhancement of our information system and technological initiatives, in order to maximise our cost and operational efficiency and service quality	12.9	13.0%	12.9	–
3 Expansion of our value-added services	9.9	10.0%	4.7	5.2
4 Staff development	2.0	2.0%	2.0	–
5 General working capital	9.8	10.0%	–	–
Total	99.0	100.0%	80.9	8.3

Due to reasons as mentioned above, net proceeds from the Listing amounted to HK\$129.4 million and therefore our expected usage is revised as follows:

		As at 30 June 2020				
Intended usage		Actual	Approximate	Proceeds	Proceeds	Proceeds
		amount of				
		net proceeds	percentage	utilised	to be	planned
		HKD' million		HKD' million	utilised	planned
					in 2020	to be
					HKD' million	utilised
						in 2021
						HKD' million
1	Geographic expansion of our property management services in the PRC	84.1	65.0%	–	84.0	80.0
2	Development and enhancement of our information system and technological initiatives, in order to maximise our cost and operational efficiency and service quality	16.9	13.0%	–	16.9	16.9
3	Expansion of our value-added services	12.9	10.0%	–	12.9	6.1
4	Staff development	2.6	2.0%	–	2.6	2.6
5	General working capital	12.9	10.0%	–	12.9	11.7
	Total	129.4	100.0%	–	129.4	117.3

As at 30 June 2020, 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 were deposited in the bank accounts.

Significant Acquisitions and Disposals

During the six months ended 30 June 2020, the Group did not have any significant acquisitions and disposals.

Significant Investments

As at 30 June 2020, the Group did not have any major investments.

DIVIDEND

No dividend was declared by the Board for the six months ended 30 June 2020.

EVENTS AFTER THE REPORTING PERIOD

There were no important events affecting the Group after 30 June 2020.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

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 unaudited financial statements of the Group for the six months ended 30 June 2020.

CORPORATE GOVERNANCE CODE

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

The Board believes that high standard of corporate governance is essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules as the basis of the Company's corporate governance practices. The Company has also in place a corporate governance framework and has established a set of policies and procedures based on the Corporate Governance Code. Such policies and procedures provide the infrastructure for enhancing the Board's abilities to implement governance and exercise proper oversight on business conduct and affairs of the Company.

During the period from the Listing Date and up to 30 June 2020, the Company has complied with all the applicable code provisions under the Corporate Governance Code with the exception for the deviation from code provision A.2.1 of the Corporate Governance Code. Code provision A.2.1 of the Corporate Governance Code stipulates that the roles of chairman of the board of directors and chief executive officer should be separate and should not be performed by the same individual.

Being the general manager of Beijing Hongkun and involved in the day-to-day management of our business, Ms. Wu Guoqing may be viewed as our de-facto chief executive officer of the Group though she does not carry such title. She is also the chairman of the Board. Ms. Wu has been responsible for the overall management, strategic planning and day-to-day business operations of our Group. The Board believes that at the current stage of development of the Group, vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies. As such, the Directors consider that the deviation from code provision A.2.1 of the Corporate Governance Code is appropriate and reasonable. However, it is the long term objective of the Company to have these two roles performed by separate individuals when suitable candidates are identified.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transaction by the Directors (the “**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 during the period from the Listing Date and up to 30 June 2020.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hongkunwuye.com). The interim report of the Company for the six months ended 30 June 2020 containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

DEFINITIONS

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

“Audit Committee”	the board Committee established by the Board to supervise the Company’s accounting and financial reporting procedures and the Company’s financial statements review
“Beijing Hongkun”	Beijing Hongkun Ruibang Property Management Co., Ltd., a limited company established under the laws of the PRC on 18 June 2003
“Board” or “Board of Directors”	the board of Directors of our Company
“Company” or “our Company”	Ye Xing Group Holdings Limited (燁星集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 26 March 2019
“Directors”	the directors of our Company
“GFA”	gross floor area
“Group”, “our Group”, “we” “us”	our Company and our subsidiaries, and Chinese entities controlled by the Company through contractual arrangements

“Hongkun Group”	Hongkun Jituan and its subsidiaries, associated companies and joint ventures
“Independent third party”	a third party not connected with any of our Directors or controlling shareholders or any of our subsidiaries or any of their respective associates (as defined in the Listing Rules)
“IPO”	initial public offerings
“Listing”	the listing of the Company’s shares on the Main Board of the Stock Exchange on 13 March 2020
“Listing Date”	13 March 2020, being the date on which the shares of the Company were 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 and its subsidiaries, associated companies and joint ventures
“China”	The People’s Republic of China, for the purposes of this announcement, does not include the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus dated 28 February 2020 issued by the Company, which relates to the listing of its shares on the Main Board of the Stock Exchange
“RMB”	China’s lawful currency
“Shares”	ordinary shares with a par value of HK\$0.1 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tianjin Hongsheng”

Tianjin Hongsheng Property Services Co., Ltd., a limited liability company established under the laws of the PRC on 27 December 2013 and a wholly-owned subsidiary of the company

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

Hong Kong, 27 August 2020

* *For identification purpose only*

As at the date of this announcement, the Board comprises Ms. Wu Guoqing, 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.