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Dexin Services Group Limited
德 信 服 务 集 团 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2024 (the "**Reporting Period**") amounted to approximately RMB473.2 million, representing an increase of 3.3% as compared with approximately RMB458.0 million in the corresponding period of 2023 (the "**2023 Interim Period**").
- Gross profit for the Reporting Period amounted to approximately RMB101.5 million, representing a decrease of 21.4% as compared with approximately RMB129.2 million in the 2023 Interim Period.
- Gross profit margin for the Reporting Period was 21.5%, representing a decrease of 6.7% as compared with 28.2% in the 2023 Interim Period.
- Profit for the Reporting Period amounted to approximately RMB42.5 million, representing a decrease of 32.8% as compared with approximately RMB63.3 million in the 2023 Interim Period.
- Basic earnings per share for the six months ended 30 June 2024 amounted to RMB0.045 per share, representing a decrease of 30.8% as compared with the 2023 Interim Period.
- As of 30 June 2024, the Group had 39.6 million sq.m. of GFA under management, representing an increase of 9.2% from 30 June 2023. The Group's contracted GFA was 44.9 million sq.m., representing a year-on-year increase of 1.5%.
- The Board does not recommend any interim dividend for the Reporting Period (2023 Interim Period: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Dexin Services Group Limited (the "**Company**" or "**Dexin Services**") is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (the "**Group**") for the Reporting Period, together with the comparative figures for the corresponding period in 2023. These interim results have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		For the six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**473,228**	458,022
Cost of sales		**(371,697)**	(328,847)
Gross profit		**101,531**	129,175
Other income	*5*	**1,354**	9,053
Other gains — net	*6*	**667**	197
Selling and marketing expenses		**(5,908)**	(8,141)
Administrative expenses		**(39,748)**	(50,125)
Impairment loss on trade and other receivables		**(10,964)**	(10,156)
Share of result of associates		**(145)**	(791)
Share of result of a joint venture		**(4)**	—
Operating profit		**46,783**	69,212
Interest income		**9,629**	12,142
Finance costs		**(573)**	(1,198)
Finance income — net	*7*	**9,056**	10,944
Profit before taxation		**55,839**	80,156
Income tax expenses	*8*	**(13,355)**	(16,901)
Profit and total comprehensive income for the period	*9*	**42,484**	63,255

		For the six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**42,169**	63,015
Non-controlling interests		**315**	240
		42,484	63,255
Earnings per share			
— *Basic and diluted (RMB)*	*11*	**0.045**	0.065

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	**30 June 2024 *RMB'000* (Unaudited)**	31 December 2023 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment and right-of-use assets		**9,692**	11,265
Intangible assets		**3,456**	3,333
Deferred income tax assets		**16,942**	14,200
Investment in associates		**356**	501
Investment in a joint venture		**496**	—
		30,942	29,299
Current assets			
Inventories		**17,748**	15,363
Trade and other receivables and prepayments	*12*	**1,261,169**	1,150,259
Cash and cash equivalents		**202,098**	229,728
		1,481,015	1,395,350
Current liabilities			
Trade and other payables	*13*	**491,218**	430,744
Contract liabilities		**164,799**	150,995
Borrowings		**17,000**	17,000
Lease liabilities		**2,085**	1,091
Current income tax liabilities		**61,408**	55,769
		736,510	655,599
Net current assets		**744,505**	739,751
TOTAL ASSETS LESS CURRENT LIABILITIES		**775,447**	769,050
Non-current liabilities			
Borrowings		**10,000**	10,000
Lease liabilities		**23**	17
		10,023	10,017
NET ASSETS		**765,424**	759,033

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Capital and reserves			
Share capital	*14*	**7,564**	7,738
Reserves		**742,095**	735,028
Equity attributable to owners of the Company		**749,659**	742,766
Non-controlling interests		**15,765**	16,267
TOTAL EQUITY		**765,424**	759,033

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 October 2020 as an exempted company with limited liability under the Companies Act. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 July 2021.

The Group is primarily engaged in the provision of property management services, value-added services to non-property owners and community value-added services in the People' s Republic of China (the "**PRC**"). The Company' s ultimate holding company is Shengfu International Limited. The ultimate controlling shareholder of the Group is Mr. Hu Yiping (胡一平) ("**Mr. Hu**" or the "**Ultimate Controlling Shareholder**").

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. RMB is the functional currency of the Company and the Company's subsidiaries.

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "**Interim Financial Reporting**" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

These condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the condensed consolidated financial statements of the Group.

3. REVENUE

Revenue represents income from property management services, value-added services to non-property owners and community value-added services.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
Property management services	**413,438**	341,844
Value-added services to non-property owners	**19,835**	59,801
Community value-added services	**39,955**	56,377
	473,228	458,022

Disaggregation of revenue from contracts with customers:

The major operating entities of the Group are domiciled in the PRC. Accordingly, all the Group's revenues were derived in the PRC for the six months ended 30 June 2024 and 2023.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Timing of revenue recognition		
Over time	**452,535**	433,083
At a point in time	**20,693**	24,939
	473,228	458,022

4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker (the "**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors.

For the six months ended 30 June 2024 and 2023, the Group is principally engaged in the provision of property management services, community value-added services, and value-added services to non-property owners. Management reviews the operating results of the business as one operating segment to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there is only one segment which is used to make strategic decisions.

The principal operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue were derived in the PRC for the six months ended 30 June 2024 and 2023.

As at 30 June 2024 and 31 December 2023, all of the non-current assets of the Group were located in the PRC.

5. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants *(note)*	**1,141**	8,848
Value-added tax deductibles	**213**	205
	1,354	9,053

Note: Government grants mainly consisted of financial support funds granted by the local governments.

6. OTHER GAINS — NET

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Exchange loss	**(894)**	(302)
Loss on disposal of an associate	**—**	(11)
Others	**1,561**	510
	667	197

7. FINANCE INCOME — NET

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
Interests income from bank deposits	**251**	150
Interests income from borrowings	**9,378**	11,992
	9,629	12,142
Finance costs		
Interest expenses for borrowings	**(473)**	(1,132)
Interest expenses on lease liabilities	**(100)**	(66)
	(573)	(1,198)
	9,056	10,944

8. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax — PRC Enterprise Income Tax ("**EIT**"):		
— Provision for the period	**16,096**	16,891
Deferred tax	**(2,741)**	10
	13,355	16,901

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax. The Company's direct subsidiary in the BVI was incorporated under the International Business Companies Act of the BVI and, accordingly, is exempted from British Virgin Islands income tax.

Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group did not have assessable profit in Hong Kong.

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate in PRC is 25%, with the exception of any preferential treatments received, such as the 15% preferential tax rate that Hangzhou Xier Technology Co., Ltd. ("**Xier Technology**", a PRC subsidiary of the Group) can enjoy as a result of its qualification as a High and New Technology Enterprise ("**HNTEs**") in 2023 and 2024.

Pursuant to the Detailed Implementation Regulations for Implementation of the Corporate Income Tax Law issued on 6 December 2007, dividends distributed from the profits generated by the PRC companies after 1 January 2008 to their foreign investors shall be subject to this withholding income tax of 10%, a lower 5% withholding income tax rate may be applied when the immediate holding companies of the subsidiaries in Mainland China are incorporated in Hong Kong and fulfil the requirements to the tax treaty arrangements between Mainland China and Hong Kong. The Group has not accrued any withholding income tax for these undistributed earnings of its subsidiaries in Mainland China as the Group does not have a plan to distribute these earnings from its subsidiaries in Mainland China.

9. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

The Group's profit for the period is stated after charging the following:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Directors' remuneration	**1,797**	1,494
Depreciation of property, plant and equipment and right-of-use assets	**5,394**	4,654
Amortisation of intangible assets	**291**	274
Loss on disposal/written off of property, plant and equipment	**60**	—

10. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

11. EARNINGS PER SHARE

The calculation of the basic earnings per share for the Reporting Period is based on the profit for the period attributable to the owners of the Company of approximately RMB42,169,000 (2023: RMB63,015,000) and on the weighted average number of shares in issue during the Reporting Period of approximately 930,360,000 (2023: 963,744,000).

No diluted loss per share is presented as the Company had no potential ordinary shares outstanding for the six months ended 30 June 2024 and 2023.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Current:		
Trade receivables *(note (a))*		
— Related parties	**93,619**	95,968
— Third parties	**414,592**	321,142
	508,211	417,110
Less: allowance for impairment of trade receivables	**(46,500)**	(38,139)
	461,711	378,971
Other receivables		
— Deposits	**269,468**	271,482
— Payments on behalf of property owners	**115,471**	93,612
— Others	**57,507**	42,255
Less: allowance for impairment of other receivables	**(16,010)**	(13,407)
	426,436	393,942
Prepayments		
— Prepayments for inventories	**17,748**	19,276
— Other prepayments	**30,805**	17,611
	48,553	36,887
Loan receivables *(note (b))*	**324,469**	340,459
	324,469	340,459
	1,261,169	1,150,259

Notes:

(a) Trade receivables mainly arise from property management services income to property owners and value-added services to non-property owners. Property management services income are received in accordance with the terms of the relevant services agreements. Service income from property management service is due for payment by the residents upon the issuance of demand note.

As at 30 June 2024 and 31 December 2023, the ageing analysis of the trade receivables based on recognition date of trade receivables were as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
0 to 180 days	**219,371**	199,338
181 to 365 days	**127,463**	44,145
1 to 2 years	**69,261**	99,277
2 to 3 years	**65,416**	60,268
3 to 4 years	**13,626**	10,389
Over 4 years	**13,074**	3,693
	508,211	417,110

(b) As at 30 June 2024 and 31 December 2023, loan to a third party with an aggregate principal amount of approximately RMB315,000,000 are secured by certain car parks space with value not less than RMB600,000,000, bear interest at 5% (before 1 July 2023: 8%) per annum and are repayable in December 2024.

13. TRADE AND OTHER PAYABLES

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade payables	*(a)*		
— Related parties		**91**	4,891
— Third parties		**195,492**	173,660
		195,583	178,551
Other payables			
— Deposits		**45,557**	43,088
— Amounts temporarily received from/on behalf of property owners	*(c)*	**189,400**	153,482
— Amounts due to related parties	*(b)*	**4,240**	3,972
— Amounts due to non-controlling interests	*(b)*	**1,619**	1,555
— Accrued payroll		**13,429**	18,335
— Other taxes payables		**24,471**	21,390
— Other accrued expenses		**16,919**	10,371
		295,635	252,193
		491,218	430,744

Notes:

(a) The aging analysis of trade payables was as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within 1 year	**185,950**	171,246
After 1 year but within 2 years	**3,435**	5,059
After 2 years but within 3 years	**4,563**	1,277
Over 3 years	**1,635**	969
	195,583	178,551

(b) Amounts due to related parties and non-controlling interests were unsecured, interest free and repayable on demand.

(c) The amounts mainly represented utility expenses collected from the property owners to be paid to related service providers and rental fee collected from leasees to be returned to the property owners.

14. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares	Amount equivalent to *RMB'000*
Authorised:			
Shares of the Company with nominal value of HK$0.01 each			
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	5,000,000,000	50,000,000	43,947
Issued and fully paid:			
At 1 January 2023	978,861,000	9,788,610	8,115
Cancellation of shares	(8,100,000)	(81,000)	(73)
Repurchases and cancellation of shares *(Note a)*	(33,453,000)	(334,530)	(304)
At 31 December 2023 and 1 January 2024	937,308,000	9,373,080	7,738
Repurchases and cancellation of shares *(Note b)*	(19,427,000)	(194,270)	(174)
At 30 June 2024	917,881,000	9,178,810	7,564

Notes:

(a) During the year ended 31 December 2023, the Group repurchased and cancelled a total of 33,453,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB83,545,000. The issued share capital of the Company was reduced by the par value of approximately RMB304,000, and the premium paid on the repurchase of these cancelled shares of RMB83,241,000, including transaction costs was deducted from share premium of the Company.

(b) During the period ended 30 June 2024, the Group repurchased and cancelled a total of 19,427,000 ordinary shares listed on Stock Exchange. The total amount paid to repurchase these ordinary shares was approximately RMB35,276,000. The issued share capital of the Company was reduced by the par value of approximately RMB174,000, and the premium paid on the repurchase of these cancelled shares of RMB35,102,000, including transaction costs was deducted from share premium of the Company.

15. EVENTS AFTER THE REPORTING PERIOD

There are no significant events of the Group subsequent to 30 June 2024 and up to the date of this announcement.

CHAIRMAN'S STATEMENT

On behalf of the Board, I hereby present the unaudited interim results of the Group for the six months ended 30 June 2024.

In the first half of 2024, domestic economic development entered a new normal state, and the real estate industry continued to experience cyclic fluctuation, driving the property industry to accelerate its income structure conversion and independent transformation. Under the new situation, high-quality development replaced single-scale expansion, and competition among enterprises had shifted to product and service capability competition. In facing the challenges of reshaping industry value, under the guidance of the strategic objective of stable operation, the Group continued to enhance its core competitiveness by focusing on customer needs, adhering to independent development, lean operation, building a quality foundation and promoting innovation to increase efficiency to achieve determination in strategies, perseverance in management and resilience in execution. Thanks to our stable performance, in the first half of 2024, the Group was selected as one of the "Top 100 Property Management Services Enterprises in the PRC in 2024" as awarded by China Index Academy for the 11th consecutive year, with its ranking refreshed to the 20th place.

Marching forward independently to cement a splendid new chapter with soaring aspirations

The Group has always adhered to independent development and maintained the growth momentum of its core business. In the first half of 2024, the Group secured its project completion and continued to facilitate its market strategy of "penetrating into the Yangtze River Delta region and having a business presence in key cities nationwide". During the Reporting Period, the Group entered the Tianjin market for the first time and further fortified and increased its market share in key regions to realize in-depth business development. The Group achieved outstanding performance in developing the third-party market by focusing on non-residential areas and further diversifying its management operations. We explored business cooperation with some local state-owned enterprises and leading enterprises through complementary resources. For example, our high-end commercial service brand "Shipu Lianhang" (世普聯行) cooperated with Qujiang Communications Investment (衢江交投) to take over projects such as the Quzhou CBD Science and Education Industrial Park, Bonded Warehouse, and East Bus Station, to help enhance the city's service capacity and jointly unveil a new city image.

Striving for excellence to achieve greatness with a focus on details

The Group maintained a steady and sound operating momentum, deepened its compliance management and internal control system, and promoted the improvement of its operating quality. Following the principle of "cash outweighing profit and profit outweighing scale", the Group proactively adjusted low-quality projects, continued to refine operational granularity management, optimized the operating cost structure of projects, and strengthened the dynamic monitoring of cash flow and budgetary control over the entire life cycle of projects. In the first half of 2024, the Group accelerated its organizational restructuring and facilitated the enhancement of project per capita efficiency and management decision-making efficiency through reform measures such as flat management, business-finance integration, and project grouping to ensure stable gross profit margins of businesses. The Group continued to strengthen the implementation of its corporate internal control management measures, optimize the information disclosure process to enhance transparency, and accolated the AAA grading, the highest credit rating among property service companies in Zhejiang Province, for the fifth consecutive year.

Solid premier quality earning magnificent words of mouth

The Group has gained insight into the demand from the perspective of customers, and continued to optimize service experience through the annual quality campaign of "Companion with Passion (知己送春風), with core indicators such as the timely response to work orders and processing satisfaction further improved, and ranked TOP5 in Jinhua and Hefei among the "Outstanding Urban Property Management Services Enterprises in the PRC in terms of Satisfaction" as awarded by China Index Academy. The Group continued to propel innovation in community governance models. We successfully increased the property management fees of Shanghai Hengli Jincang by 27% during the Reporting Period, a second-hand residential project we took over for over 2 years, and the property owner satisfaction rate has been at the top of the Group for two consecutive years. The "Tianhui Governance Consortium Peak Staggered Shared Parking" (天匯治理聯合體錯峰共享停車) model created in Zhenru, Putuo District, Shanghai, has become a typical case of property participating in solving urban governance problems and was featured in the official microblogging such as the Information Office of Shanghai Putuo District. The distinctive "Round Table Council" (圓桌議事會) community discussion mechanism of Lizhou Yipin, a municipal-level red property project in Jinhua, was featured as a governance model by the Organization Department of the Zhejiang Provincial Party Committee.

Opening up a new chapter with continuous innovation and diversified services

The Group continued to innovate in the industrial chain to promote the broader and more integrated modern service transformation. We have upgraded the high-end commercial service brand "Shipu Lianhang" (世普聯行) and vigorously created professional service features in the integrated facility management sector. On the one hand, we made a forward-looking layout in the new energy segment, including the implementation of photovoltaic energy storage and smart charging solutions. On the other hand, we actively launched new service products such as positioning consultation, marketing planning, brand investment, industry introduction, leasing and sales operation and others and pioneered the market-oriented operation implementation in the Yiwu Shihang Plaza Project. For residential projects, we closely followed the guidance of national policies to meet the living needs of owners through deploying automatic retail cabinets, fresh food delivery, neighborhood group purchases and other emerging diversified services to create a richer life scene.

FUTURE PROSPECTS

Forging ahead bravely for a bright future with no other thought. In the second half of 2024, in pursuing the objective of "being customer-oriented", the Group will make further efforts under the strategic consensus of "seeking progress while maintaining stability and achieving quality development". We will continue to pursue independent development, insist on effective cost control through management improvement, promote in-depth organizational reform in various projects, and strengthen cash flow management to secure the stability of daily operations. We shall continue to explore service boundaries, promote the transformation practice of emerging businesses, and accelerate our development to become a comprehensive modern service industry group.

Only those who follow historical trends can achieve stable and long-term progress.

MANAGEMENT DISCUSSION AND ANALYSIS

Dexin Services is a leading comprehensive property management service provider in Zhejiang Province. In the first half of 2024, the Group maintained a stable operation with steady improvement in efficiency and quality. In terms of comprehensive strengths, the Company was recognised as Top 20 among the Top 100 Property Management Service Companies in the PRC in 2024 by China Index Academy ("**CIA**"). Following the service concept of "Companion Service with Love (知己服務有愛相伴)", we provide standardised and high-quality services for property owners and customers through diversified property and service portfolios. Our principal businesses include property management services, value-added services to non-property owners and community value-added services, covering the entire property management value chain.

FINANCIAL REVIEW

Revenue

For the Reporting Period, revenue of the Group amounted to RMB473.2 million (six months ended 30 June 2023: RMB458.0 million), representing an increase of 3.3% as compared with that of six months ended 30 June 2023. Such increase in revenue was primarily attributable to the increase in revenue from the Group's property management services.

The following table sets forth a breakdown of our revenue by business line during the periods indicated, both in absolute amount and as a percentage of total revenue:

	For the six months ended 30 June			
	2024		2023	
	RMB'000	***Percentage***	*RMB'000*	*Percentage*
Property management services	**413,438**	**87.4%**	**341,844**	**74.6%**
Value-added services to non-property owners	**19,835**	**4.2%**	**59,801**	**13.1%**
Community value-added services	**39,955**	**8.4%**	**56,377**	**12.3%**
Total	**473,228**	**100.0%**	**458,022**	**100.0%**

Property Management Services

As an enterprise "having an operating business foothold in Zhejiang Province by deeply rooting into the Yangtze River Delta region and business presence nationwide", we scaled up our business and increased market shares through endogenous expansion and strategic joint venture opportunities in the Reporting Period. For the Reporting Period, revenue from our property management services amounted to approximately RMB413.4 million, representing an increase of 20.9% as compared with approximately RMB341.8 million in the 2023 Interim Period. As at 30 June 2024, we had a total GFA under management of approximately 39.6 million sq.m., representing an increase of approximately 3.3 million sq.m. or growth rate of 9.2% as compared with approximately 36.2 million sq.m. in the 2023 Interim Period. The increase was primarily attributable to the increase in projects delivered by Dexin China Holdings Company Limited (the "**Dexin China**"), as well as the increase in business with independent third parties.

The following table sets forth our property management contracted GFA and GFA under management as of the periods indicated:

	For the six months ended 30 June 2024				For the six months ended 30 June 2023			
	Contracted projects		**Projects under management**		Contracted projects		Projects under management	
	Number of projects	***GFA (sq.m.'000)***	***Number of projects***	***GFA (sq.m.'000)***	*Number of projects*	*GFA (sq.m.'000)*	*Number of projects*	*GFA (sq.m.'000)*
As of the beginning of the period	**333**	**44,702**	**297**	**39,243**	317	48,699	255	34,543
Newly contracted	**19**	**2,540**	**11**	**709**	27	3,073	18	2,497
Reserve conversion	**0**	**0**	**11**	**2,002**	0	0	12	1,950
Termination	**(23)**	**(2,391)**	**(22)**	**(2,391)**	(18)	(7,581)	(17)	(2,760)
As of the end of the period	**329**	**44,851**	**297**	**39,563**	326	44,191	268	36,230

A majority of our revenue from property management services is generated from services provided to properties developed by independent third-party property developers. As of 30 June 2024, we had 160 properties under our management that were developed by independent third-party property developers with a total GFA under management of approximately 21.1 million sq.m.

The following table sets forth a breakdown of our total GFA under management by property type as of the dates indicated:

	As of 30 June					
	2024			2023		
	GFA ***sq.m.'000***	**Revenue** ***RMB'000***	**Percentage**	GFA *sq.m.'000*	Revenue *RMB'000*	Percentage
Properties developed by Dexin China	**13,793**	**149,198**	**36.1%**	10,050	91,290	26.7%
Jointly developed properties	**4,693**	**61,398**	**14.9%**	3,550	65,910	19.3%
Properties developed by independent third-parties	**21,077**	**202,842**	**49.0%**	22,630	184,644	54.0%
Total	**39,563**	**413,438**	**100.0%**	36,230	341,844	100.0%

Our Geographical Presence

Zhejiang Province and the Yangtze River Delta Region are among the most economically developed regions in the PRC, with higher urbanisation rates and resident disposable income. Most of our service projects are concentrated in cities with higher competitive pricing levels. We continue to expand into first-tier and second-tier cities nationwide, and continue to increase the GFA under management and income from core cities outside Zhejiang Province and the Yangtze River Delta Region, further intensifying our competitive strength in the property industry. For the six months ended 30 June 2024, we had our geographic presence in 48 cities in China.

The following table sets forth our total GFA under management by region as of the dates indicated:

	As of 30 June					
	2024			2023		
	GFA *sq.m.'000*	**Revenue** *RMB'000*	**Percentage**	GFA *sq.m.'000*	Revenue *RMB'000*	Percentage
Zhejiang Province	**26,064**	**304,742**	**73.7%**	23,433	251,053	73.4%
Yangtze River Delta Region (excluding Zhejiang Province)	**8,439**	**67,885**	**16.4%**	9,927	61,863	18.1%
Other regions	**5,060**	**40,811**	**9.9%**	2,870	28,928	8.5%
Total	**39,563**	**413,438**	**100.0%**	36,230	341,844	100.0%

Portfolio of Properties under Management

While the majority of properties under our management are primarily attributable to residential properties, we continuously sought to provide property management services to non-residential properties in the Reporting Period. The non-residential properties under our management are diverse, including commercial complexes, office buildings, schools, hospitals, industrial parks and municipal facilities. We believe that by accumulating our experience and recognition for our quality property management services to both residential and non-residential properties, we will be able to continue to diversify our portfolio of properties and further enlarge our customer base.

The following table sets forth our total GFA under management as of the dates indicated:

	As of 30 June					
	2024			2023		
	GFA	**Revenue**	**Percentage**	GFA	Revenue	Percentage
	sq.m.'000	***RMB'000***		*sq.m.'000*	*RMB'000*	
Residential properties	**30,405**	**283,945**	**68.7%**	26,804	238,495	69.8%
Non-residential properties	**9,158**	**129,493**	**31.3%**	9,426	103,349	30.2%
Total	**39,563**	**413,438**	**100.0%**	36,230	341,844	100.0%

Value-added Services to Non-property Owners

We offer a series of value-added services to non-property owners, which primarily include property developers. These services include: (i) sales office management services; (ii) preliminary planning and design consultancy services; (iii) property inspection and repair services and (iv) commercial consulting services. For the Reporting Period, revenue from value-added services to non-property owners was approximately RMB19.8 million, representing a decrease of 66.8% as compared with the 2023 Interim Period, which was due to a significant decrease in the demand for services from co-developers due to the ongoing downside of the real estate industry.

	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	Revenue	**Percentage**	Revenue	Percentage
	RMB'000	***%***	*RMB'000*	*%*
Sales office management services	**13,147**	**66.3%**	37,746	63.1%
Preliminary planning and design consultancy services	**4,735**	**23.9%**	17,200	28.8%
Property inspection and repair services	**1,623**	**8.1%**	4,855	8.1%
Commercial consulting services	**330**	**1.7%**	—	—
Total	**19,835**	**100.0%**	59,801	100.0%

Community Value-added Services

In terms of community value-added services, we offer a wide variety of community value-added services to make the living more convenient and to foster community attachment and sense of belonging. Customers of our community value-added services primarily include property owners, residents and property developers. Such services primarily include (i) smart community solutions; (ii) property sales and assistance services; (iii) community resources value-added services; (iv) clubhouse services; (v) home decoration services; and (vi) community retail and home services. For the Reporting Period, revenue from community value-added services was approximately RMB40.0 million, representing a decrease of 29.1% as compared with approximately RMB56.4 million in the 2023 Interim Period.

	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	Revenue	**Percentage**	Revenue	Percentage
	RMB'000	*%*	*RMB'000*	*%*
Smart community solutions	**9,380**	**23.5%**	4,604	8.2%
Property sales and assistance services	**507**	**1.3%**	9,448	16.8%
Community resources value-added services	**13,892**	**34.8%**	17,132	30.3%
Clubhouse services	**815**	**2.0%**	1,286	2.3%
Home decoration services	**1,482**	**3.7%**	9,888	17.5%
Community retail and home services	**13,879**	**34.7%**	14,019	24.9%
	39,955	**100.0%**	56,377	100.0%

Smart community solutions are those provided to residential and non-residential property developers by us through customised software meeting their specific requirements for property management. For the six months ended 30 June 2024, revenue from smart community solutions amounted to RMB9.4 million, increasing by RMB4.8 million compared to RMB4.6 million for the six months ended 30 June 2023.

Property sales and assistance services include primarily the provision of property sales and assistance services to property developers and owners, assisting property developers to market real estate properties to owners and residents living in properties under our management. Revenue from property services decreased as the size of market transactions contracted owing to the conditions of the real estate industry during the period, while our car park sales service was also affected. For the six months ended 30 June 2024, revenue from property sales and assistance services amounted to RMB0.5 million, decreasing by RMB8.9 million compared to RMB9.4 million for the six months ended 30 June 2023.

Community resources value-added services include primarily our provision of certain value-added services to owners, assisting owners to lease public areas and public facilities to third parties. For the six months ended 30 June 2024, revenue from community resources value-added services amounted to RMB13.9 million, decreasing by RMB3.2 million compared to RMB17.1 million for the six months ended 30 June 2023.

Home decoration services refer to customised services provided by us from interior design to the procurement and installation of furniture and appliances. We initially provide decoration-related services and also assist third-party decoration service providers to promote their services to the business. For the six months ended 30 June 2024, revenue from home decoration services amounted RMB1.5 million, representing a decrease of RMB8.4 million from RMB9.9 million for the six months ended 30 June 2023.

Cost of Sales

The cost of sales of the Group primarily comprised (i) staff cost; (ii) security, cleaning and greening costs; and (iii) utilities and maintenance costs. For the six months ended 30 June 2024, the cost of sales of the Group was RMB371.7 million, representing an increase of RMB42.9 million as compared with the 2023 Interim Period. This was attributable to the Group's efforts to further increase its market share, service quality, and business growth.

Gross Profit and Gross Profit Margin

Based on the abovementioned factors, the gross profit of the Group was RMB101.5 million for the Reporting Period, representing a decrease of RMB27.6 million as compared with RMB129.2 million for the 2023 Interim Period. The gross profit margin decreased from 28.2% for the 2023 Interim Period to 21.5% in the Reporting Period.

The following table sets forth our gross profit margin by business segment for the periods:

	For the six months ended 30 June		
	2024	2023	**Change**
Property management services	**19.4%**	25.1%	−5.7%
Value-added services to non-property owners	**19.2%**	35.1%	−15.9%
Community value-added services	**44.0%**	39.5%	4.5%
Total	**21.5%**	28.2%	−6.7%

The Group's gross profit margin for the six months ended 30 June 2024 decreased by 6.7%, affected primarily by a decline in the domestic real estate industry environment, the average property management fee rate for property management service, geographical concentration of GFA under management and cost control ability.

The gross profit margin of value-added services to non-property owners decreased from 35.1% for the 2023 Interim Period to 19.2% for the Reporting Period, reflecting a decrease in the overall gross profit margin of this segment owing to higher service cost incurred by us and the operation of value-added services to non-property owners fell short of expectations during the Reporting Period.

The gross profit margin of community value-added services increased from 39.5% for the 2023 Interim Period to 44.0% for the Reporting Period. The gross profit margin of that segment increased slightly as compared with that of 2023 Interim Period.

Other income

Other income decreased from RMB9.1 million for the 2023 Interim Period to RMB1.4 million for the Reporting Period. Such decrease was primarily due to the decrease in revenue from the government grants received during the Reporting Period.

Other gains — net

During the Reporting Period, the Group recorded other net gains of RMB0.7 million (2023 Interim Period: RMB0.2 million). Such increase was mainly due to the effect of foreign exchange difference during the Reporting Period.

Selling and marketing expenses

The selling and marketing expenses of the Group decreased from RMB8.1 million for the 2023 Interim Period to RMB5.9 million for the Reporting Period, representing a decrease of 27.4%.

Administrative expenses

The administrative expenses of the Group decreased by RMB10.4 million from RMB50.1 million for the 2023 Interim Period to RMB39.7 million for the Reporting Period, which was primarily attributable to the realignment of our organisation framework and optimisation of staff allocation to achieve cost reduction.

Impairment losses on trade and other receivables

The impairment losses on trade and other receivables changed from RMB10.2 million for the 2023 Interim Period to RMB11.0 million for the Reporting Period. The increase in impairment reflected primarily a higher amount of impairment provision for the receivables made by the Group for prudence purposes as compared with the 2023 Interim Period in view of changing credit risks owing to the ongoing decline of the property industry during the Reporting Period.

Finance income-net

The finance income-net of the Group decreased from RMB10.9 million for the 2023 Interim Period to RMB9.1 million for the Reporting Period, representing a decrease of RMB1.9 million. Such an increase is primarily attributable to the decrease in interest charges for providing borrowings to third parties.

Income tax expenses

The income tax expenses of the Group decreased by 21.0% from RMB16.9 million for the 2023 Interim Period to RMB13.4 million for the Reporting Period.

Profit for the period

Based on the reasons above, the net profit of the Group during the Reporting Period was RMB42.5 million, representing a decrease of 32.8% as compared with RMB63.3 million for the 2023 Interim Period. Net profit margin was 9.0%, representing a decrease of 4.8% as compared with that for the 2023 Interim Period.

The basic and diluted earnings per share of the Company was RMB0.045 per share.

Trade and other receivables and prepayments

As of 30 June 2024, trade and other receivables and prepayments amounted to RMB1,261.2 million, representing an increase of RMB110.9 million compared to RMB1,150.3 million as of 31 December 2023.

As of 30 June 2024, trade receivables amounted to RMB461.7 million, increasing by RMB82.7 million compared to RMB379.0 million as of 31 December 2023. Other receivables amounted to RMB426.4 million, increasing by RMB32.5 million compared to RMB393.9 million as of 31 December 2023, which was mainly due to business expansion and growth in basic property services of the Group.

Trade and other payables

Trade payables include mainly amounts payable for commodities or services in the ordinary course of business, including procurement of external labour services, materials and energy. Other payables include amounts received on behalf of other parties on a temporary basis, deposits received and other expenses payables. As at 30 June 2024, the Group's trade and other payables amounted to RMB491.2 million, increasing by 14.0% compared to RMB430.7 million as of 31 December 2023, which was primarily attributable to the Group's business expansion and the increase in service subcontracting to independent third-party service providers following the growth of GFA under management.

LIQUIDITY AND CAPITAL RESOURCES

The Group pursues a prudent treasury management policy, and actively manages its liquidity position to cope with any demands for capital for daily operation and future development. Also, the Group actively reviews and manages its capital structure on a regular basis to maintain the advantages and security of a strong capital position and adjust the capital structure in response to changes in economic conditions.

The Group's principal sources of liquidity come from the proceeds from our business operations. The majority of the Group's cash and cash equivalents are denominated in RMB, which amounted to RMB202.1 million as at 30 June 2024, representing a decrease of 12.0% from the cash and cash equivalents of RMB229.7 million as of 31 December 2023.

As of 30 June 2024, the Group's current ratio (current assets divided by current liabilities) was 2.0 times (31 December 2023: 2.1 times).

As of 30 June 2024, the Group's borrowings amounted to RMB27.0 million (31 December 2023: RMB27.0 million) and the gearing ratio (total borrowings divided by total equity) was 0.04 (31 December 2023: 0.04).

Foreign exchange risk

Substantially all of the Group's revenues and expenditures are denominated in RMB. As of 30 June 2024, the Group has not entered into any hedging transaction. The Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

As of 30 June 2024, the Group did not have any capital commitments contracted for but not provided for.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

As of 30 June 2024, the Company, its subsidiaries and associates did not pay for any financial guarantees, provide guarantees or mortgage for loans, nor have other significant contingent liabilities.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 24 August 2023, Hangzhou Junde Commercial Operations Management Co., Ltd. (杭州駿德商業運營管理有限公司) (an indirect wholly-owned subsidiary of the Company) entered into four Underground Parking Space Use Rights Transfer Agreements with (i) Hangzhou Desheng Real Estate Co., Ltd. (杭州德昇置業有限公司) at a consideration of RMB52,825,000, (ii) Hangzhou Deyin Real Estate Co., Ltd. (杭州德銀置業有限公司) at a consideration of RMB21,450,000, (iii) Hangzhou Kaishen Enterprise Management Co., Ltd. (杭州凱燊企業管理有限公司) (an indirect wholly-owned subsidiary of Dexin China) at a consideration of RMB17,160,000, and (iv) Hangzhou Konggang Real Estate Co., Ltd. (杭州空港置業有限公司) at a consideration of RMB120,000,000, respectively (collectively, the "**Acquisition of the Target Parking Spaces**").

On 24 August 2023, Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司) (Shengquan Property) (an indirect wholly-owned subsidiary of the Company) entered into the Equity Transfer Agreement with Deqing Moganshan Dexin Movie City Development Co., Ltd. (德清莫干山德信影視城開發有限公司) (Dexin Movie City) and Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司) (Deqing Moganshan Ruijing), pursuant to which, Shengquan Property has conditionally agreed to acquire and Dexin Movie City has conditionally agreed to sell the 100% equity interest in Deqing Moganshan Ruijing at a consideration of RMB90,000,000 (the "**Equity Acquisition**"). The principal asset of Deqing Moganshan Ruijing is Moganshan Yungu Dexin New Century Mingting Hotel (莫干山雲谷德信開元名庭酒店) located at No. 66 Sanmo Line, Moganshan Town, Deqing County, Huzhou, Zhejiang Province, the PRC. Upon completion of Equity Acquisition, Deqing Moganshan Ruijing will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Company.

As of the date of this announcement, the Shareholders have approved the Acquisition of the Target Parking Spaces and the Equity Acquisition (the "**Major and Connected Acquisitions**") at the extraordinary general meeting of the Company on 13 March 2024. The completion of the Major and Connected Acquisitions will depend on, among other things, Dexin China having obtained the requisite approval. Based on the latest publicly-available information, the extraordinary general meeting of Dexin China was originally scheduled to be held on 12 June 2024 to consider and approve transactions contemplated under the Underground Parking Space Use Rights Transfer Agreements and Equity Transfer Agreement. The abovementioned extraordinary general meeting of Dexin China has been cancelled according to the announcement of Dexin China dated 26 June 2024. The Company will make further announcements as and when appropriate to update the market on the latest status of the Major and Connected Acquisitions.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group intends to utilise part of the net proceeds raised from the listing to acquire or invest in other property management companies as part of our strategies to expand our business scale and market share. As of the date of this announcement, the Group did not have any other future plans for material investments or acquisition of capital assets.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events of the Group subsequent to 30 June 2024 and up to the date of this announcement.

EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2024, the Group had 2,703 employees (31 December 2023: 2,942 employees). For the six months ended 30 June 2024, the total employee costs of the Group amounted to RMB145.3 million. The employee remuneration policy of the Group is formulated based on a series of key factors, including but not limited to regional salary standards, industry salary trends, economic inflationary conditions, operational efficiency of the Company and individual performance of employees.

We offer attractive remuneration packages to employees to ensure they are consistent with market standards. According to the existing PRC laws and regulations, we provide comprehensive social insurance coverage for our employees in Mainland China, covering medical, work-related injuries, pension, maternity, unemployment insurance and housing provident fund programmes.

The Board of the Group will conduct regular comprehensive reviews of the remuneration policy to ensure that it keeps pace with market and business development, including but not limited to remuneration level adjustment and remuneration structure optimisation. We have implemented a regular performance appraisal mechanism to evaluate employee performance on an annual/quarterly basis, the results of which will directly affect the salary adjustments, job promotions and annual appraisal of awards and merits of our employees.

For staff development and training, the Group has adopted a personalised and systematic training approach by offering customised training programmes based on specific job requirements and the professional skills of our employees. These trainings aim to strengthen employees' professional knowledge in property management and related areas and enhance their professional skills to cope with the rapid development and changes in the industry.

SHARE OPTION SCHEME

On 21 June 2021 (the "**Adoption Date**"), the Company adopted the share option scheme (the "**Share Option Scheme**"), which falls within the ambit of, and is subject to, the requirements under Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to recognise and acknowledge the contributions that the eligible participants had made or may make to the Group.

No options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme nor were there outstanding share options under the Share Option Scheme since the Adoption Date.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The shares of the Company have been listed on the Main Board of the Stock Exchange since 15 July 2021 (the "**Listing Date**"). The net proceeds amounted to HK$763.5 million. Reference is made to the announcement of the Company dated 16 December 2022 and the supplemental announcement of the Company dated 22 March 2023 (the "**Announcements**"). The prospectus (the "**Prospectus**") of the Company dated 29 June 2021 originally indicated that approximately 65.0% of the net proceeds would be used for the expansion of business scale and increase in market share through multiple channels, and the net proceeds that would be applied for this purpose amounted to approximately HK$496.0 million. The unutilised portion of the net proceeds originally intended for such purpose in the amount of HK$426.6 million is not required for immediate use by the Group at that moment. On 16 December 2022, Shanghai Xuquan Trading Co., Ltd.* (上海栩全商貿有限公司), an indirect wholly-owned subsidiary of the Company (the "**Lender**" and as the lender), entered into a loan agreement with Hangzhou Ruiyang Supply Chain Management Co., Ltd.* (杭州瑞揚供應鏈管理有限公司), a business partner of the Company and an independent third party (the "**Borrower**" and as the borrower). Pursuant to the loan agreement, the Lender has agreed to advance to the Borrower a loan in the principal amount of up to RMB315 million, secured by the Charged Assets (defined as below). The loans to be provided to the Borrower by the Lender will be financed by the net proceeds not utilized by the Company since 2021. Having considered the commercial benefits to the Group in deploying the unutilised net proceeds as a loan secured by the Charged Assets (the "**Charged Assets**"), which comprise car parking spaces, located at Dexin Airport City, Xiaoshan District, Hangzhou City, Zhejiang Province, the PRC, which have an appraised market value of approximately RMB630 million as valued by the property valuer, this allows the Group to improve the efficiency and the effectiveness of the Group's temporarily idle funds with better investment returns. In addition, the expected timetable for applying all the net proceeds utilized has been extended to on or before December 2024. For further information, please refer to the announcements of the Company dated 16 December 2022 and 22 March 2023.

The table below sets out the allocation of the net proceeds before the Announcements, the change in use and the revised position up to 30 June 2024:

Usages	**Planned use of net proceeds as disclosed in the Prospectus** *HK$ million*	**Revised allocation of unutilised net proceeds at 16 December 2022** *HK$ million*	**Unutilised net proceeds at 1 January 2024** *HK$ million*	**Utilised net proceeds during the Reporting Period** *HK$ million*	**Unutilised net proceeds as of 30 June 2024** *HK$ million*	**Expected timetable of net proceeds to be utilised**
1. Expand our business scale and improve market share through multiple channels	496.0	83.7	83.7	1.3	82.4	By December 2024
2. Diversify and expand our service offerings	76.4	7.1	0.0	0.0	0.0	By December 2024
3. Invest in information technologies and our internal management system(s) to improve service quality and customer experience	76.4	70.2	60.5	3.1	57.4	By December 2024
4. Improve human resource management and enhance corporate culture	38.3	12.7	7.8	4.2	3.6	By December 2024
5. Working capital and other general corporate purposes	76.4	7.5	0.0	0.0	0.0	By December 2024
6. Provide loans to borrowers	N/A	342.9	0.0	0.0	0.0	By December 2024
	763.5	524.1	152.0	8.6	143.4	

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the Reporting Period (2023 Interim Period: Nil).

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Company has repurchased a total of 19,427,000 Shares on the Stock Exchange at an aggregate consideration of HK$38,510,080. As at the date of this announcement, all the Shares repurchased during the Reporting Period have been cancelled.

Trading Month	**Total Number of Shares Repurchased**	**Highest Price Per Share Paid**	**Lowest Price Per Share Paid**	**Total Consideration Paid**
		HK$	*HK$*	*HK$*
March	3,781,000	2.00	2.00	7,562,000
April	5,940,000	2.00	1.99	11,878,970
May	9,706,000	2.00	1.81	19,069,110
Total	19,427,000			38,510,080

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares, if any) of the Company during the Reporting Period. As at 30 June 2024, there is no treasury shares held by the Company.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining and strengthening high standards of corporate governance by focusing on principles of integrity, accountability, transparency, independence, responsibility and fairness, in order to safeguard and protect the interests of its shareholders and to enhance corporate value and accountability system. The Company has adopted the principles and code provisions of the Corporate Governance Code ("**CG Code**") as contained in Appendix C1 to the Listing Rules as the basis of its corporate governance practices, and the CG Code has been applicable to the Company since the Listing Date.

For the six months ended 30 June 2024, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors' securities transactions. The provisions of the Listing Rules regarding directors' compliance with the code of conduct for securities transactions shall apply to the Company from the Listing Date. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the Model Code for the Reporting Period.

The Model Code is also applicable to relevant employees of the Company who may have unpublished inside information about the Company in relation to their dealings in the Company's securities. To the best knowledge of the Company, there were no incidents of non-compliance with the Model Code by the Directors and relevant employees of the Company during the Reporting Period.

REVIEW OF THE FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The Audit Committee of the Company had reviewed together with the management of the Company the accounting principles and policies adopted by the Group, discussed internal controls and financial reporting matters during the Reporting Period, including a review of the unaudited condensed consolidated interim results of the Group for the Reporting Period, and confirmed that it has complied with all applicable accounting principles, standards and requirements and made full disclosure.

PUBLICATION OF UNAUDITED INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.dexinfuwu.com). The interim report of the Company for the Reporting Period containing all the information required under Appendix D2 to the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
Dexin Services Group Limited
Hu Yiping
Chairman and executive Director

Hangzhou, the PRC, 22 August 2024

As at the date of this announcement, the Board of Directors comprises Mr. Hu Yiping, Mr. Tang Junjie and Ms. Zheng Peng as executive Directors; and Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi as independent non-executive Directors.