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Xingye Wulian Service Group Co. Ltd.
興業物聯服務集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 9916)

**FURTHER CHANGE IN USE OF PROCEEDS AND EXTENSION OF
EXPECTED TIMETABLE FOR USE OF PROCEEDS**

References are made to: (i) the prospectus of Xingye Wulian Services Group Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 25 February 2020 (the “**Prospectus**”); (ii) the allotment results announcement of the Company dated 6 March 2020 (the “**Allotment Results Announcement**”); (iii) the announcements of the Company dated 31 January 2023 and 1 March 2023 (the “**Announcements**”) in relation to the updated expected timetable for use of proceeds and change in use of proceeds; and (iv) the interim report of the Company for the six months ended 30 June 2025 published on 11 September 2025, in which the use of the net proceeds from the share offering from the Listing Date to 30 June 2025 was disclosed. Unless otherwise defined, capitalised terms used in this announcement shall bear the same meanings as those defined in the Prospectus and the Announcements.

**USE OF PROCEEDS FROM GLOBAL OFFERING AND PREVIOUS CHANGE IN USE
OF PROCEEDS**

As disclosed in the Allotment Results Announcement and the Announcements, the net proceeds from the Global Offering, after deducting the Global Offering expenses, amounted to approximately HK\$167.8 million (equivalent to approximately RMB149.6 million). The original intended use of the net proceeds of the Global Offering was disclosed in the section headed “Future Plan and Use of Proceeds” in the Prospectus. As disclosed in the Announcements, there was unutilised amount of net proceeds of approximately HK\$121.4 million (equivalent to approximately RMB108.2 million) as at 31 January 2023 and the Board has reallocated part of the unutilised net proceeds in the amount of approximately HK\$54.1 million (equivalent to approximately RMB48.2 million), which was originally intended for “selective acquisition of suitable acquisition targets for the expansion of our business” to “enhancement of our property engineering services” and “enhancement of our property management services”. As disclosed in the Announcements, the unutilised net proceeds were expected to be utilised on or before 31 December 2025. For further details, please refer to the Announcements for further breakdown of the then revised use of the net proceeds.

FURTHER CHANGE IN USE OF PROCEEDS AND EXTENSION OF EXPECTED TIMETABLE FOR USE OF PROCEEDS

As at the date of this announcement, the Company has utilised approximately HK\$100.5 million (equivalent to approximately RMB89.6 million) of the net proceeds, accounting for approximately 59.9% of the net proceeds. The net proceeds which remained unutilised as at the date of this announcement amounts to approximately HK\$67.3 million (equivalent to approximately RMB60.0 million) (the “**Unutilised Net Proceeds**”), all of which are intended to be used for acquisition of suitable acquisition targets.

After careful consideration and detailed evaluation of the Group’s latest operations and business strategies, and taking into account the prevailing market conditions, the Board has resolved to (a) reallocate the use of the Unutilised Net Proceeds for (i) enhancing property engineering services and (ii) enhancing property management services; and (b) extend the expected timetable for the use of the Unutilised Net Proceeds from on or before 31 December 2025 to on or before 31 December 2027. Set out below are details of the original intended use of the net proceeds, the revised allocation of the net proceeds as at 31 January 2023, the unutilised amount of the net proceeds as at the date of this announcement, the further revised allocation of the Unutilised Net Proceeds and the updated expected timetable for utilisation of the Unutilised Net Proceeds:

Intended use of the net proceeds	Original intended use of the net proceeds as stated in the Allotment Results Announcement <i>HKD'million</i>	Revised allocation of the net proceeds as at 31 January 2023 as disclosed in the Announcements <i>HKD'million</i>	Unutilised Net Proceeds as at the date of this announcement <i>HKD'million</i>	Further revised allocation of Unutilised Net Proceeds <i>HKD'million</i>	Updated expected timetable for utilisation of Unutilised Net Proceeds
(1) Selective acquisition of suitable acquisition targets for the expansion of our business	121.4	67.3	67.3	–	N/A
(2) Enhancement of our property engineering services	12.1	33.9	–	33.7	On or before 31 December 2027
(3) Enhancement of our property management services	17.6	49.9	–	33.6	On or before 31 December 2027
(4) General working capital	16.7	16.7	–	–	N/A
	<u>167.8</u>	<u>167.8</u>	<u>67.3</u>	<u>67.3</u>	

REASONS FOR AND BENEFITS OF FURTHER CHANGE IN USE OF PROCEEDS AND EXTENSION OF EXPECTED TIMETABLE FOR USE OF PROCEEDS

Over the past few years, the PRC property market has remained under a gradual recovery trajectory following a prolonged period of slowdown. The pace of new property development and transactions has stabilised but remains subdued compared to pre-2021 levels, leading to intensified competition and margin pressure in the property management services industry. In light of such market conditions, the Group has adopted a more prudent and strategic approach in identifying suitable acquisition targets for business expansion. Given the slower-than-expected recovery of the real estate market and the cautious sentiment of potential vendors, the number of quality property management service companies identified as potential acquisition targets in the market has been limited and Group has not identified any suitable acquisition targets that align with its investment return expectations and strategic objectives.

As the Company has not identified any suitable targets or business opportunities, and given the Company has remained committed to its existing principal business, the Company therefore considered that it is commercially sensible to devote more resources to the enhancement of its property management and property engineering services.

In respect of property management services, the Group's properties under management with the gross floor area increased by approximately 6.3 million sq.m. or 87.5% from approximately 7.2 million sq.m. as at the end of 2022 to approximately 13.5 million sq.m. as at the end of 2025. On the other hand, in respect of property engineering services, the Group's business scale has been continuously expanding. For the year ended 31 December 2025, the Group entered into 23 new property engineering contracts with an aggregated contract amount of approximately RMB17.2 million. As at the date of this announcement, the total contract sum for contracted engineering services with remaining performance obligations amounted to contract sum for RMB49.4 million. Furthermore, it is expected that by end of 2027 the Group's properties under management with the gross floor area will increase to approximately 17.8 million sq.m. for property management services, and it is expected that the Group will enter into 49 new projects for property engineering services. Based on the above historical and estimated amounts, the Board is confident that the Group's property management and property engineering services will continue to demonstrate an organic growth of the Group's business and will bring in steady stream of revenue to the Group, for which the increase of the gross floor area of the Group's properties under management and the number of projects for property engineering services require reallocation of the Unutilised Net Proceeds from "selective acquisition for the expansion of our business" to "enhancement of our property engineering services" and "enhancement of our property management services" respectively.

In view of the above, the Board has resolved to reallocate approximately HK\$67.3 million (equivalent to approximately RMB60.0 million) of the Unutilised Net Proceeds from searching for suitable potential acquisition targets of property management services providers or project companies for provision of property management services to the enhancement for both of our property management and property engineering service business, and to extend the expected timetable for the use of the Unutilised Net Proceeds from on or before 31 December 2025 to on or before 31 December 2027. The Board believes that such reallocation of the Unutilised Net Proceeds is consistent with the Group's overall development strategy and will promote the long-term development of its overall business.

Extension of the expected timeline for the use of the Unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the development of market conditions. The Board confirms that save as disclosed in this announcement, there are no other changes in the use of the net proceeds.

The Board considers that the above change in use of proceeds would allow the Company to deploy its financial resources more efficiently for generating return to the Shareholders and is in the interest of the Company and the Shareholders as a whole. The Board confirms that there is no change in the nature of the Group's businesses as set out in the Prospectus and considers that the proposed reallocation in the use of the Unutilised Net Proceeds will not have any material adverse impact on the Group's operations. Further, the Board will continuously assess its plans for the use of Unutilised Net Proceeds and may revise and amend such plans where necessary to cope with the changing market conditions and strive for better business performance of the Group.

The Company will provide update regarding the progress of the use of the Unutilised Net Proceeds to its Shareholders through disclosures in its annual report and interim report going forward. Further announcements will be made in accordance with the Listing Rules as and when appropriate.

By Order of the Board
Xingye Wulian Service Group Co. Ltd.
Qiu Ming
Chairman and Chief Executive Officer

Hong Kong, 4 March 2026

As at the date of this announcement, the Board comprises Mr. Qiu Ming as the executive Director; Ms. Zhang Huiqi, Mr. Wang Jinhua and Mr. Liu Zhenqiang as non-executive Directors and Mr. Xu Chun, Mr. Feng Zhidong and Mr. Zhou Sheng as independent non-executive Directors.