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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)**

### **VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO**

#### **1) THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF HENAN ZHENG ZHI YUE REAL ESTATE CO., LTD; AND**

#### **2) THE MASTER CONSTRUCTION FRAMEWORK AGREEMENT**

Reference is made to the announcements of Xingye Wulian Service Group Co. Ltd (the “**Company**”) dated 5 July 2023 in relation to, among other things, the Acquisition, the Master Construction Framework Agreement, the Transactions and the Annual Caps (the “**Announcements**”). Unless the context otherwise requires, terms used herein shall have the same meanings as those defined in the Announcements.

The Board wishes to provide the supplemental information in relation to the Acquisition and the Master Construction Framework Agreement.

#### **REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION**

As disclosed in the Acquisition Announcement, the Board considers the Acquisition as the foray into a new business segment in investment, development and construction of non-residential properties, with the primary objective of long-term holding, leasing and management of such properties in the PRC. It is however not the Company’s intention to tap into a new market and become a property developer which will deviate from the Group’s principal business. On the other hand, the controlling shareholders of the Company, who are principally engaged in the business of property development and have certain projects involving hotels and commercial units in the proximity of Zhengzhou city, the PRC, have entered into a deed of non-competition in favour of the Company on 18 February 2020 (the “**Deed of Non-Competition**”). The Directors consider that there is no potential competition to be dealt with given that (a) the Group will continue to provide property management and value-added services and property engineering services as its principal business, and (b) there is a clear delineation between both (i) the saleable commercial units operated by the controlling shareholder of the Company and those in the Property Project in terms of the property price difference, and (ii) the hotel currently operated by the controlling shareholder of the Company and the hotel being developed under the Property Project in terms of the key differences of the business operation and market positioning. Accordingly, the Directors are of the view that the controlling shareholders could still comply with the Deed of Non-Competition after completion of the Acquisition.

## LISTING RULES IMPLICATION

As the Master Construction Framework Agreement is entered into with the parties connected or otherwise associated with one another under the Acquisition and the transaction contemplated thereunder, the transactions contemplated under the Acquisition and the Master Construction Framework Agreement shall be subjected to aggregation under Rule 14.22 and Rule 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratio(s) in respect of the Acquisition and the Master Construction Framework Agreement (after aggregation) is more than 100% on an aggregated basis, the Acquisition and the Master Construction Framework Agreement constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules, and are subject to the notification, announcement, circular and Shareholders' approval requirements under the Listing Rules. The Company will comply with the relevant requirements of a very substantial acquisition pursuant to Chapter 14 of the Listing Rules.

As disclosed in the Announcements and the announcement of the Company dated 26 July 2023, a circular (the “**Circular**”) containing, among other things, (a) further information about the Acquisition, the Master Construction Framework Agreement, the Transactions and the Annual Caps; (b) a letter of advice from VBG Capital to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Master Construction Framework Agreement, the Transactions and the Annual Caps; (c) a letter of recommendation from the Independent Board Committee in relation to the Acquisition, the Master Construction Framework Agreement, the Transactions and the Annual Caps; and (d) a notice of the EGM, will be despatched to the Shareholders on or before 25 August 2023.

Saved as disclosed above, all other information as set out in the Announcements remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcements.

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

Hong Kong, 16 August 2023

*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.*