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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

FINANCIAL HIGHLIGHTS

- Revenue was approximately RMB358.9 million for the year ended 31 December 2023 (“**Year**”), representing an increase of approximately 11.8% as compared with that for the year ended 31 December 2022.
- Gross profit for the Year was approximately RMB97.2 million, representing an decrease of approximately 2.5% as compared with that for the year ended 31 December 2022.
- Profit attributable to owners of the parent, was approximately RMB40.2 million for the Year, representing a decrease of approximately 14.8% as compared to that of approximately RMB47.2 million for the year ended 31 December 2022.
- Basic earnings per share for the Year was approximately RMB10.0 cents as compared to that of approximately RMB11.8 cents for the year ended 31 December 2022.

RESULTS

The board (the “**Board**”) of directors (the “**Director(s)**”) of Xingye Wulian Service Group Co. Ltd. (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the Year together with the comparative figures for the year ended 31 December 2022 as set out in this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Revenue	4	358,943	321,069
Cost of services		<u>(261,724)</u>	<u>(221,387)</u>
Gross profit		97,219	99,682
Other income, other gains and losses, net	5	5,707	2,916
Selling and marketing expenses		(2,371)	(1,250)
Administrative expenses		(42,218)	(35,496)
Impairment losses on financial and contract assets		(1,342)	(732)
Finance costs	6	<u>(120)</u>	<u>(134)</u>
Profit before tax	7	56,875	64,986
Income tax expense	8	<u>(16,694)</u>	<u>(17,788)</u>
Profit for the year		<u>40,181</u>	<u>47,198</u>
Other comprehensive income (loss) for the year			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Currency translation differences		3,356	3,971
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(2,004)</u>	<u>–</u>
Total other comprehensive income for the year		<u>1,352</u>	<u>3,971</u>
Total comprehensive income for the year		<u>41,533</u>	<u>51,169</u>
Profit for the year attributable to:			
Equity holders of the Company		40,173	47,175
Non-controlling interests		8	23
		<u>40,181</u>	<u>47,198</u>
Total comprehensive income attributable to:			
Equity holders of the Company		41,525	51,146
Non-controlling interests		8	23
		<u>41,533</u>	<u>51,169</u>
Earnings per share attributable to equity holders of the Company			
Basic and diluted	10	<u>RMB</u> <u>10.04 cents</u>	<u>RMB</u> <u>11.79 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	<i>Notes</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		188,536	3,603
Right-of-use assets		2,139	2,484
Deferred tax assets		1,261	1,300
		<u>191,936</u>	<u>7,387</u>
Current assets			
Properties under development	<i>11</i>	130,738	–
Trade receivables	<i>12</i>	99,675	82,206
Contract assets	<i>13</i>	39,202	23,074
Prepayment, other receivables and other assets		25,232	10,841
Restricted bank deposits		1,587	100
Cash and cash equivalents		210,684	467,723
		<u>507,118</u>	<u>583,944</u>
Current liabilities			
Trade payables	<i>14</i>	54,959	41,750
Other payables and accruals	<i>15</i>	96,079	60,609
Contract liabilities	<i>16</i>	85,423	66,853
Tax payable		384	956
Provisions		827	1,688
Lease liabilities		1,107	1,216
		<u>238,779</u>	<u>173,072</u>
Net current assets		<u>268,339</u>	<u>410,872</u>
Total assets less current liabilities		<u>460,275</u>	<u>418,259</u>

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Non-current liabilities			
Provisions		2,717	2,030
Lease liabilities		1,938	2,142
Deferred tax liabilities		590	590
		<u>5,245</u>	<u>4,762</u>
NET ASSETS		<u>455,030</u>	<u>413,497</u>
Capital and reserves			
Share capital	<i>17</i>	3,572	3,572
Reserves		451,427	409,902
		<u>454,999</u>	<u>413,474</u>
Equity attributable to equity holders of the Company		31	23
Non-controlling interests		<u>31</u>	<u>23</u>
TOTAL EQUITY		<u>455,030</u>	<u>413,497</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

1. CORPORATE AND GROUP INFORMATION

Xingye Wulian Service Group Co. Ltd. (the “**Company**”) is an exempted company with limited liability incorporated under the laws of the Cayman Islands. The Company’s share were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 March 2020 (the “**Listing Date**”). The address of the registered office of the Company and the address of its principal place of business are disclosed in the section headed “Corporate Information” in the annual report. The Company is an investment holding company. The Company and its subsidiaries are herein collectively referred to as the “**Group**”.

The Group is principally engaged in property management and value-added services, property engineering services and property development. The revenue of property management and value-added services mainly comes from properties under management, which were developed by the Group’s related parties – Ever Diamond Global Company Limited and its subsidiaries (collectively, “**Ever Diamond Group**”), Zensun Enterprises Limited and its subsidiaries (collectively, “**Zensun Enterprises Group**”) and Henan Zensun Corporate Development Group Co., Ltd. and its subsidiaries (collectively, “**Zensun Development Group**”).

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current year as set out. The consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand, unless otherwise indicated.

The Group has applied, for the first time, the following new/revised IFRS Accounting Standards that are relevant to the Group:

Amendments to IAS 1	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The adoption of the above revised IFRS Accounting Standards has had no significant financial effect on the consolidated financial statements.

3. SEGMENT REPORTING

The executive directors have been identified as the chief operating decision makers to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks and returns and the Group's internal financial reporting, the executive directors consider that the operating segments of the Group comprise:

- (i) Property management and value-added services;
- (ii) Property engineering services;
- (iii) Property development (*Note i*); and
- (iv) Others (*Note ii*).

Notes:

- (i) During the year ended 31 December 2023, the Group acquired a subsidiary which is engaged in property development as set out in the Note 18, as a result, property development was identified as a new operating segment and presented in the consolidated financial statements for the year ended 31 December 2023 and no comparative information have been restated.
- (ii) "Others" comprises online group-buying services, charging pile services and club house services (including catering and ancillary services) as well as intermediary services (including real estate leasing and selling intermediaries service, and renovation intermediaries service).

In addition, the executive directors consider that the Group's place of domicile is the PRC, where the central management and control is located.

Segment results, which are the measures reported to the chief operating decision makers for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of certain head office income and expenses.

All assets are allocated to operating segments other than certain bank and cash balances and certain other receivables as these assets are managed on a group basis.

All liabilities are allocated to operating segments other than certain other payables and deferred tax liability as these liabilities are managed on a group basis.

3. SEGMENT REPORTING (CONTINUED)

Year ended 31 December 2023

	Property management and value- added services <i>RMB'000</i>	Property engineering services <i>RMB'000</i>	Property development <i>RMB'000</i>	Others <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Segment revenue	<u>278,245</u>	<u>40,469</u>	<u>–</u>	<u>40,229</u>	<u>358,943</u>
Segment results	<u>64,533</u>	<u>(7,161)</u>	<u>–</u>	<u>4,416</u>	<u>61,788</u>
Unallocated income					<u>1</u>
Unallocated expenses					<u>(4,914)</u>
Profit before tax					<u>56,875</u>

Year ended 31 December 2022

	Property management and value- added services <i>RMB'000</i>	Property engineering services <i>RMB'000</i>	Others <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Segment revenue	<u>256,775</u>	<u>50,819</u>	<u>13,475</u>	<u>321,069</u>
Segment results	<u>74,707</u>	<u>1,429</u>	<u>(4,033)</u>	<u>72,103</u>
Unallocated income				<u>16</u>
Unallocated expenses				<u>(7,133)</u>
Profit before tax				<u>64,986</u>

3. SEGMENT REPORTING (CONTINUED)

Segments assets and liabilities

An analysis of the Group's assets and liabilities by operating segments is set out below:

As at 31 December 2023

	Property management and value- added services RMB'000	Property engineering services RMB'000	Property development RMB'000	Others RMB'000	Unallocated RMB'000	Consolidated RMB'000
Total assets	<u>252,857</u>	<u>107,605</u>	<u>319,833</u>	<u>15,289</u>	<u>3,470</u>	<u>699,054</u>
Total liabilities	<u>174,622</u>	<u>44,883</u>	<u>8,323</u>	<u>9,127</u>	<u>7,069</u>	<u>244,024</u>
Additional segment information:						
Additions in property, plant and equipment	192	–	180,231	5,699	–	186,122
Depreciation of property, plant and equipment	271	28	–	890	–	1,189
Depreciation of right-of-use assets	345	–	–	–	–	345
Impairment losses on financial and contract assets	<u>267</u>	<u>1,071</u>	<u>–</u>	<u>4</u>	<u>–</u>	<u>1,342</u>

As at 31 December 2022

	Property management and value- added services RMB'000	Property engineering services RMB'000	Others RMB'000	Unallocated RMB'000	Consolidated RMB'000
Total assets	<u>495,496</u>	<u>88,448</u>	<u>3,312</u>	<u>4,075</u>	<u>591,331</u>
Total liabilities	<u>133,739</u>	<u>37,000</u>	<u>3,807</u>	<u>3,288</u>	<u>177,834</u>
Additional segment information:					
Additions in property, plant and equipment	2,952	–	42	–	2,994
Depreciation of property, plant and equipment	1,002	39	23	–	1,064
Depreciation of right-of-use assets	166	–	189	–	355
Impairment losses on financial and contract assets, net	<u>448</u>	<u>294</u>	<u>(10)</u>	<u>–</u>	<u>732</u>

Geographical information

Since the Group has operations in the PRC only, no further operating geographical information analysis is presented.

Information about major customers

Revenue of approximately RMB43,606,000 (2022: RMB45,884,000) was derived from sales of services to a group of entities which is controlled by Zensun Enterprises Group.

Except for those mentioned above, there was no single customer from which the revenue amounted to 10% or more of the Group's total revenue at the end of the reporting period.

4. REVENUE

Revenue is analysed by category as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Revenue from Contracts with Customers within IFRS 15		
Type of services		
Property management and value-added services	278,245	256,775
Property engineering services	40,469	50,819
Club house services	18,258	12,172
Charging pile services	8,593	923
Intermediary services	11,328	–
Others	2,050	380
Total revenue	358,943	321,069
Timing of revenue recognition		
A point of time		
– Value-added services	4,097	2,177
– Club house services	18,258	12,172
– Charging pile services	8,593	923
– Intermediary services	11,328	–
– Others	2,050	380
Over time		
– Property management	274,148	254,598
– Property engineering services	40,469	50,819
	358,943	321,069

5. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Other income		
Government grant (<i>Note</i>)	5,946	1,924
Interest income	784	5,259
Other gains and losses, net		
Foreign exchange differences, net	(1,023)	(4,267)
	5,707	2,916

Note: Government grants relate to income that are received or receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. These government grants are recognised in profit or loss in the period in which they become receivable. In the opinion of the management of the Group, there were no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest expense on lease liabilities	<u>120</u>	<u>134</u>

7. PROFIT BEFORE TAX

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
This is stated after charging:		
Staff costs, including directors' remuneration		
Salaries, allowances and other short-term employee benefits	57,537	45,649
Contributions to defined contribution plans	<u>5,714</u>	<u>4,622</u>
	<u>63,251</u>	<u>50,271</u>

Other items

Auditor's remuneration		
– audit services	800	1,150
– non-audit services	300	300
Cost of services provided (<i>Note</i>)	261,724	221,387
Depreciation of property, plant and equipment	1,189	1,064
Depreciation of right-of-use assets	345	355
Impairment losses on financial and contract assets	1,342	732
Research and development expenses	<u>4,252</u>	<u>3,218</u>

Note: Cost of services provided included approximately RMB44,837,000 (2022: RMB36,703,000) relating to aggregate amount of certain staff costs and depreciation, including which were included in the respective amounts as disclosed above.

8. TAXATION

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong Profits Tax at the rate of 16.5% has not been provided as the Group entities' had no assessable profits arising from Hong Kong for the years ended 31 December 2023 and 2022.

The Group's entities established in the Cayman Islands and the BVI are exempted from the payment of income tax of the respective jurisdictions.

Pursuant to the Enterprise Income Tax Law of the PRC and the respective regulations, except for Henan Zhengshang Haoshenghuo Service Co., Ltd.* (河南正商好生活服務有限公司) (“**Zhengshang Haoshenghuo**”), Anyang Yuexing Property Management Co., Ltd.* (安陽悅興物業管理有限公司), Henan Zhengshang Jinyuan Hotel Management Co., Ltd.* (河南正商金緣酒店管理有限公司) (2022: Zhengshang Haoshenghuo) which enjoyed a preferential enterprise tax rate of 5% and Henan Wuxiang Intelligent Technology Co., Ltd.* (河南物象智能科技有限公司) (2022: N/A) which enjoyed a preferential tax rate of 15% as High and New Technology Enterprise during the reporting period, the subsidiaries which operate in the PRC are subject to enterprise income tax at a rate of 25% on the taxable income.

* *English name is for identification purpose only.*

8. TAXATION (CONTINUED)

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax		
PRC Enterprise Income Tax	16,655	18,289
Deferred tax		
Origination and reversal of temporary difference	39	(501)
	<u>16,694</u>	<u>17,788</u>

9. DIVIDENDS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Final dividend in respect of 2021 of HK\$2.5 cents (equivalent to approximately RMB2.045 cents) per ordinary share approved and paid during the year	–	8,180

The final dividend in respect of 2021 of HK\$2.5 cents (equivalent to approximately RMB2.045 cents) per ordinary share amounting to HK\$10,000,000 (equivalent to approximately RMB8,180,000) was proposed by the board of directors during the year ended 31 December 2021 and paid on 12 August 2022.

The board of directors does not recommend the payment of a final dividend for the years ended 31 December 2023 and 2022.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 400,000,000 (2022: 400,000,000) in issue during the year ended 31 December 2023.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

The calculation of basic earnings per share is based on:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<u>40,173</u>	<u>47,175</u>
	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>400,000,000</u>	<u>400,000,000</u>

11. PROPERTIES UNDER DEVELOPMENT

Properties under development are all situated in the PRC and arising from acquisition of a subsidiary (Note 18). The Group carried out assessment on net realisable value at the end of the reporting period and compared the cost and its realisable value and there was no write-down to the net realisable value of properties under development during the year ended 31 December 2023.

Properties under development are classified as current assets as the construction period of the relevant property development project is expected to be completed in the normal operating cycle. The Group is expected to recover properties under development after the completion of the property which is estimated to be by the end of 2025.

12. TRADE RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables from third parties	28,114	22,348
Less: Loss allowance	(752)	(612)
	<u>27,362</u>	<u>21,736</u>
Trade receivables from related parties	74,065	61,121
Less: Loss allowance	(1,752)	(651)
	<u>72,313</u>	<u>60,470</u>
	<u>99,675</u>	<u>82,206</u>

The Group's trading terms for rendering property management, charging pile services, online group-buying services and value-added services with its customers mainly require payment in advance. The trading terms for property engineering services, club house services, including catering and ancillary services are mainly on credit and the credit period is generally within 30 days. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

At the end of the reporting period, the ageing analysis of the trade receivables (net of loss allowance) by invoice date is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	52,585	74,394
1 to 2 years	42,863	7,264
2 to 3 years	4,040	519
3 to 4 years	187	29
	<u>99,675</u>	<u>82,206</u>

13. CONTRACT ASSETS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Contract assets arising from provision of property engineering services	39,536	23,307
Less: Loss allowance	<u>(334)</u>	<u>(233)</u>
	<u>39,202</u>	<u>23,074</u>

Contract assets are initially recognised for revenue earned from property engineering services as the receipt of consideration is conditional on certain milestones or successful completion of construction. Upon the milestones or completion of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The Group's trading terms and credit policy with customers are disclosed in Note 12. The increase in contract assets during the reporting period was mainly because the property engineering services have not obtained the client's acceptance on certain milestones or successful completion of construction. Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on expected settlement dates.

Included in contract assets were amounts due from related parties stated at gross carrying amount of RMB39,536,000 as at 31 December 2023 (2022: RMB23,307,000).

14. TRADE PAYABLES

At the end of the reporting period, the ageing analysis of the trade payables by invoice date is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	51,856	40,598
Over 1 year	<u>3,103</u>	<u>1,152</u>
	<u>54,959</u>	<u>41,750</u>

The trade payables are non-interest-bearing and are normally settled in less than three months. The carrying amounts of trade payables approximate to their fair values.

15. OTHER PAYABLES AND ACCRUALS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Payroll payables	10,285	6,152
Tax payables other than income tax	13,259	9,052
Amounts due to related parties	14,687	4,754
Deposits	13,075	10,982
Other payables	<u>44,773</u>	<u>29,669</u>
	<u>96,079</u>	<u>60,609</u>

The amounts due to related parties were non-trade in nature, non-interest bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables and accruals approximate to their fair values.

16. CONTRACT LIABILITIES

	2023 RMB'000	2022 RMB'000
Advances received from customers:		
Charging pile services	2,309	1,533
Property management and value-added services	80,315	62,843
Property engineering services	2,799	2,477
	<u>85,423</u>	<u>66,853</u>

Included in contract liabilities were amounts due to related parties of RMB2,799,000 as at 31 December 2023 (2022: RMB2,477,000). The increase in contract liabilities during the reporting period was mainly due to the increase in advances from customers of property management services.

17. SHARE CAPITAL

	Number of shares '000	RMB'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>10,000,000</u>	<u>89,858</u>
Issued and fully paid:		
At 1 January 2022, 31 December 2022 and 31 December 2023	<u>400,000</u>	<u>3,572</u>

All the shares issued during the year rank pari passu with other shares in issue in all respects.

18. ACQUISITION OF A SUBSIDIARY

On 5 July 2023, Henan Xingye Internet of Things Management Technology Co., Ltd.* (河南興業物聯網管理科技有限公司) (“**Xingye IOT Management**”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Agreement**”) with Henan Zensun Real Estate Co., Ltd.* (河南正商置業有限公司) (“**Zensun Real Estate**”), in relation to the acquisition of its entire equity interest in Henan Zheng Zhi Yue Real Estate Co., Ltd.* (河南正之悅置業有限公司) (“**Zheng Zhi Yue**”). Pursuant to the Agreement, the consideration shall be RMB95,000,000 in cash (the “**Acquisition**”).

Zheng Zhi Yue is principally engaged in property development in the PRC. The transaction was completed on 26 December 2023 (the “**Acquisition Date**”). Details of the Acquisition were disclosed in the announcements or circular of the Company dated 5 July 2023, 28 September 2023 and 2 January 2024.

In the opinion of the directors, the Acquisition did not constitute business combination as defined in IFRS 3 (Revised) “Business Combinations”. Therefore, the Acquisition had been accounted for as acquisition of assets during the year ended 31 December 2023.

The directors of the Company have engaged APAC Asset Valuation and Consulting Limited (“**APAC**”) to provide assistance in determining the fair value of the assets and liabilities of Zheng Zhi Yue in accordance with IFRS Accounting Standards. APAC has reviewed the methodologies, the key valuation parameters and business assumptions adopted.

Since the Acquisition Date and up to 31 December 2023, Zheng Zhi Yue has not commenced its business, neither revenue nor profits were contributed to the Group’s revenue and profit for the period between the Acquisition Date and the end of the reporting period.

* English name is for identification purpose only.

18. ACQUISITION OF A SUBSIDIARY (CONTINUED)

The following summarises the consideration paid and the amount of the assets acquired and liabilities assumed at the Acquisition Date:

	<i>RMB'000</i>
Net assets acquired:	
Property, plant and equipment	180,231
Properties under development	130,738
Other receivables and other assets	8,718
Cash and cash equivalents	146
Trade payables	(1,926)
Other payables	(37)
Amounts due to related parties (<i>Note</i>)	(222,845)
Tax payable	(25)
	<hr/>
Total identifiable net assets	95,000
	<hr/>
Consideration paid, satisfied by:	
Cash consideration	95,000
	<hr/>
An analysis of the cash flows in respect of the acquisition of a subsidiary	
Cash consideration paid	95,000
Cash and cash equivalents acquired	(146)
	<hr/>
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	94,854
	<hr/>

Note: As at the Acquisition Date, Zheng Zhi Yue was indebted to Zensun Real Estate in the amount of approximately RMB216,510,000. Pursuant to the Agreement, Xingye IOT Management is required to repay the full amount of the amount due to Zensun Real Estate within six months from the Acquisition Date. As at 31 December 2023, such amount due was fully repaid to Zensun Real Estate.

19. RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to the transactions detailed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

	<i>Notes</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Sales of services or products:			
Property management and value-added services rendered to related parties	<i>(i), (ii)</i>	30,264	36,742
Property engineering services rendered to related parties	<i>(i), (ii)</i>	39,412	51,552
		<hr/>	<hr/>
		69,676	88,294
		<hr/>	<hr/>

19. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related party transactions (Continued)

Notes:

- (i) The sales of services rendered to the related parties were based on agreements mutually agreed by both parties.
- (ii) The Group was engaged in the provision of property management and value-added services and property engineering services to Ever Diamond Group, Zensun Enterprises Group and Zensun Development Group.

Ever Diamond Global Company Limited and Zensun Enterprises Limited are ultimately owned as to 100% and 71.99% by a discretionary trust established by Ms. Huang as settlor and protector as at the date of this announcement. As Ms. Huang is the mother of Ms. Zhang, the non-executive director of the Company, both Zensun Enterprises Group and Ever Diamond Group are connected entities of Ms. Zhang. Additionally, the Zensun Development Group are entities controlled by Ms. Zhang.

The related party transactions in respect of property management and value-added services rendered to related parties and property engineering services rendered to related parties above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

All of the transactions above were carried out in the normal course of the Group's business and on terms as agreed between the transaction parties.

(b) Related party balances

During the years ended 31 December 2023 and 2022, Xingye IOT Management, a subsidiary of the Company, signed a debt transfer agreement with certain related parties to transfer the receivable collection rights due from those related parties to Zensun Real Estate, another related party of the Group. After the completion of the transfer, Xingye IOT Management will settle the receivables and payables with Zensun Real Estate on the net basis after offsetting.

Details of the Group's outstanding balances of trade receivables, contract assets, other payables, contract liabilities and amounts with related parties are disclosed in Notes 12, 13, 15 and 16, respectively. These related parties are controlled by the shareholders of the Company.

The trade receivables, contract assets, other payables, contract liabilities and amounts with related parties due from/to related parties are unsecured and interest free.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Established in 1999, we are a reputable property management service provider in Henan Province with a particular focus on offering property management and value-added services. We provide a wide range of property management services which include, among others, security, cleaning, greening and gardening, parking space management, repair and maintenance for common areas and customer services, and value-added services which include repair and maintenance for exclusive use areas, renovation waste clearance, intermediary leasing services, etc. We also provide our customers with property engineering services which include the planning, design and installation of security and surveillance systems, access control systems, carpark management systems and construction site management systems, in order to enhance the quality of the property management systems of our customers.

During the Year, our Group continued its business strategies to diversify its portfolio of pipeline properties in both non-residential properties and residential properties in provision of property management and value-added services. Thus, our portfolio of properties under management expanded during the Year from gross floor area (“GFA”) of approximately 7.2 million sq.m. as at 31 December 2022 to approximately 8.5 million sq.m. as at 31 December 2023. As at 31 December 2023, our portfolio of contracted properties covered GFA of approximately 14.3 million sq.m. in aggregate.

During the Year, we have entered into 30 new property engineering contracts with an aggregated contract amount of approximately RMB25.2 million. As at 31 December 2023, the total contract sum for contracted engineering services with remaining performance obligations amounted to contract sum for RMB34.4 million, which will contribute to our Group’s revenue in the future.

In line with the strategic review of the Company’s business and seeing the opportunity in the property construction industry in the PRC, during the Year, our Group acquired Zheng Zhi Yue, in order to develop its property development business.

FINANCIAL REVIEW

Revenue

Our Group’s revenue was primarily generated from (i) property management and value-added services; (ii) property engineering services; and (iii) property development.

For the Year, our Group’s total revenue was approximately RMB358.9 million, representing an increase of approximately RMB37.8 million or 11.8% as compared to approximately RMB321.1 million for the year ended 31 December 2022. Such increase was primarily attributable to the increase in segment revenue from property management services.

The following table sets out the breakdown of our revenue by type of services during the years:

	2023		2022	
	RMB'000	%	RMB'000	%
Property management and value-added services				
– Property management services	274,148	76.4	254,598	79.3
– Value-added services	4,097	1.1	2,177	0.7
	<u>278,245</u>	<u>77.5</u>	<u>256,775</u>	<u>80.0</u>
Property engineering services	40,469	11.3	50,819	15.8
Others (<i>Note</i>)	40,229	11.2	13,475	4.2
Total	<u>358,943</u>	<u>100.0</u>	<u>321,069</u>	<u>100.0</u>

Note: “Others” comprises online group-buying services, charging pile services and club house services (including catering and ancillary services) as well as intermediary services (including real estate leasing and selling intermediaries service, and renovation intermediaries service).

The following table sets out the breakdown of our revenue between a person(s) or company(ies) who/which is or are independent of and not connected with our Company and our connected persons and related parties (“**Independent Third Parties**”) during the years:

	2023		2022	
	RMB'000	%	RMB'000	%
Independent Third Parties	289,267	80.6	232,775	72.5
Related parties	69,676	19.4	88,294	27.5
Total	<u>358,943</u>	<u>100.0</u>	<u>321,069</u>	<u>100.0</u>

Property management and value-added services

Our Group’s revenue generated from property management and value-added services increased by approximately RMB21.4 million or 8.3% from approximately RMB256.8 million for the year ended 31 December 2022 to approximately RMB278.2 million for the Year. This increase was primarily resulted from: (i) the expansion of properties under management through continuous expansion of diversified property portfolio of both non-residential and residential properties which brought in revenue of approximately RMB19.5 million, and (ii) the expansion of value-added services which includes, for examples, provision of cooling services and garbage cleaning services, which led to an increased in revenue of approximately RMB1.9 million.

Property engineering services

Revenue from property engineering services has decreased from approximately RMB50.8 million for the year ended 31 December 2022 to approximately RMB40.5 million for the Year, representing a decrease in revenue of approximately RMB10.3 million or 20.3%. Such decrease was mainly affected by downturn of the real estate market which led to lower demand of our services.

Others

Other revenue increased from approximately RMB13.5 million for the year ended 31 December 2022 to approximately RMB40.2 million for the Year, representing an increase of approximately RMB26.7 million or 197.8%. Such increase was primarily due to more intermediary and charging piles services were provided during the Year.

Cost of Sales

Our Group's cost of sales consisted of subcontracting costs, staff costs and materials and consumables. We recorded an increase in cost of sales of approximately RMB40.3 million or 18.2% from approximately RMB221.4 million for the year ended 31 December 2022 to approximately RMB261.7 million for the Year. Such increase was generally in line with our growth in revenue during the Year associated with the expansion in our properties under management.

Gross Profit and Gross Profit Margin

Our gross profit slightly decreased by approximately RMB2.5 million or 2.5% from approximately RMB99.7 million for the year ended 31 December 2022 to approximately RMB97.2 million for the Year. Our gross profit margin was approximately 27.1% for the Year as compared to that of approximately 31.0% for the year ended 31 December 2022. The decrease in the Group's gross profit margin was mainly resulted from the downturn of the overall real estate economy, in which the contract price undertaken during the Year are relatively lower than the year ended 31 December 2022.

Other Income, Other Gains and Losses, Net

Other income, other gains and losses, net mainly comprised government grants and interest income. Our other income, other gains and losses, net increased by approximately RMB2.8 million or 96.6% from approximately RMB2.9 million for the year ended 31 December 2022 to approximately RMB5.7 million for the Year. Such increase was mainly attributable to the increase in government grants received during the Year.

Selling and Marketing Expenses

Our selling and marketing expenses primarily comprised marketing expenses and staff costs for our marketing personnel. Our selling and marketing expenses increased by approximately RMB1.1 million or 84.6% from approximately RMB1.3 million for the year ended 31 December 2022 to approximately RMB2.4 million for the Year. Such increase was consistent with the expansion of business during the Year.

Administrative Expenses

Our administrative expenses mainly comprised staff costs of our administrative staff at our headquarters, office expenses and professional fees. Our administrative expenses increased by approximately RMB6.7 million or 18.9% from approximately RMB35.5 million for the year ended 31 December 2022 to approximately RMB42.2 million for the Year. Such increase was mainly attributable to increase in the staff costs given the expansion of numbers of projects under management and legal and professional fee which primarily resulted from the Acquisition and increased in events consultation fee during the Year.

Finance Costs

Our finance costs represented the imputed interest generated from rights of use assets in connection with the lease contract payments for our lease properties.

Income Tax Expenses

Our income tax expenses slightly decreased by approximately RMB1.1 million or 6.2% from approximately RMB17.8 million for the year ended 31 December 2022 to approximately RMB16.7 million for the Year which was in line with the decrease in profit before tax brought from the decrease in gross profit and increase in administrative expenses during the Year.

Profit for the Year

As a result of the foregoing, our profit attributable to the equity holders of the Company decreased by approximately RMB7.0 million or 14.8% from approximately RMB47.2 million for the year ended 31 December 2022 to approximately RMB40.2 million for the Year.

Dividend for the Year

The Board does not recommend the payment of a final dividend for the Year.

FINANCIAL POSITION

Property, Plant and Equipment

The net carrying value of property, plant and equipment amounted to approximately RMB188.5 million as at 31 December 2023, representing an increase by approximately RMB184.9 million or 5,136.1% as compared to approximately RMB3.6 million as at 31 December 2022, was mainly resulted from the acquisition of a hotel under construction of RMB180.2 million and newly purchased charging pile equipments of RMB5.7 million during the Year.

Properties under development

During the Year, the Group completed an acquisition of entire equity interest in Zheng Zhi Yue, which is principally engaged in property development in the PRC. The properties under development of RMB130.7 million represented sellable properties in construction as at 31 December 2023. Details of the acquisition were disclosed in the announcements or circular of the Company dated 5 July 2023, 28 September 2023 and 2 January 2024.

Trade Receivables

Our total trade receivables was approximately RMB102.2 million and trade receivable net of loss allowance was approximately RMB99.7 million as at 31 December 2023, as compared to that of approximately RMB83.5 million and RMB82.2 million, respectively, as at 31 December 2022. The increase in both the total trade receivables and trade receivable net of loss allowance was mainly due to the growth in properties under management and the slower settlement from counterparties as compared with the year ended 31 December 2022 as a result of the economy downturn.

Our trade receivables from related parties of approximately RMB74.1 million as at 31 December 2023, representing an increase of approximately RMB13.0 million or 21.3% as compared to approximately RMB61.1 million as at 31 December 2022, were associated with outstanding property management fees generated from unsold properties under management and property engineering services rendered to the related parties.

Our trade receivables from independent third parties amounted to approximately RMB28.1 million as at 31 December 2023, representing an increase of approximately RMB5.7 million or 25.4% as compared to approximately RMB22.4 million as at 31 December 2022.

Prepayments, other receivables and other assets

Prepayments, other receivables and other assets increased by approximately RMB14.4 million or 133.3% from approximately RMB10.8 million for the year ended 31 December 2022 to approximately RMB25.2 million for the Year. Such increase was mainly due to the increase in value-added tax recoverable arise from the newly acquired subsidiary, Zheng Zhi Yue.

Trade Payables

Our trade payables primarily consisted of payables to our suppliers for their products and our subcontractors for their provision of labour or services for property management and value-added services and property engineering services. Our trade payables amounted to approximately RMB55.0 million as at 31 December 2023, representing an increase of approximately RMB13.2 million or 31.6% as compared to approximately RMB41.8 million as at 31 December 2022. The increase in trade payables was consistent with the increase in cost of sales during the Year.

Other Payables and Accruals

Our other payables and accruals mainly comprised other payables, payroll payables, deposits, tax payables other than income tax and amounts due to related parties. Our other payables and accruals increased by approximately RMB35.5 million or 58.6% from approximately RMB60.6 million for the year ended 31 December 2022 to approximately RMB96.1 million for the Year. Such increase was mainly attributable to increase in receipts on behalf of various property management related services.

Contract Liabilities

Our contract liabilities represented advanced receipts for property management and value-added services. Our contract liabilities increased from approximately RMB66.9 million as at 31 December 2022 to approximately RMB85.4 million as at 31 December 2023, representing an increase of approximately RMB18.5 million or 27.7%. The increase was mainly due to the increase in advances received from customers of property management services and value-added services during the Year.

Indebtedness

As at 31 December 2023, we had no outstanding borrowings and unutilised banking facilities (2022: Nil). The Group's lease liabilities decreased from approximately RMB3.4 million as at 31 December 2022 to approximately RMB3.0 million as at 31 December 2023.

Liquidity, Financial Resources and Capital Structure

Our Group maintained a healthy financial position. As at 31 December 2023, the current assets amounted to approximately RMB507.1 million, representing a decrease of approximately RMB76.8 million or 13.2% as compared to approximately RMB583.9 million as at 31 December 2022. As at 31 December 2023, cash and cash equivalents of our Group amounted to approximately RMB210.7 million, representing a decrease of approximately RMB257.0 million or 54.9% as compared to approximately RMB467.7 million as at 31 December 2022. As at 31 December 2023, the cash and cash equivalents of the Group were mainly denominated in RMB and Hong Kong dollars.

Gearing ratio is calculated based on the total debt (of which debt represents interest-bearing borrowings) divided by the total equity as at the end of the reporting period. As at 31 December 2023, our Group has no interest-bearing borrowings and hence the gearing ratio was nil.

The capital structure of our Group is primarily equity which comprises issued share capital and reserves.

Current Ratio

Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the reporting period. The current ratio of our group is 2.1 times as at 31 December 2023 as compared to 3.4 times as at 31 December 2022.

Charge of Group's Assets and Pledge of Assets

As at 31 December 2023, none of the assets of our Group was pledged and there were no charges on the Group's assets.

Contingent Liabilities

As at 31 December 2023, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 31 December 2023, the Group has capital expenditure commitments of RMB311.5 million relating to construction in progress.

Foreign Exchange Risks

Our Group mainly operates in the PRC with most of the transactions settled in RMB. Therefore, the Group is not exposed to significant foreign currency exchange risk except certain bank balances denominated in Hong Kong dollars that were held by the Company. Currently, the Group did not enter into contracts to hedge its exposure to foreign exchange risk, but the management will continue to monitor the foreign exchange exposure, and take prudent measures to reduce the foreign exchange risk.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2023, our Group had 632 employees. We generally determine employees' compensation based on their qualification, position, seniority and performance. Pursuant to relevant laws and regulations in the PRC, we participate in various employee social security plans that are organised by applicable local municipal and provincial governments, including pension, medical, maternity, work-related injury and unemployment benefit plans. Total staff-related cost, including Directors' emoluments, was approximately RMB63.3 million during the Year (2022: RMB50.2 million).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Pursuant to our announcements dated 5 July 2023, 16 August 2023, circular dated 27 September 2023 and announcement dated 2 January 2024, in relation to the very substantial acquisition and connected transaction, one of the Group's subsidiaries in the PRC has entered into a sale and purchase agreement with Henan Zensun Real Estate. Co., Ltd.* (河南正商置業有限公司) ("**Henan Zensun**"), a limited liability company established under the laws of the PRC and is indirectly owned as to 100% by Ms. Huang (the "**Vendor**"), to acquire the entire issued share capital of Zheng Zhi Yue, a company incorporated in the PRC with limited liability owned as to 100% by the Vendor at the consideration of RMB95,000,000. Zheng Zhi Yue is principally engaged in the business of real estate development, which holds a property project involving development of a hotel and saleable commercial units in the area of a central business district and high-end financial industry cluster in Zhengzhou city. The Acquisition was completed on 26 December 2023.

Saved for the above, our Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

SIGNIFICANT INVESTMENTS

Saved for the above section headed “Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures”, as at 31 December 2023, the Group did not have any significant investments accounting for more than 5% of the Group’s total assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital assets as at 31 December 2023. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

CAPITAL RAISING ACTIVITIES AND THE USE OF PROCEEDS FROM GLOBAL OFFERING

On 9 March 2020 (the “**Listing Date**”), the Shares of our Company were listed on the Main Board of the Stock Exchange and 100,000,000 new Shares were issued in the Global Offering. After deducting the underwriting fees and commissions and other estimated expenses in connection with the Global Offering of ordinary Shares of par value HK\$0.01 each of our Company, including, a public offering in Hong Kong of 50,000,000 Shares and an international offering of 50,000,000 Shares, in each case at a price of HK\$1.99 per Share, net proceeds from the Global Offering amounted to approximately HK\$167.8 million (equivalent to RMB149.6 million). In accordance with our announcement on 31 January 2023 and the supplemental announcement on 1 March 2023 (the “**2023 Announcements**”), we have updated the expected timetable for use of proceeds and change in use of proceeds, for details, please refer to the 2023 Announcements. As at 31 December 2023, our Group had utilised approximately RMB62.8 million of the capital raised as follows:

Intended use of the net proceeds	Percentage	Planned	Utilised	Net proceeds	Unutilised	Expected timeline for the usage of the unutilised net proceeds
		amount of the net proceeds for its intended use RMB'million	net proceeds as at 31 December 2022 RMB'million	Net proceeds utilised during the Year RMB'million	net proceeds as at 31 December 2023 RMB'million	
1) Selective acquisition of suitable acquisition targets for the expansion of our business	40.1%	60.0	–	–	60.0	On or before 31 December 2025
2) Enhancement of our property engineering services	20.2%	30.2	10.8	10.4	9.0	On or before 31 December 2025
3) Enhancement of our property management services	29.7%	44.5	15.7	11.0	17.8	On or before 31 December 2025
4) General working capital	10.0%	14.9	14.9	–	–	N/A
		<u>149.6</u>	<u>41.4</u>	<u>21.4</u>	<u>86.8</u>	

Taking into account the slow recovery of the property market, the Board decided to devote more resources to enhance the property management and property engineering services businesses and at the same time continue to seek suitable targets for acquisitions and investments or cooperations.

FUTURE OUTLOOK

Our Group will continue to strengthen our position in the property management service and property engineering service industry by implementing the following strategies: (i) undertake additional property management projects with a focus on mid to high-end non-residential properties; (ii) selectively pursue merger and acquisition opportunities within the property management industry; (iii) participate in an early stage of construction projects by leveraging our ability in property engineering services with a view to winning the property management agreement tender at a later stage of the projects; (iv) continue to develop our mobile application to enhance our customer and user experience; (v) continue to enhance our property engineering services by offering new products with enhanced functionalities and enhancing relevant technology; (vi) continue to upgrade our information technology systems to enhance our operational efficiency in our property management business; and (vii) focus on multi-economic business from the space, house, residents and other aspects, and deeply develop community value-added services to meet the diversified needs of business and extend the length of services.

We considered the Acquisition completed during the Year 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, provides good opportunity to the Group to tap the new market which is of greater growth potential and higher profit margin.

The Group will steadfastly pursue a path of high-quality development, aiming to achieve a service transformation centered on customer satisfaction, a leap in capabilities with product upgrades and efficient operations, and a market-oriented development focused on enhancing brand power and integrating investment and operations.

We will strive to understand customer needs and develop customer service products to provide precise services; develop and utilise a physical object cloud platform to digitise customer data; further deepen cost control and enhance the ability to generate revenue from value-added services to promote a sustainable profit model; enhance brand influence and broaden the boundaries of services to develop specialised and feature services while enlarging the scale of services, moving towards the track of highly-specialised property services. As a provider of community services and a participant in urban co-construction, we will stay true to our original mission and diligently fulfil our social responsibilities, striving to build a management system of “big properties” that takes urban public space and public resources as a whole and to become an explorer, builder and contributor in urban services.

Faced with a highly competitive industry environment, we are confident in our ability to adapt to the rapid development of the times. With the newest business concepts, digital technology and scientifically standardised management methods, we aim to achieve even better performance, rewarding shareholders and investors, giving back to employees and society, and returning the care and support from departments at all levels.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, there was no significant event after the reporting period and up to the date of this announcement.

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

During the Year, neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**") as its own code of corporate governance practices.

The Board is of the view that, the Company has complied with the relevant code provisions contained in the CG Code during the Year, save and except for deviations which are explained below:

Pursuant to Code Provision C.5.1 of the CG Code, Board meetings should be held at least four times a year at approximately quarterly internals. Although only two regular Board meetings were held during the Year, the Board considered that sufficient meetings had been held as business operations were under the management and the supervision of the executive Directors. In addition, senior management of the Group has provided to the Directors the information in respect of the Group's business development and activities from time to time and, when required, ad hoc Board meetings were held to discuss matters.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive of the Company should be segregated. The Company is of the view that it is in the best interest of the Company that Mr. Qiu Ming, with his profound expertise in the property business, shall continue in his dual capacity as chairman and chief executive officer. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board composition and structure taking into account the background and experience of the Directors.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company. Our Company has made specific enquiry with all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the Year.

AUDIT COMMITTEE

The audit committee of our Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Feng Zhidong (Chairman), Mr. Zhou Sheng and Mr. Xu Chun. The Audit Committee is primarily responsible to assist the Board in reviewing and monitoring the financial reporting process, risk management and internal control systems of our Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time.

The Audit Committee has discussed with the management and the external auditor of the Company, among other things, on auditing and financial reporting matters and has reviewed the annual results of the Group for the Year together with the accounting standards and practices adopted by the Group. The Audit Committee has agreed with the management of the Company on the annual results of the Group for the Year.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Company’s auditor, Mazars CPA Limited, Certified Public Accountants, to the amounts set out in the Group’s draft consolidated financial statements for the Year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

PUBLIC FLOAT

As at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the purpose of determining the Shareholders who are entitled to attend and vote at the 2024 annual general meeting of the Company (“**2024 AGM**”) expected to be held on Tuesday, 11 June 2024, the register of members of the Company will be closed from Wednesday, 5 June 2024 to Tuesday, 11 June 2024, both days inclusive. In order to qualify for attending and voting at the 2024 AGM, all transfer documents should be lodged for registration with the Company’s Hong Kong Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 4 June 2024.

ANNUAL GENERAL MEETING

The 2024 AGM will be held on Tuesday, 11 June 2024 and the notice of 2024 AGM will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.xingyewulian.com). The annual report of our Company for the Year containing all the information required by the Listing Rules will be available on the above websites in due course and despatched to Shareholders upon request.

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

Hong Kong, 26 March 2024

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.

* *For identification purposes only*