Ling Yue Services Group Limited
領悅服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2165)

UPDATE ANNOUNCEMENT ON THE CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of Ling Yue Services Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") dated 17 November 2025 (the "**Announcement**") in relation to the renewal of the existing continuing connected transaction of the Group. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

BACKGROUND

As disclosed in the Announcement, on 15 November 2025, the Company entered into the 2026 Leading Holdings Group Property Management Services Framework Agreement with Leading Holdings and the 2026 Mr. Liu Property Management Services Framework Agreement with Mr. Liu Yuhui to renew the 2023 Property Management Services Framework Agreements for a term commencing from 1 January 2026 to 31 December 2028 (both days inclusive).

Since the transactions contemplated under the 2026 Leading Holdings Group Property Management Services Framework Agreement and the 2026 Mr. Liu Property Management Services Framework Agreement are similar in nature, they should be aggregated pursuant to the Listing Rules. As the highest applicable percentage ratio in respect of the aggregated proposed annual caps under the 2026 Property Management Services Framework Agreements is more than 5%, the 2026 Property Management Services Framework Agreements and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since the date of the Announcement, the Company has been in the process of preparing and finalising the circular in respect of the 2026 Property Management Services Framework Agreements. As additional time was required to finalise the information to be included in the circular, the circular has not yet been despatched to the Shareholders, the EGM has not been convened and the Independent Shareholders' approval has not been obtained as at the date of this announcement.

BREACH OF THE LISTING RULES

Pending the Independent Shareholders' approval, the Group has continued to provide certain Property Management Services to the Leading Holdings Group and the Relevant Associates since 1 January 2026 pursuant to individual service contracts. In doing so, the Board had taken steps to control the scope and volume of the transactions, including proactively exiting from a number of property management projects and reducing staffing levels and resource allocation in respect of the relevant services, with the intention of maintaining the actual transaction amounts that would only constitute de minimis transactions under Rule 14A.76 of the Listing Rules.

However, the actual transaction amounts incurred under the 2026 Property Management Services Framework Agreements for the six months ended 30 June 2026 have resulted in the highest applicable percentage ratio exceeding 5%. The actual transaction amounts incurred during this period were mainly attributable to vacancy fees payable by the Leading Holdings Group and the Relevant Associates in respect of unsold properties managed by the Group. As the Group provides property management services to entire residential developments (including all common areas and facilities), such services cannot be selectively provided to sold units only.

For units that remain unsold, the property developer is obligated to pay property management fees (i.e. vacancy fees) to the Group in lieu of individual property owners. As the Group manages over 60 property projects for the Leading Holdings Group and the Relevant Associates, even where vacancy rates for individual projects are relatively low (ranging from approximately 2% to 5% in certain projects), the aggregate vacancy fees across the entire portfolio are nevertheless material due to the cumulative effect across a large number of projects.

Although the Board had taken steps to exit certain projects to limit the growth in the transaction amounts, and the Group has not entered into any new property management projects with the Leading Holdings Group since 2025, the Group was unable to exit all remaining projects expeditiously as such exit requires formal procedures under PRC property management regulations, including the requisite notice periods, handover to a successor property management company and approval from the relevant owners' committees and competent housing authorities.

As the highest applicable percentage ratio has exceeded 5% and the Independent Shareholders' approval has not been obtained, the Board has been advised that the continuation of the transactions constitutes a breach of Rules 14A.36 and 14A.54 of the Listing Rules (the "**Breach**"). The Company acknowledges the Breach and that it should have exercised greater vigilance in monitoring the transaction amounts and taken more timely action to ensure compliance with the Listing Rules.

The Company will despatch the circular to the Shareholders and convene the EGM as soon as practicable. Further details regarding the Breach, the remedial measures taken by the Company and the views of the Independent Board Committee and the Independent Financial Adviser will be set out in the circular.

By order of the Board
Ling Yue Services Group Limited
Liu Yuqi
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises Mr. Liu Yuqi and Ms. Luo Hongping as executive Directors; Ms. Wang Tao and Ms. Hou Sanli as non-executive Directors; and Ms. Luo Ying, Mr. Hu Ning and Mr. Zhang Guanghu as independent non-executive Directors.