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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 INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

**FINANCIAL HIGHLIGHTS**

- Revenue was approximately RMB167.2 million for the Period, representing an increase of approximately 4.7% as compared to approximately RMB159.7 million for the corresponding period in 2023.
- Gross profit was approximately RMB50.0 million for the Period, representing a decrease of approximately 1.0% as compared to approximately RMB50.5 million for the corresponding period in 2023.
- Profit attributable to equity holders of the Company was approximately RMB24.1 million for the Period, representing an increase of approximately 15.9% as compared to approximately RMB20.8 million for the corresponding period in 2023.
- Basic earnings per share was approximately RMB6.02 cents for the Period as compared to approximately RMB5.19 cents for the corresponding period in 2023.

**RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of Xingye Wulian Service Group Co. Ltd. (the “**Company**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”, “**we**”, “**our**” or “**us**”) for the six months ended 30 June 2024 (the “**Period**”) together with the comparative figures for the corresponding period in 2023 as set out in this announcement.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	4	<b>167,201</b>	159,733
Cost of services		<b>(117,213)</b>	(109,224)
Gross profit		<b>49,988</b>	50,509
Other income, other gains and losses, net	5	<b>(400)</b>	(521)
Selling and marketing expenses		<b>(716)</b>	(622)
Administrative expenses		<b>(15,709)</b>	(17,501)
Reversal of impairment losses (Impairment losses) on financial and contract assets		<b>405</b>	(650)
Finance costs		<b>(56)</b>	(62)
<b>PROFIT BEFORE TAX</b>	6	<b>33,512</b>	31,153
Income tax expense	7	<b>(9,495)</b>	(10,380)
<b>PROFIT FOR THE PERIOD</b>		<b>24,017</b>	20,773

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		<u>750</u>	<u>2,870</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			
		<u>750</u>	<u>2,870</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>			
		<u><b>24,767</b></u>	<u><b>23,643</b></u>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Equity holders of the Company		<b>24,084</b>	20,766
Non-controlling interests		<u>(67)</u>	<u>7</u>
		<u><b>24,017</b></u>	<u><b>20,773</b></u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Equity holders of the Company		<b>24,834</b>	23,676
Non-controlling interests		<u>(67)</u>	<u>7</u>
		<u><b>24,767</b></u>	<u><b>20,723</b></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted	9	<u><b>RMB 6.02 cents</b></u>	<u><b>RMB 5.19 cents</b></u>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*30 June 2024*

		<b>30 June 2024</b>	31 December 2023
	<i>Notes</i>	<b>RMB'000</b> <b>(Unaudited)</b>	<i>RMB'000</i> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>188,113</b>	188,536
Right-of-use assets		<b>1,967</b>	2,139
Deferred tax assets		<b>1,034</b>	1,261
		<b>191,114</b>	191,936
<b>CURRENT ASSETS</b>			
Properties under development		<b>130,803</b>	130,738
Trade receivables	<i>10</i>	<b>67,674</b>	99,675
Contract assets		<b>38,847</b>	39,202
Prepayments, other receivables and other assets		<b>24,985</b>	25,232
Tax recoverable		<b>736</b>	–
Restricted and pledged bank deposits		<b>1,486</b>	1,587
Cash and cash equivalents		<b>217,372</b>	210,684
		<b>481,903</b>	507,118
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>11</i>	<b>34,952</b>	54,959
Other payables and accruals		<b>72,949</b>	96,079
Contract liabilities		<b>78,840</b>	85,423
Tax payable		<b>–</b>	384
Provision		<b>841</b>	827
Lease liabilities		<b>462</b>	1,107
		<b>188,044</b>	238,779
<b>NET CURRENT ASSETS</b>		<b>293,859</b>	268,339
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>484,973</b>	460,275

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision		<b>2,652</b>	2,717
Lease liabilities		<b>1,934</b>	1,938
Deferred tax liabilities		<b>590</b>	590
		<u><b>5,176</b></u>	<u>5,245</u>
<b>NET ASSETS</b>		<u><b>479,797</b></u>	<u>455,030</u>
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>3,572</b>	3,572
Reserves		<b>476,261</b>	451,427
		<u><b>479,833</b></u>	<u>454,999</u>
Equity attributable to equity holders of the Company		<b>479,833</b>	454,999
Non-controlling interests		<b>(36)</b>	31
		<u><b>479,797</b></u>	<u>455,030</u>
<b>TOTAL EQUITY</b>		<u><b>479,797</b></u>	<u>455,030</u>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 30 June 2024

### 1. CORPORATE INFORMATION

Xingye Wulian Service Group Co. Ltd. (the “**Company**”) is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 12 August 2019. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The shares of the Company have been listed in connection with the Company’s initial public offering on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 March 2020 (the “**Listing Date**”).

The Company is an investment holding company, and the Group is principally engaged in property management and value-added services, property engineering services and property development.

In the opinion of the directors of the Company, the immediate holding company of the Company is Foison Amber Development Limited, a limited liability company incorporated in the British Virgin Islands (“**BVI**”). The ultimate holding company of the Company is Vistra Trust (BVI) Limited, as the trustee of the Blossom Trust, a discretionary family trust established by Ms. Huang Yanping (“**Ms. Huang**”) as the settlor, with Ms. Zhang Huiqi (“**Ms. Zhang**”) acting as the protector and Ms. Zhang and her descendants being the discretionary beneficiaries. Ms. Zhang is also a non-executive director of the Company.

#### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information for the six months ended 30 June 2024 was approved for issue by the board (the “**Board**”) of directors on 29 August 2024.

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current period’s financial information.

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangement</i>

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has four reportable operating segments as follows:

- (a) Property management and value-added services;
- (b) Property engineering services;
- (c) Property development; and
- (d) Others\*.

\* The “Others” segment comprises online group-buying services, charging pile services, 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).

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit.

There are no differences from the Group’s annual financial statements for the year ended 31 December 2023 on the basis of segmentation or on the basis of measurement of segment profit or loss, segment assets and liabilities.

#### Segment revenue

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Property management and value-added services	148,201	136,197
Property engineering services	2,668	6,987
Property development	–	–
Others	16,332	16,549
	<b>167,201</b>	<b>159,733</b>

#### Segment results

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Property management and value-added services	35,954	39,523
Property engineering services	(2,335)	(942)
Property development	(117)	–
Others	2,064	(2,804)
	<b>35,566</b>	<b>35,777</b>
Segment results	<b>35,566</b>	<b>35,777</b>
<i>Reconciliation:</i>		
Unallocated income	13	13
Unallocated expenses	(2,067)	(4,637)
	<b>33,512</b>	<b>31,153</b>
Profit before tax	<b>33,512</b>	<b>31,153</b>

### 3. OPERATING SEGMENT INFORMATION (CONTINUED)

#### Segment assets

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Property management and value-added services	<b>234,108</b>	252,857
Property engineering services	<b>69,821</b>	107,605
Property development	<b>351,149</b>	319,833
Others	<b>14,212</b>	15,289
	<hr/>	<hr/>
Segment assets	<b>669,290</b>	695,584
<u>Reconciliation:</u>		
Unallocated assets	<b>3,727</b>	3,470
	<hr/>	<hr/>
Total assets	<b>673,017</b>	699,054
	<hr/>	<hr/>

#### Segment liabilities

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Property management and value-added services	<b>146,871</b>	174,622
Property engineering services	<b>33,619</b>	44,883
Property development	<b>2,170</b>	8,323
Others	<b>9,105</b>	9,127
	<hr/>	<hr/>
Segment liabilities	<b>191,765</b>	236,955
<u>Reconciliation:</u>		
Unallocated liabilities	<b>1,455</b>	7,069
	<hr/>	<hr/>
Total liabilities	<b>193,220</b>	244,024
	<hr/>	<hr/>

#### Geographical information

Since the Group operates in Mainland China only, no operating geographical analysis thereof is presented.



#### 4. REVENUE

An analysis of revenue is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	<b>2023</b> <i>RMB'000</i> <b>(Unaudited)</b>
<u>Types of services</u>		
Property management and value-added services	<b>148,201</b>	136,197
Property engineering services	<b>2,668</b>	6,987
Club house services	<b>6,881</b>	7,761
Charging pile services	<b>6,281</b>	3,538
Intermediary services	<b>870</b>	3,119
Others	<b>2,300</b>	2,131
	<b>167,201</b>	<b>159,733</b>
	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>RMB'000</i> <b>(Unaudited)</b>	<b>2023</b> <i>RMB'000</i> <b>(Unaudited)</b>
<u>Timing of revenue recognition</u>		
<i>At a point in time</i>		
Value-added services	<b>2,731</b>	897
Club house services	<b>6,881</b>	7,761
Charging pile services	<b>6,281</b>	3,538
Intermediary services	<b>870</b>	3,119
Others	<b>2,300</b>	2,131
<i>Over time</i>		
Property management	<b>145,470</b>	135,300
Property engineering services	<b>2,668</b>	6,987
	<b>167,201</b>	<b>159,733</b>

The property management and value-added services were provided to properties under management which was mainly 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 Company Limited and its subsidiaries (collectively, “**Zensun Development Group**”).

## 5. OTHER INCOME, OTHER GAINS AND LOSSES, NET

An analysis of other income, other gains and losses, net is as follows:

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Other income</b>		
Government grants*	18	84
Interest income	230	1,599
<b>Other gains and losses, net</b>		
Foreign exchange differences	(645)	(2,585)
Other (losses) gains	(3)	381
	<u>(400)</u>	<u>(521)</u>

\* Government grants related to income 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.

## 6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Staff costs, including director's remuneration</b>		
Wages and salaries	35,943	29,873
Pension scheme contributions	4,211	4,132
	<u>40,154</u>	<u>34,005</u>
<b>Other items</b>		
Auditors' remuneration	–	300
Cost of services provided	117,213	109,224
Depreciation of property, plant and equipment	1,036	614
Depreciation of right-of-use assets	172	172
Foreign exchange differences, net	645	2,585
Research and development expenses	884	2,306
(Reversal of impairment losses) Impairment losses on financial and contract assets	(405)	650
	<u>(405)</u>	<u>650</u>

## 7. INCOME TAX EXPENSE

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.

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (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 and Henan Zhengshang Xingyuan Hotel Management Co., Ltd.\* 河南正商興緣酒店管理有限公司 (2023: 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 ("Wuxiang Intelligent") (2023: Wuxiang Intelligent) 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.

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<b>Current tax</b>		
PRC Enterprise Income Tax	9,266	10,097
<b>Deferred tax</b>		
Origination and reversal of temporary difference	229	283
	<u>9,495</u>	<u>10,380</u>

## 8. DIVIDENDS

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

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

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.



## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
Within 1 year	28,832	51,856
Over 1 year	<u>6,120</u>	<u>3,103</u>
	<b><u>34,952</u></b>	<b><u>54,959</u></b>

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.

## 12. SHARE CAPITAL

	<b>Number of shares '000</b>	<i>RMB'000</i>
Ordinary share of HK\$0.01 each		
<i>Authorised:</i>		
At 31 December 2023, 1 January 2024 and 30 June 2024	<u>10,000,000</u>	<u>89,858</u>
	<b>30 June 2024 RMB'000 (Unaudited)</b>	31 December 2023 RMB'000 (Audited)
<i>Issued and fully paid:</i>		
400,000,000 (2023: 400,000,000) ordinary shares of HK\$0.01 each	<u>3,572</u>	<u>3,572</u>

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

### 13. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

		Six months ended 30 June	
		2024	2023
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Sales of services:			
Property management and value-added services rendered to related parties	(i)(ii)	5,094	12,880
Property engineering services rendered to related parties	(i)(ii)	2,668	5,700
		<u>7,762</u>	<u>18,580</u>

*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 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, Zensun Development Group are entities controlled by Ms. Zhang.

The related party transactions in respect of property management and value-added services and property engineering services rendered to related parties also constitute continuing connected transactions as defined in chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

### 13. RELATED PARTY TRANSACTIONS (CONTINUED)

#### (b) Outstanding balances with related parties

During the six months ended 30 June 2024 and 30 June 2023, Henan Xingye Internet of Things Management Technology Co., Ltd., 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 Henan Zensun Real Estate Co., Ltd., another related party of the Group. After the completion of the transfer, Xingye Internet of Things Management Technology Co., Ltd. will settle the receivables and payables with Henan Zensun Real Estate Co., Ltd. on the net basis after offsetting.

Details of the Group's outstanding balances of trade receivables and amounts with related parties are disclosed in note 10 to the financial information.

Included in contract assets were amounts due from related parties of RMB39,178,000 as at 30 June 2024 (31 December 2023: RMB39,536,000).

Included in contract liabilities, other payables and accruals and lease liabilities were amounts due to related parties of RMB2,869,000, RMB6,224,000 and RMB2,396,000 as at 30 June 2024, respectively (31 December 2023: RMB2,799,000, RMB14,687,000 and RMB3,045,000).

#### (c) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Short-term employee benefits	1,037	886
Post-employment benefits	80	66
	<u>1,117</u>	<u>952</u>

## 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 six months ended 30 June 2024, the 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 Period from gross floor area (“GFA”) of approximately 8.5 million sq.m. as at 31 December 2023 to approximately 25.5 million sq.m. as at 30 June 2024.

As at 30 June 2024, our portfolio of contracted properties covered GFA of approximately 37.0 million sq.m. in aggregate. During the Period, we have entered into 28 new property engineering contracts with an aggregated contract amount of approximately RMB18.7 million. As at 30 June 2024, the total contract sum for contracted engineering services with remaining performance obligations amounted to contract sum for RMB28.0 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, in 2023, the Group acquired Zheng Zhi Yue Real Estate Co., Ltd.\* (河南正之悦置業有限公司) (“**Zheng Zhi Yue**”), in order to develop its property development business. As at 30 June 2024, the Group (through Zheng Zhi Yue) held a property under development, namely the Zhengzhou Zensun Centre Project located in East Ruyi Road West and South Ruyi River West 1st Street, Zhengzhou City, Henan Province, the PRC, with a total site area of approximately 14,923.11 sq.m. and GFA of approximately 44,655.14 sq.m. The Zhengzhou Zensun Centre Project is at the construction stage and involves the development of a hotel and saleable commercial units. As at the date of this announcement, the Zhengzhou Zensun Centre Project has completed the preliminary construction stage of work and is currently under the main construction work. The construction of the Zhengzhou Zensun Centre Project is expected to be completed by the end of 2025.



## FINANCIAL REVIEW

### Revenue

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

For the Period, our Group's total revenue was approximately RMB167.2 million, representing an increase of approximately RMB7.5 million or 4.7% as compared to approximately RMB159.7 million for the six months ended 30 June 2023. 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 for the periods:

	Six months ended 30 June		2023	
	2024			
	RMB'000	%	RMB'000	%
Property management and value-added services				
– Property management services	145,470	87.0	135,300	84.7
– Value-added services	2,731	1.6	897	0.6
	<u>148,201</u>	<u>88.6</u>	<u>136,197</u>	<u>85.3</u>
Property engineering services	2,668	1.6	6,987	4.4
Others ( <i>note</i> )	16,332	9.8	16,549	10.3
	<u>167,201</u>	<u>100.0</u>	<u>159,733</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 (the “**Independent Third Parties**”) and our related parties during the periods:

	Six months ended 30 June		2023	
	2024			
	RMB'000	%	RMB'000	%
Independent Third Parties	159,439	95.4	141,153	88.4
Related parties	7,762	4.6	18,580	11.6
	<u>167,201</u>	<u>100.0</u>	<u>159,733</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 RMB12.0 million or 8.8% from approximately RMB136.2 million for the six months ended 30 June 2023 to approximately RMB148.2 million for the Period. This increase was primarily resulted from the expansion of properties under management through continuous expansion of diversified property portfolio of both non-residential and residential properties.

### ***Property engineering services***

During the Period, the revenue generated from property engineering services decreased from approximately RMB7.0 million for the six months ended 30 June 2023 to approximately RMB2.7 million for the Period, representing a decrease in revenue of approximately RMB4.3 million or 61.4%. The decrease was mainly resulted from the recent downturn in the overall property market of the People's Republic of China (the "PRC"), which led to the decrease in the number and scale of new property development projects and slowdown in progress of existing property developments in the PRC.

### ***Others***

Other revenue remained fairly stable during the Period for approximately RMB16.3 million as compared to approximately RMB16.5 million for the six months ended 30 June 2023.

### **Cost of Services**

Our Group's cost of services primarily consists of subcontracting costs, staff costs and materials and consumables. We recorded an increase in cost of services of approximately RMB8.0 million or 7.3% from approximately RMB109.2 million for the six months ended 30 June 2023 to approximately RMB117.2 million for the Period. Such increase was generally in line with our growth in revenue during the Period associated with the growth in our properties under management services.

### **Gross Profit and Gross Profit Margin**

Our gross profit decreased slightly by approximately RMB0.5 million or 1.0% from approximately RMB50.5 million for the six months ended 30 June 2023 to approximately RMB50.0 million for the Period. Our gross profit margin was approximately 29.9% for the Period as compared to approximately 31.6% for the six months ended 30 June 2023. The slight decrease in the Group's gross profit margin was mainly resulted from the lower contract price undertaken during the Period than the six months ended 30 June 2023.

## **Other Income, Other Gains and Losses, Net**

Other income, other gains and losses, net mainly comprised losses from foreign exchange differences, government grants and interest income. Our other income, other gains and losses, net decreased by approximately RMB0.1 million or 20.0% from approximately RMB0.5 million for the six months ended 30 June 2023 to approximately RMB0.4 million for the Period. Such decrease was mainly contributed by the combined effect of the decrease in government grants received and decrease in losses from foreign exchange difference recognised during the Period.

## **Selling and Marketing Expenses**

Our selling and marketing expenses increased by approximately RMB0.1 million or 16.7% from approximately RMB0.6 million for the period ended 30 June 2023 to approximately RMB0.7 million for the Period. Such increase was consistent with our expansion of our business during the Period.

## **Administrative Expenses**

Our administrative expenses mainly comprised staff costs of our administrative staff at our headquarters, office expenses and professional fees. Our administrative expenses decreased by approximately RMB1.8 million or 10.3% from approximately RMB17.5 million for the period ended 30 June 2023 to approximately RMB15.7 million for the Period. Such decrease was mainly attributable to decrease in professional fees incurred during the Period.

## **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 decreased by approximately RMB0.9 million or 8.7% from approximately RMB10.4 million for the six months ended 30 June 2023 to approximately RMB9.5 million for the Period.

## **Profit for the Period**

As a result of the foregoing, our profit attributable to the equity holders of the Company increased by approximately RMB3.3 million or 15.9% from approximately RMB20.8 million for the six months ended 30 June 2023 to approximately RMB24.1 million for the Period.

## **Interim Dividend**

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

## **FINANCIAL POSITION**

### **Property, Plant and Equipment**

The net carrying value of property, plant and equipment amounted to approximately RMB188.1 million as at 30 June 2024, representing a decrease by approximately RMB0.4 million or 0.2% as compared to approximately RMB188.5 million as at 31 December 2023.

### **Properties under development**

In 2023, 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 approximately RMB130.8 million represented sellable properties in construction as at 30 June 2024. As at 30 June 2024, the Zhengzhou Zensun Centre Project has completed the preliminary construction stage of work and is currently under the main construction work. The construction of the Zhengzhou Zensun Centre Project is expected to be completed by the end of 2025.

### **Trade Receivables**

Our total gross amount of trade receivables was approximately RMB69.8 million and trade receivable net of loss allowance was approximately RMB67.7 million as at 30 June 2024, as compared to that of approximately RMB102.2 million and RMB99.7 million, respectively, as at 31 December 2023. The decrease in both the total gross amount of trade receivables and trade receivable net of loss allowance were mainly due to the increase in repayment from the trade receivables, resulting from the Group's efforts in enforcing its trade receivable collection and management measures during the Period.

In the provision of property management and value-added services to customers (including related party customers), the Group mainly requires payments in advance, and the terms for the provision of property engineering services to customers (including related party customers) are mainly on credit and the credit period is generally within 30 days.

Our gross amount of trade receivables from related parties of approximately RMB35.7 million as at 30 June 2024, representing a decrease of approximately RMB38.4 million or 51.8% as compared to approximately RMB74.1 million as at 31 December 2023, were associated with outstanding property management fees generated from unsold properties under management and property engineering services rendered to the related parties. As at the date of this announcement, there were subsequent settlements of the trade receivables from related parties of approximately RMB2.4 million, which represented approximately 6.7% of the gross amount of trade receivables from related parties as at 30 June 2024.

Our gross amount of trade receivables from Independent Third Parties amounted to approximately RMB34.1 million as at 30 June 2024, representing an increase of approximately RMB6.0 million or 21.4% as compared to approximately RMB28.1 million as at 31 December 2023. The increase was consistent with the increase in revenue generated from Independent Third Parties. As at the date of this announcement, there were subsequent settlements of the trade receivables from Independent Third Parties of approximately RMB1.7 million, which represented approximately 5.0% of the gross amount of trade receivables from Independent Third Parties as at 30 June 2024.

The Group understands that its customers and their repayment ability have been affected by the adverse business environment in the real estate market in the PRC, nonetheless, the Group has taken proactive steps to recover the trade receivables, thereby mitigating the defaults risk of the trade receivables.

In particular, the Group has (i) in accordance with its credit risk management policy, conducted periodic review of the credit risk of the debtors, including reviewing their financial position and assess if there were any increased credit risk of debtors; (ii) maintained ongoing communications with the debtors to understand the updated business operations of the debtors such as the expected returns and cash flows of the debtors so as to assess the recoverability of the outstanding trade receivables; and (iii) requested partial repayment of the trade receivables from time to time. With the aforementioned efforts by the Group, the Group managed to reduce the gross amount of the trade receivables from related parties as at 30 June 2024 by approximately 51.8% as compared to the corresponding amount as at 31 December 2023.

### **Trade Payables**

Our trade payables primarily consisted of payables to our suppliers for their products and to 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 RMB35.0 million as at 30 June 2024, representing a decrease of approximately RMB20.0 million or 36.4% as compared to approximately RMB55.0 million as at 31 December 2023. The decrease in trade payables was as a result of the timely settlement of our trade payables during the Period.

### **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 amounted to approximately RMB72.9 million as at 30 June 2024, representing a decrease of approximately RMB23.2 million or 24.1% as compared to approximately RMB96.1 million as at 31 December 2023. The main reason for the decrement was because more settlements were made during the Period.

### **Contract Liabilities**

Our contract liabilities represented advanced receipts for property management and value-added services. Our contract liabilities decreased from approximately RMB85.4 million as at 31 December 2023 to approximately RMB78.8 million as at 30 June 2024, representing a decrease of approximately RMB6.6 million or 7.7%. The decrease was mainly due to the decrease in advances received from customers of property management services during the Period.

### **Indebtedness**

As at 30 June 2024, we had no outstanding borrowings and unutilised banking facilities. The Group's lease liabilities decreased from approximately RMB3.0 million as at 31 December 2023 to approximately RMB2.4 million as at 30 June 2024.

## **Liquidity, Financial Resources and Capital Structure**

Our Group maintained a healthy financial position. As at 30 June 2024, the current assets amounted to approximately RMB481.9 million, representing a decrease of approximately RMB25.2 million or 5.0% as compared to approximately RMB507.1 million as at 31 December 2023. As at 30 June 2024, cash and cash equivalents of our Group amounted to approximately RMB217.4 million, representing an increase of approximately RMB6.7 million or 3.2% as compared to approximately RMB210.7 million as at 31 December 2023.

As at 30 June 2024, 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 30 June 2024, 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 as at 30 June 2024 was approximately 2.6 times as compared to that of approximately 2.1 times as at 31 December 2023.

### **Charge on the Group Assets and Pledge of Assets**

As at 30 June 2024, none of the assets of our Group was pledged and there were no charges on the Group's assets.

### **Contingent Liabilities**

As at 30 June 2024, the Group did not have any material contingent liabilities.

### **Capital Commitments**

As at 30 June 2024, the Group has capital expenditure commitments of RMB280.2 million relating to construction in progress.

### **Foreign Exchange Risks**

Our Group mainly operates in the PRC with most of the transactions settled in Renminbi (“RMB”). Therefore, the Group is not exposed to significant foreign currency exchange risk except for certain bank balances denominated in Hong Kong dollars 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 30 June 2024, our Group had 726 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 RMB40.2 million during the Period.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Period, our Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

## **SIGNIFICANT INVESTMENTS**

As at 30 June 2024, 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 30 June 2024. 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.

## **FUTURE OUTLOOK**

The Group will continue to enhance our position in the property services sector by adhering to the following strategies: 1. undertake additional property management projects and specialize in the non-residential sector; 2. selectively pursue merger and acquisition opportunities within the property management industry; 3. deepen professional coverage and expand service empowerment to enhance service professionalism, responsiveness and satisfaction; 4. continuously enhance the intelligence and digitalization to improve operational efficiency and customer service experience; and 5. focus on the development of value-added community services from the aspects of living services and asset services to meet diversified needs of the customers.



We will steadfastly follow the path of high-quality development, and realize the service transformation centered on customer satisfaction by focusing on operation excellence, long-term development, service emphasis, and good management. We will strive to achieve stability in service quality and predictability of services, and strengthen the differentiation of service contents and brand competitive advantages; improve market insight and broaden service dimensions from PM (property management), FM (facilities management) to IFM (integrated facilities management), in response to the development trend of non-residential services. Adhering to the brand commitment of “providing services beyond customers’ expectations”, we will deeply plough into the field of property services, launching three service systems, namely “Standard+, Social+ and Intelligent Technology+”, which always focus on the needs of owners and customers, and constantly draw on and learn from the international advanced management and service experience, so as to create a high-quality, standardized and warm property service experience, and to build a high-quality property management brand leader.

We will strive to become a “full-scene service expert”, and in the future, we will continue to ensure the smooth operation of residential services, office services, hospitals, venues, schools and other public services with standardized and regularized service quality, provide quality experience for our customers and the public, and build a “big property” management system that takes urban public space and public resources as a whole. Faced with a highly competitive industry environment, we will be able to adapt to the high-speed development of the times, and reward shareholders and investors with even better performance, as well as return the care and support from our employees, the community and departments at all levels.



## 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 30 June 2024, our Group had utilised approximately RMB75.0 million of the capital raised as follows:

Intended use of the net proceeds	Percentage	Planned	Utilised	Net proceeds utilised during the Period	Unutilised	Expected timeline for the usage of the unutilised net proceeds
		amount of the net proceeds for its intended use	net proceeds as at 31 December 2023		net proceeds as at 30 June 2024	
		RMB'million	RMB'million	RMB'million	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	21.2	5.3	3.7	On or before 31 December 2025
3) Enhancement of our property management services	29.7%	44.5	26.7	6.9	10.9	On or before 31 December 2025
4) General working capital	10.0%	14.9	14.9	–	–	N/A
		<u>149.6</u>	<u>62.8</u>	<u>12.2</u>	<u>74.6</u>	

## **CHANGES SINCE 31 DECEMBER 2023**

Save as disclosed in this announcement, there were no other material changes in the Group's financial position or from the information disclosed under the management discussion and analysis section in the Company's 2023 annual report.

## **EVENTS AFTER THE REPORTING PERIOD**

There was no significant event after the Period and up to the date of this announcement.

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

Neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company's listed securities during the Period.

## **CORPORATE GOVERNANCE CODE**

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 of the Company as a whole. The Company has adopted corporate governance practices based on the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules 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 Period, save for deviation from code provision C.2.1 of the CG Code.

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 AND RELEVANT EMPLOYEES**

Our Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Our Company has made specific enquiry with all the Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the Period.

Our Company has adopted a code of conduct regarding securities transactions by the relevant employees of our Group who are considered likely to be in possession of unpublished inside information of our Company or its securities on no less exacting terms than the Model Code in relation to their dealings in the securities of our Company pursuant to Code Provision C.1.3 of the CG Code. To the best knowledge and belief of our Directors, all relevant employees have fully complied with the required standard of such code.

## **AUDIT COMMITTEE**

As at the date of this announcement, the audit committee of the 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 reviewed, with Company’s management, the accounting principles and practices adopted by our Group, and discussed, among other things, auditing and financial reporting matters including a review of the unaudited interim condensed consolidated financial results of our Group for the Period.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and our Company ([www.xingyewulian.com](http://www.xingyewulian.com)). The interim report of our Company for the Period containing all the information required by Appendix D2 of the Listing Rules will be available on the above websites in due course and despatched to our Company’s shareholders upon request.

\* *English translation of company names or another language which are marked with “\*” are for identification purpose only.*

## **ACKNOWLEDGEMENT**

We would like to thank the management and all of our staff for their hard work and dedication, as well as our shareholders for their continuous support to our Group.

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

Hong Kong, 29 August 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.*