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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of Ling Yue Services Group Limited (the "**Company**") dated 8 April 2026 (the "**Announcement**"). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board would like to provide the following supplementary information in relation to the Capital Injection Agreement.

Further information on the Xingsheng Huashang Advancement, the Project Prepayment and the Remaining Balance and the basis of determination

The Board would like to clarify that as at 1 March 2026, Xingsheng Huashang had advanced an aggregate amount of approximately RMB244,928,420 to the Project (the "**Xingsheng Huashang Advancement**").

The detailed breakdown of the Xingsheng Huashang Advancement is as follows: (i) bid deposit: RMB63,000,000.00; (ii) first part of the land grant premium: RMB156,658,320; (iii) land index fee, index service fees and bidding agency service fee related to the land grant premium: RMB9,878,056.55; (iv) urban infrastructure supporting fees and other construction costs: RMB14,828,330.38; (v) selling and administrative expenses: RMB307,892.43; (vi) taxes: RMB200,826.99, with an account balance of over RMB54,993.65.

The Project Prepayment of approximately RMB58,732,105 (representing 25% of RMB234,928,420, being the total shareholders' contributions of RMB244,928,420 as at 28 February 2026 after deducting the original shareholder's registered capital contribution of RMB10,000,000). Such amount is payable by Huichen Jingyue to Xingsheng Huashang and is calculated based on Huichen Jingyue's 25% equity interest in the Target Company upon completion of the Capital Injection as stipulated in the Capital Injection Agreement.

From March 2026 onwards, the detailed breakdown of the land payment and subsequent investment balance of approximately RMB104,213,820.94 is as follows: (i) second part of the land grant premium: RMB94,139,280.00; and (ii) deed tax: RMB10,074,540.94.

The Xingsheng Huashang Advancement was paid in multiple instalments commencing from 19 September 2025 (being the date on which Xingsheng Huashang first injected funds into the Project). It is not practicable to set out the date and amount of each individual transaction in the Announcement. Interest was calculated at the rate of 6% per annum on each relevant advancement amount from the date on which such amount was paid by Xingsheng Huashang until the day immediately following the completion of the registration of the industrial and commercial change reflecting the Capital Injection. The total interest payable by Huichen Jingyue to Xingsheng Huashang amounted to RMB1,442,094.99, which was paid by Huichen Jingyue to Xingsheng Huashang on 15 April 2026.

The land premium for the project was determined through the government's public listing-for-sale process, involving bidding, auction and listing procedures. The relevant land parcel number is SLG-(07)-2025–015.

Regarding the basis of determination for the interest rate of 6% per annum, the Board considers such rate to be fair and reasonable for the following reasons: (a) given that the real estate industry generally negotiates interest rates above market deposit rates; and (b) such rate is consistent with the prevailing market practice for similar unsecured related-party borrowings in the PRC.

Guarantee arrangement stipulated in the Capital Injection Agreement

The specific details of the guarantee arrangements under the Capital Injection Agreement and how such arrangements protect the interests of the Company and its shareholders are set out below:

Pursuant to the Capital Injection Agreement:

(i) upon the occurrence of the following events: (i) 95% of the saleable residential gross floor area included in the plot ratio of the project has been sold; (ii) the completion filing for the entire project has been completed; and (iii) the relevant election period following the centralised delivery of the project has commenced. Upon Huichen Jingyue electing to exit, the parties shall conduct a notional liquidation of the project to determine the notional net profit of the project and the respective profits or losses attributable to the parties in accordance with the agreed profit-sharing ratio;

The notional net profit is calculated by reference to the total project revenue, after deducting, among other things, land costs, development costs, taxes and surcharges, selling and administrative expenses, finance costs, non-operating expenditure and income tax expenses, and after taking into account non-operating income and other income. For this purpose, the notional net profit comprises (i) realised net profit recorded in the accounts; (ii) estimated net profit attributable to properties which have been sold but for which revenue has not yet been recognised; and (iii) estimated net profit attributable to unsold properties. The estimated revenue from unsold residential properties and parking spaces is generally determined at 95% and 80%, respectively, of the average contracted selling prices of comparable properties during the preceding three months.

Upon its exit, Huichen Jingyue is entitled to receive, in priority, the profit attributable to it as determined by the notional liquidation. Any remaining book profit and unrealised profit after such distribution shall be attributable to the other party. If the notional net profit is negative, the other party is required to make good the loss attributable to Huichen Jingyue, such that the principal amount of Huichen Jingyue's capital contribution and shareholder loans will not be impaired.

Following completion of the notional profit distribution, any shareholder loans advanced by Huichen Jingyue shall be repaid in full within 30 days after it elects to exit. Huichen Jingyue shall then transfer its entire equity interest in the project company to the other party at an amount equal to the aggregate amount of the registered capital and capital reserve, if any, actually contributed by Huichen Jingyue to the project company. Huichen Jingyue will cease to be a shareholder of the project company after the relevant capital amount has been returned or the equity transfer consideration has been paid.

(ii) Huichen Jingyue is entitled to a priority distribution right. The simulated net profit comprises three components, namely realized net profit, estimated net profit from sold but unsettled properties, and estimated net profit from unsold properties. Huichen Jingyue may receive priority distribution of the profit attributable to it, and the remaining profit after such distribution shall belong to Xingsheng Huashang.

(iii) Xingsheng Huashang, as the original shareholder, undertakes that if the simulated liquidation net profit is negative, Xingsheng Huashang shall make up the shortfall to Huichen Jingyue, thereby ensuring that the principal amount of Huichen Jingyue's capital increase contribution and shareholder loans will not suffer any loss; the Group has not provided any guarantee other than its capital contribution.

Therefore, the Group is of the view that Xingsheng Huashang, as the original shareholder, guarantees that the Group's investment principal will not suffer any loss, and the Group is entitled to a preferential liquidation right upon the satisfaction of the above condition which further safeguards the Group's investment risk.

Due diligence conducted by the Company

The due diligence work conducted by the Company to confirm the fairness and reasonableness of the above fees is set out below:

(a) Third-party professional due diligence

From February to March 2026, the Company engaged Chengdu Xinhe United Certified Public Accountants Partnership for financial due diligence, Sichuan Shanjia Law Firm for legal due diligence, and Beijing Zhuoxin Dahua Asset Appraisal Co., Ltd. for asset appraisal. Their respective scope of work included the review and verification of the major expenditures incurred by Xingsheng Huashang in relation to the project.

(b) Land grant premium

The total land premium included (i) the bid deposit of RMB63,000,000; (ii) first part of the land grant premium of RMB156,658,320; and (iii) second part of the land grant premium of RMB94,139,280.00 and was determined through the government's public listing-for-sale process, involving bidding, auction and listing procedures. The relevant land parcel number is SLG-(07)-2025–015. The transaction confirmation was signed on 24 October 2025, and the total transaction price was RMB313,797,600 (which is equivalent to the total land grant premium). The Company has verified that the transaction price is consistent with the public records published on the government website and the amount stipulated in the land grant contract.

(c) Urban infrastructure supporting fees

The urban infrastructure supporting fees were levied by the Chengdu Municipal Government based on the prescribed standard rates, in the amount of RMB12,214,122.80. The Company has verified that the amount actually paid is consistent with the applicable government-prescribed rates.

(d) Construction costs

The construction contract was subject to a competitive tendering/quotation process. The relevant third-party professional institutions compared the construction costs against prevailing market prices.

(e) Transaction service fees and administrative expenses

These fees were paid in accordance with the amounts stipulated in the contracts entered into with government authorities and third-party service providers. The transaction service fees amounted to RMB1,267,546.55 in aggregate, comprising bidding agency service fees of RMB1,224,494 and index service fees of RMB43,052.55, which were verified against the payment receipts issued by China Construction Bank. The remaining expenses were verified against the project ledger and third-party payment records.

Based on the above due diligence procedures, the Board considers that sufficient work has been performed to confirm the fairness and reasonableness of the relevant amounts.

Board's view on the Capital Injection Agreement and the transactions contemplated thereunder

In view of the above, the Board is of the view that the aforesaid contributions to be borne by the Company are fair and reasonable and in the interests of the Company and its shareholders as a whole, for the following reasons: (a) pro-rata contributions: all financial contributions of Huichen Jingyue (including the Injection, the Reimbursement and the Loan) are calculated strictly in proportion to Huichen Jingyue's 25% equity interest in the Target Company upon completion of the Capital Injection, which the Board considers to be fair and commercially reasonable; (b) no external financing/debt-free project: the Project does not involve any bank borrowings or other external financing, which significantly reduces the Group's financial risk exposure; (c) near-term revenue prospects: the Project has commenced pre-sale in June 2026, and the predicted return on investment will meet its expectations; (d) Chengdu market opportunity: the Project is located in the Jiujiang New Town area, Shuangliu District, Chengdu, which is a core area under Chengdu's "Southward Expansion" strategy. In 2025, the district recorded a GDP of RMB130.76 billion with a nominal growth rate of 5.37% and the highest population growth rate in the city. The district benefits from a comprehensive transportation network (Shuangliu Airport and seven metro lines), strong industrial support (the aviation economy industrial cluster with a scale exceeding RMB130 billion) and well-established educational facilities (Shuangliu District is the only district in Chengdu offering free K-15 education). The Board considers that the Project is well-positioned to capture quality residential demand in the area; (e) the Group has priority exit right and Xingsheng Huashang has undertaken to guarantee that Huichen Jingyue will not suffer any loss on the principal of its capital injection and shareholders' loan, thereby providing additional downside protection for the Company; (f) the Company's investment funds are sourced from its own funds and do not involve the use of proceeds raised from the offering.

Further details on the Project

The Project is a residential development project located in the Jiujiang New Town area, Shuangliu District, Chengdu, details of which are as follows: (1) Nature of development: The Project is designated as Class II urban residential land with a site area of 19,134.49 square metres and a planned saleable gross floor area of 38,268.98 square metres (plot ratio of 2.0). (2) Target buyers: The Project is positioned as a premium liveable residential development in southern Chengdu, primarily targeting upgrader owner-occupier demand from Shuangliu District and surrounding areas, including middle-to-high income families benefiting from the development of industrial clusters such as the aviation economy and electronic information industries, as well as family-oriented purchasers who value educational facilities. (3) Marketing and sales strategy. The Project will be promoted through a combination of online and offline channels, leveraging the Project's proximity to Jiujiang New Town Primary School and the Longdu Campus of Shuangliu High School, the ecological advantages of the Huancheng Ecological Zone, and the convenient metro transportation network (Lines 3, 17 and 19) as core selling points.

As disclosed in the Announcement, the Project has obtained all necessary permits, including the state-owned land use rights certificate, the construction land planning permit, the construction project planning permit and the construction work permit. Construction and development of the Project commenced in October 2025, and the pre-sale permit was obtained on 29 May 2026. The overall Project is expected to complete construction acceptance and completion filing by the first quarter of 2028, with centralised delivery to buyers expected to commence in the first half of 2028.

The Board's decision for the Group to participate in property development through the Capital Injection was primarily based on the following considerations: (a) synergies with existing property management business: the Group's principal property management services business provides it with a large potential customer base and in-depth understanding of the needs and preferences of residents. These market insights enable the Group to provide forward-looking and professional advice on product design, unit configuration and community amenities at the project planning stage, thereby enhancing the competitiveness of the end products; (b) market alignment: as a property management services provider, the Group is uniquely positioned to understand the evolving preferences of home buyers, which are increasingly focused on quality, amenities, ecological environment and service standards. The Group's ability to align product design with these market demands is expected to enhance the marketability and sales performance of the Project; (c) prudent and selective approach: the Group does not intend to expand broadly into property development, but rather intends to adopt a project-specific approach, focusing on selective opportunities supported by regional fundamentals, differentiated positioning and realistic demand assumptions. The Board considers that the current market adjustment cycle presents opportunities to invest in individual projects at attractive valuations, particularly those that are debt-free and offer identifiable investment returns. The Board further notes that this investment represents a selective participation in a single project, and the Group currently has no plans to expand broadly into property development.

Further information on Huichen Jingyue

Huichen Jingyue was incorporated in the PRC on 8 December 2025 and is a wholly-owned subsidiary of the Company (stock code: 2165). As at the date of this letter, Huichen Jingyue holds the requisite property development qualification in the PRC. However, the Project is the first property development project of Huichen Jingyue. Prior to entering into the Capital Injection Agreement, Huichen Jingyue had not undertaken any other property development projects.

Although Huichen Jingyue has not previously undertaken any property development projects, the Board considers that the Group possesses the relevant expertise and experience to participate in the Project through the following: (a) property management expertise: the Group has years of experience providing property management services to residential and non-residential properties, and has accumulated an in-depth understanding of the needs of end-users of residential properties, including aspects such as design, layout, community amenities and service configuration; (b) product design advice: the Group is able to leverage its property management experience to provide professional advice on product design and sales strategies, thereby enhancing the quality and marketability of the Project; (c) operational oversight capability: as a financial investor with experience in managing and supervising the operations of properties under its management, the Group possesses the capability to oversee the financial management and day-to-day operations of the Target Company; and (d) executive Directors' property development background: the executive Directors of the Company have professional backgrounds and experience in property development, which enables them to provide professional guidance and oversight for the Group's participation in the Project, and they previously participated in the development of property projects and the establishment of property development enterprises. The Board further notes that the operational development of the Project is led by Xingsheng Huashang, and accordingly the Group's role is primarily that of a financial investor with governance and oversight functions, rather than a lead developer. This arrangement appropriately reflects the Group's current stage of involvement in property development.

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

Hong Kong, 14 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 and Mr. Hu Ning as independent non-executive Directors.