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HEVOL SERVICES GROUP CO. LIMITED
和泓服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6093)

**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION
IN RELATION TO
DISPOSAL OF 51% EQUITY INTEREST OF
THE TARGET COMPANY**

THE DISPOSAL

On 14 November 2025 (after trading hours of the Stock Exchange), the Vendor (being an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire 51% equity interest of the Target Company, at the Consideration of RMB7,877,400 subject to the terms of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempt from Shareholders' approval requirement under the Listing Rules.

As at the date of this announcement, the Target Company is owned as to 51% and 49% by the Vendor and Zhongshan Zhengsheng respectively, and Zhongshan Zhengsheng is owned as to 38%, 33% and 29% by Mr. Huang Jiahong* (黃加紅先生), Mr. Yang Xuepeng* (楊學鵬先生) and Mr. Song Yunhan* (宋運漢先生), respectively. The Purchaser is owned as to 50% by Ms. Yan Lanxin* (楊蘭心女士) and 50% by Mr. Song Yunbin* (宋運斌先生). As Ms. Yang Lanxin is the niece of Mr. Yang Xuepeng and Mr. Song Yunbin is a cousin of Mr. Song Yunhan, the Purchaser is deemed as a connected person of Zhongshan Zhengsheng and is therefore, a connected person of the Company at the subsidiary level. Thus, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Disposal and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Sale and Purchase Agreement is in the interest of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Sale and Purchase Agreement will be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

* for identification purpose only

INTRODUCTION

On 14 November 2025 (after trading hours of the Stock Exchange), the Vendor (being an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to acquire 51% equity interest of the Target Company, at the Consideration of RMB7,877,400 subject to the terms of the Sale and Purchase Agreement.

THE DISPOSAL

A summary of the principal terms of the Sale and Purchase Agreement is set out as follows:

Date: 14 November 2025 (after trading hours of the Stock Exchange)

Parties:

- (i) the Vendor, an indirect wholly-owned subsidiary of the Company
- (ii) the Purchaser, a company established under the laws of the PRC with limited liability
- (iii) the Target Company

As at the date of this announcement, the Purchaser is owned as to 50% by Ms. Yan Lanxin and 50% by Mr. Song Yunbin while the Target Company is owned as to 51% and 49% by the Vendor and Zhongshan Zhengsheng, respectively, and Zhongshan Zhengsheng is owned as to 38%, 33% and 29% by Mr. Huang Jiahong, Mr. Yang Xuepeng and Mr. Song Yunhan, respectively. Ms. Yan Lanxin is the niece of Mr. Yang Xuepeng and Mr. Song Yunbin is a cousin of Mr. Song Yunhan. Accordingly, the Purchaser is deemed as a connected person of Zhongshan Zhengsheng and, is therefore, a connected person of the Company at the subsidiary level under the Listing Rules.

Assets to be dispose of

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, 51% of the total equity interest of the Target Company.

Consideration and payment terms

The Consideration for the Disposal is RMB7,877,400. The basis of the Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others,

- (i) the reasons for and benefits of the Disposal as stated under the section headed "Reasons for and benefits of the Disposal" below; and
- (ii) the appraised value of 100% equity Interest of the Target Company as at 30 September 2025 of approximately RMB15.6 million, as appraised by the Independent Valuer using the market approach, being by making reference to comparable companies as available in the market.

The Consideration shall be payable in cash by the Purchaser to the Vendor on or before 31 December 2025.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Disposal, including, among other things, the basis of calculating of the Consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Completion

Pursuant to the Sale and Purchase Agreement, within five (5) Business Days after the Vendor received the Consideration, the Vendor shall cooperate with the Target Company to transfer all of its 51% equity interest in the Target Company to the Purchaser. Before such transfer, the Vendor and the Purchaser shall submit all documents required for the industrial and commercial registration changes to the Target Company, including but not limited to shareholders' meeting resolutions, amended articles of association, and appointment letters of directors, supervisors, and senior management.

THE VALUATION

The Consideration for the Disposal is RMB7,877,400, which was determined after arm's length negotiations between the Vendors and the Purchaser with reference to, among others, the appraised value of 51% of the equity interest in the Target Company as at 30 September 2025 (the "**Valuation Date**") of approximately RMB15.6 million (the "**Valuation**") as valued by the Independent Valuer.

Valuation approach

Pursuant to the valuation report prepared by the Independent Valuer, the Valuation is conducted on a market value basis, and the Valuer has taken into account the operations and the nature of the industry of the Target Company in considering the appropriate approach to obtain the market value of the Target Company from the three commonly accepted approaches, namely the market approach, the income approach and the cost approach.

The income approach requires various subjective inputs, such as projections for revenue, cost, expenses, and the risk-adjusted discount rate. Given the unavailability and uncertainty involved in forecasting both the amount and timing of future income for the Target Company, the Independent Valuer concluded that the income approach is not suitable for the Valuation.

The cost approach provides an indicative value by applying the economic principle that a buyer would not pay more for an asset than it would cost to acquire an asset with the same function, whether by purchase or construction and usually presented in business valuation situations as an asset-based approach, whereby the market value of a business entity is calculated as the total market value of its existing assets less the market value of its liabilities. Given that the Target Company is principally engaged in property management and related businesses, the cost approach cannot reflect the future economic value. Therefore, the Independent Valuer did not adopt the asset-based approach to conduct equity valuation based on the assets and liabilities shown in the Target Company's financial statements.

The Independent Valuer adopted the market approach for the Valuation, since there are publicly traded companies with operations similar to those of the Target Company. This allows for a comparative analysis. Under the market approach, the ratios commonly used are market capitalisation based ratios (including P/E, P/S and P/B, etc.) and enterprise value-based ratios that reflect the capital structure of the Target Company (EV/Sales, EV/EBITDA, EV/EBIT, etc.). In order to reflect the company's profitability and capital structure at the same time, and taking into account the information provided by the Company and the Enterprise Value/Earnings Before Interest and Tax ("**EV/EBIT**") are adopted to calculate the equity value of the Target Company as at the Valuation Date.

Valuation under the market approach

The Independent Valuer selected Comparables operating in, among others, the property management and related services industry which have been listed in Hong Kong and the PRC with the following criteria:

- Over 50% of operating revenue comes from property management services;
- As of the Valuation Date, the market capitalization exceeds RMB2 billion, as the Independent Valuer believes that a market capitalization exceeding RMB2 billion can fairly represent the market capitalization of a property management company listed in Hong Kong and China with a significant scale and stable operations;
- As of the Valuation Date, the 2024 financial data has been disclosed, and the net profit for the most recent fiscal year was positive;
- There are no significant “cash drag” issues, i.e., the latest reported “net cash” amount (equivalent to the difference between total cash and cash equivalents and total liabilities in the most recent financial statements) is less than 50% of the market capitalization of comparable companies; and
- Neither the comparable company, nor its subsidiaries have any debt default issues in the most recent fiscal year.

The Independent Valuer exhaustively selected 4 Comparables, as at the Valuation Date, EV/EBIT Multiple of selected Comparables are as follows:

Comparables	Ticker	EV/EBIT multiples (times)
Poly Property Services Co Ltd.	6049.HK	4.2
China Merchants Property Operation and Service Co., Ltd.	001914.SZ	8.7
Binjiang Service Group Co. Ltd.	3316.HK	6.3
Jinmao Property Services Co., Limited	0816.HK	2.1

4 Comparables were exhaustively selected and satisfy the selection criteria, with the median EV/EBIT multiple of approximately 5.3x. Combined with (i) the EBIT of Target Company for the last 12-month; (ii) the adjustment on the cash and equivalents value (RMB6.24 million) and net non-operating assets (RMB4.53 million) of the Target Company as at the Valuation Date; and (iii) the 21.2% Discount for Lack of Marketability (“DLOM”) applied to reflect the unlisted status of the Target Company, the 100% equity value of the Target Company as at the Valuation Date is about RMB15.60 million.

Meanwhile, the Independent Valuer understand that the Purchaser acquire the equity interest in the Target Company as a financial investment and will not consider interfering with or changing the daily operations and management of the Target Company after acquiring its 51% equity interest. Furthermore, as at the Valuation Date, the Disposal of equity interest has not yet been completed. Therefore, for the purpose of prudence, the Valuation does not consider the impact of control premium.

Discount for Lack of Marketability (“DLOM”)

In determining the rate of DLOM, the Independent Valuer has taken into account the following factors:

- The estimated liquidity of the equity interest of the Target Company in future;
- Any contractual or customary arrangement, if any, requiring the Target Company to sell or purchase its equity interest;
- Any restrictions on transfer imposed on the equity interest being valued (if any);
- Any potential buyers for the equity interest being valued;
- The risk and volatility of the underlying equity interest;
- The size and timing of dividend distributions available to the shareholders of the Target Company (if any); and
- Concentration of shareholdings of the Target Company.

Major Assumptions Adopted in the Valuation

- The valuation was based on the following valuation assumptions for adopting the market approach.
- The financial and operational data of the Target Company assumed to be accurate and the Independent Valuer has relied substantially on such information in arriving at the opinion of value;
- The business of the Target Company will not be subject to any unusual or onerous restrictions or impediments that would materially affect the assets or liabilities;
- There will be no significant change in the existing political, legal, technological, tax, fiscal or economic conditions in the countries or regions in which the Target Company’s business operates;
- Long-term inflation, interest rates and currency exchange rates will not differ materially from current levels;
- The Target Company will retain key management and technical personnel to continue the business;
- The Target Company will not be materially affected in its operations as a result of international crisis, disease, riots, industrial or commercial disputes, industrial accidents or adverse weather conditions;
- The Target Company will not be materially affected in value by claims and litigation against the business or customers;
- Possible future bad debts of the Target Company will not materially affect the value of the Target Company;

- The Target Company is not subject to any statutory notices and its business operations are not, or will not be, in breach of any legal requirements; and
- The business of the Target Company will not be subject to any unusual or onerous restrictions or impediments.

The Directors (including the independent non-executive Directors) consider the key assumptions, the quantitative inputs, methodology and valuation analyses adopted in the Valuation are fair and reasonable.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of the PRC with limited liability and is principally engaged in property management business. Certain key financial information of the Target Company as extracted from its unaudited financial statements for the two years ended 31 December 2024 and for the nine months ended 30 September 2025 (prepared in accordance with the Generally Accepted Accounting Principles of the PRC) is set out below:

	For the year ended 31 December		For the nine months ended
	2023	2024	30 September 2025
	unaudited	unaudited	unaudited
	RMB'000	RMB'000	RMB'000
Net Profit before tax	6,511	6,236	993
Net Profit after tax	6,152	6,009	868

The unaudited net asset value of the Target Company as at 30 September 2025 was approximately RMB12.64 million.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Following the completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and the Group will not hold any equity interest in the Target Company, and accordingly, its financial results will no longer be consolidated into the consolidated financial statements of the Group. The Company expects to record an unaudited loss of approximately RMB4.13 million from the Disposal. Such amount of loss is estimated after taking into account of, amount other things, (i) the consideration of the Disposal of approximately RMB7,877,400 for the 51% equity interest in the Target Company; (ii) dividend payments received from the Target Company for the financial year 2021-23 of approximately RMB6.95 million; (iii) the acquisition cost of the 51% equity interest in the Target Company in 2020 of approximately RMB15.4 million; and (iv) the undistributed profits of the Target Company attributable to the 51% equity interest as at 30 September 2025 of approximately RMB3.51 million and the relevant costs for the disposal. The actual loss from the Disposal to be recorded by the Group shall be subject to the review and final audit by the auditor of the Company and may be different from the estimated amount as it will depend on, amongst other factors, the actual amounts of the assets and liabilities of the Target Company as at the date of completion of the Disposal and the transaction cost arising from the Disposal.

The expected net proceeds from the Disposal are intended to be used by the Group as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The disposal of the 51% equity interest in the Target Company is a strategically considered decision aimed at enhancing the Group's operational focus and financial flexibility. By divesting in the Target Company, the Group is able to streamline its business portfolio, allowing for a more concentrated effort on its remaining property management portfolio, which have demonstrated steady revenue growth and increasing market share.

In light of the recent downturn in property market in the PRC, a slowdown in the property management industry is anticipated. The Group's strategic roadmap highlights the importance of capital allocation towards scalable and higher-margin segments such as smart property services. The Disposal facilitates this by releasing locked capital tied to non-core assets, thereby enabling reinvestment in growth areas identified in the corporate plans. The Board considered that the Disposal represents a continuation of the Group's strategy to achieve the goal of high-quality development and offers a good opportunity for the Group to streamline the business and commit the financial resources of the Group to its existing and prospective businesses by allocating resources more efficiently.

The Disposal could also reduce the Group's exposure to the risks associated with managing diverse property portfolios, especially amid ongoing market volatility in the real estate sector. It mitigates operational complexities and associated management burdens, enabling the Group to better manage and control operational costs while focusing on quality enhancement and technological innovation within its core businesses.

Based on the factors as disclosed above, the Directors (including the independent non-executive Directors) are of the view that notwithstanding that the Disposal is not in the ordinary and usual course of business of the Group, the terms of the Disposal, the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group and the Vendor

The Group is principally engaged in provision of property management services, community value-added services and value-added services to non-property owners in the PRC.

The Vendor is an indirect wholly-owned subsidiary of the Company and is principally engaged in property management services.

The Target Company

The Target Company is a company incorporated in the PRC with limited liability. As at the date of this announcement, a total of 24 property management projects are managed by the Target Company with approximately 2.3 million sq.m. of total GFA under management. The Target Company mainly operates in Zhongshan city of Guangdong province of the PRC.

The Purchaser

The Purchaser is principally engaged in property management business and is owned as to 50% by Ms. Yan Lanxin and 50% by Mr. Song Yunbin.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Disposal is more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempt from circular and Shareholders' approval requirement under the Listing Rules.

As at the date of this announcement, the Target Company is owned as to 51% and 49% by the Vendor and Zhongshan Zhengsheng, respectively, and Zhongshan Zhengsheng is owned as to 38%, 33% and 29% by Mr. Huang Jiahong, Mr. Yang Xuepeng and Mr. Song Yunhan. The Purchaser is owned as to 50% by Ms. Yan Lanxin and 50% by Mr. Song Yunbin. As Ms. Yan Lanxin is the niece of Mr. Yang Xuepeng and Mr. Song Yunbin is a cousin of Mr. Song Yunhan, the Purchaser is deemed as a connected person of Zhongshan Zhengsheng and, is therefore, a connected person of the Company at the subsidiary level. Thus, the Disposal constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Disposal and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Sale and Purchase Agreement is in the interest of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the entering into of the Sale and Purchase Agreement will be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors is considered to have a material interest in the Disposal and none of them has abstained from voting on the Board resolutions for approving the relevant transaction.

DEFINITIONS

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or a public holiday in the PRC)
“China” or PRC”	the People’s Republic of China
“Company”	Hevol Services Group Co. Limited, a company incorporated in the Cayman Islands with limited liability on 28 May 2018, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 6093)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the total consideration of RMB7,877,400 payable by the Purchaser to the Vendor pursuant to the Share Purchase Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the 51% equity interest in the Target Company by the Vendor pursuant to the Sale and Purchase Agreement
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Valuer”	Savills Valuation and Professional Services (China) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited
“Purchaser”	Zhongshan Furun Property Service Co., Ltd.* (中山市福潤物業服務有限公司), a company established under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of China
“Sale and Purchase Agreement”	the sale and purchase agreement in respect of the Disposal of 51% equity interest in the Target Company entered into between the Vendor, the Purchaser and the Target Company
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Share(s)
“sq.m”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Zhongshan Zhongzheng Property Management Co., Ltd.* (中山市中正物業管理有限公司), a company established under the laws of the PRC with limited liability, and an indirect non wholly-owned subsidiary of the Company as at the date of this announcement and immediately prior to the completion of the Disposal

“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Hehong Furuiying (Guizhou) Information Consultancy Limited* (和泓福瑞盈(貴州)信息諮詢有限公司), a company established as a limited liability company under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company
“Zhongshan Zhengsheng”	Zhongshan Zhengsheng City Environmental Service Ltd.* (中山市正升城市環境服務有限公司), a company established as a limited liability company under the laws of the PRC
“%”	per cent.

* for identification purpose only

By the Order of the Board
Hevol Services Group Co. Limited
Wang Wenhao
Executive Director

Hong Kong, 14 November 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Hu Hongfang and Mr. Wang Wenhao, two non-executive Directors, namely Mr. Liu Jiang and Mr. Zhou Wei, and three independent non-executive Directors, namely Dr. Chen Lei, Mr. Fan Chi Chiu and Mr. Qian Hongji.