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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 TRANSACTIONS**  
**SALE AND PURCHASE AGREEMENT IN RELATION**  
**TO THE ACQUISITION OF 30% EQUITY INTEREST OF**  
**THE PROPERTY MANAGEMENT COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that on 2 December 2024, the Purchaser entered into the Agreement with the Seller, pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell further 30% equity interest of the Target Company at a total consideration of RMB65,400,000.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but all of them are less than 25%, the Acquisition 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 60% by the Company and 40% by the Seller. Accordingly, the Seller is a connected person of the Company at the subsidiary level under the Listing Rules, and the Acquisition 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 Acquisition and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the 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 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.

## **INTRODUCTION**

The Board is pleased to announce that on 2 December 2024, the Purchaser entered into the Agreement with the Seller, pursuant to which the Purchaser conditionally agreed to acquire, and the Seller conditionally agreed to sell further 30% equity interest of the Target Company at a total consideration of RMB65,400,000.

## **THE ACQUISITION**

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

- Date : 2 December 2024 (after trading hours)
- Parties : (i) the Purchaser, an indirect wholly-owned subsidiary of the Company
- (ii) the Seller, who owns 40% of the Target Company

The Seller held 40% equity interest in the Target Company and is a substantial shareholder of the Target Company. The Seller is a connected person of the Company at the subsidiary level. Hence, the Acquisition constitutes a connected transaction under Chapter 14A of the Listing Rules.

### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire, and the Seller have conditionally agreed to sell, 30% of the total equity interest of the Target Company. Following the completion of the Acquisition, the Target Company is held as to 90% and 10% of the total equity interest, respectively, by the Purchaser and the Seller.

### **Consideration**

The basis of the Consideration was determined after arm's length negotiations between the Purchaser and the Seller with reference to, among others,

- (i) the prospects of the Target Company in the medium to long term;
- (ii) the reasons for and benefits of the Acquisition as stated under the section headed "Reasons for and benefits of the Acquisition" below; and
- (iii) the appraised value of 30% of the Target Company of approximately RMB71.1 million as at 31 October 2024 compiled by an independent valuer.

The Consideration will be financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement and the Acquisition, 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**

The Seller shall complete shall execute all the application documents for handling the delivery of the Equity Interests during the period from the date immediately following the date of the Agreement to 25 December 2024.

Within 3 working days after the aforesaid documents are available, the parties shall jointly submit such documents for registration and filing of industrial and commercial changes for all the Equity Interests.

The completion of the change in the ownership certificate of the Target Equity under the Agreement shall take place within 30 days from the date immediately following the date of the Equity Transaction Agreement with the cooperation of the Seller.

Following the completion of the Acquisition, the Target Company is held as to 90% and 10% of the total equity interest, respectively, by the Purchaser and the Seller. The Target Company remains an indirect non wholly owned subsidiary of the Company, and the financial results of the Target Company remains consolidated into the consolidated financial statements of the Group.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Target Company has a number of property management projects in Sichuan province of the PRC. Commitment in continual expansion of management scale is the core development strategy of the Group. As such, the Company acquired 60% of the equity interest of the Target Company in 28 December 2020, which resulted in the expansion of management scale. Since the previous acquisition of the 60% equity interest of the Target Company, it has made greatly to the development of the Group. Besides the growth in the revenue of the Target Company since 2020, the gross profit ratio and the net profit ratio of the Target Company maintains at a satisfactory level, and the number of property management projects continues to increase, leading to rapid increase in total contracted GFA and total GFA under management.

The branding of the Target Company also has a positive impact on the Group. The Target Company's management projects are mainly concentrated in Neijiang City, Sichuan Province. The Target Company adheres to a customer-centric approach, strengthens its brand foundation through high-quality services, and continuously optimizes its service delivery processes and standards to improve customer satisfaction. The Target Company has increased its investment in public order, base facilities, cleanliness services and environmental maintenance, and has successfully created various benchmark projects. In 2024, the Target Company became the president unit of Neijiang City Property Service Industry, further expanding the influence of brand of the Target Company.

The Company believes that through this acquisition, it will be able to enhance its control over the Target Company, allowing for more cohesive and efficient decision-making, which in turn will improve operational synergies.

Based on the factors as disclosed above, the Directors are of the view that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is principally engaged in property management service business.

According to the financial statements of the Target Company which are prepared on a basis consistent with CAS accounting standards, the audited net asset value of the Target Company for the two years ended 31 December 2023 were approximately RMB15.8 million and RMB23.0 million respectively and the unaudited net asset value of the Target Company for the ten months ended 31 October 2024 was approximately RMB18.4 million.

Set out below are the financial information of the Target Company for the two years ended 31 December 2023 and the ten months ended 31 October 2024 respectively:

	<b>For the year ended</b>		<b>For the ten</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2022</b>	<b>2023</b>	<b>31 October</b>
	audited	audited	unaudited
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net Profit before tax	11,201	19,006	14,362
Net Profit after tax	9,296	15,991	12,190

## **INFORMATION ON THE PARTIES**

### **The Group**

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 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 16 property management projects are managed by the Target Company mainly in Sichuan province of the PRC with approximately 3.89 million sq.m. of total contracted GFA.

## **The Seller**

The Seller is principally engaged in property management services business, who owns 40% equity interest of the Target Company.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (set out in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but all of them are less than 25%, the Acquisition 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 60% by the Company and 40% by the Seller. Accordingly, the Seller is a connected person of the Company at the subsidiary level under the Listing Rules, and the Acquisition 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 Acquisition and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the 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 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.

## **DEFINITIONS**

“Acquisition”	the proposed acquisition of the 30% equity interest in the Target Company by the Purchaser
“Agreement”	the sale and purchase agreement in respect of the acquisition of 30% equity interest in the Target Company entered into between the Purchaser, the Seller and the Target Company
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or a public holiday in the PRC)
“CAS”	standards and interpretations issued by the China Auditing Standards Board of the China Ministry of Finance

“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
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited
“Purchaser”	Guizhou Furuiying Information Consultancy Limited (貴州福瑞盈信息諮詢有限公司), a company established as a limited liability company under the laws of the PRC, and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of China
“Seller”	Mr. Deng Lihua* (鄧利華), an individual who reside in the PRC
“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”	Sichuan Wansheng Property Service Co., Ltd.* (四川萬晟物業服務有限公司), a company established under the laws of the PRC with limited liability
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

\* for identification purpose only

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

Hong Kong, 2 December 2024

*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 four independent non-executive Directors, namely Dr. Chen Lei, Mr. Fan Chi Chiu, Dr. Li Yongrui and Mr. Qian Hongji.*