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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)

**CONTINUING CONNECTED TRANSACTIONS;
REVISION OF THE ANNUAL CAP FOR CONTINUING CONNECTED
TRANSACTION; AND
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

INTRODUCTION

Reference is made to the Announcement of the Company dated 28 May 2021 in relation to the 2021 Service Framework Agreements, pursuant to which Sichuan Wansheng, an indirect non wholly-owned subsidiary of the Company, agrees to provide Services to each of Wansheng Investment and Huaxin Wansheng in accordance with the principal terms of the 2021 Services Framework Agreements for a period from 28 May 2021 to 31 December 2023.

On 16 November 2023, Sichuan Wansheng entered into the Supplemental Huaxin Wansheng Framework Agreement with Huaxin Wansheng to revise the Existing Annual Cap to the Revised Annual Cap as it is expected that the full-year transaction amount under the Huaxin Wansheng Framework Agreement for the year ending 31 December 2023 will likely exceed the Existing Annual Cap. Save for the revision of the Existing Annual Cap to the Revised Annual Cap, all other terms of the Huaxin Wansheng Framework Agreement shall remain unchanged.

In addition, as the 2021 Services Framework Agreements will expire on 31 December 2023 and it is expected that Sichuan Wansheng will continue to provide Services to each of Wansheng Investment and Huaxin Wansheng after their expiry. On 16 November 2023, Sichuan Wansheng (for itself and on behalf of its subsidiaries) entered into the 2024 Services Framework Agreements with each of Wansheng Investment (for itself and on behalf of its subsidiaries) and Huaxin Wansheng (for itself and on behalf of its subsidiaries) for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026 to renew the agreements and the relevant Annual Caps thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, as Sichuan Wansheng, an indirect non wholly-owned subsidiary of the Company, is owned as to 60% by the Group and 40% by Mr. Deng. Mr. Deng is a connected person of the Company. Wansheng Investment is owned by Mr. Deng as to 36.55% and Huaxin Wansheng Investment is owned by Mr. Deng as to 90%. Each of Wansheng Investment and Huaxin Wansheng is an associate of Mr. Deng and therefore a connected person of the Company. Accordingly, the transactions under the Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, if the Company proposes to revise the annual cap for continuing connected transaction, the Company will be required to re-comply with the relevant requirements under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transaction.

As the highest applicable percentage ratio in respect of (i) the Revised Annual Cap under the Huaxin Wansheng Framework Agreement (as supplemented by the Supplemental Huaxin Wansheng Framework Agreement); and (ii) the Annual Caps for the transactions contemplated under the 2024 Services Framework Agreements in aggregate is more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

I. INTRODUCTION

Reference is made to the Announcement of the Company dated 28 May 2021 in relation to the 2021 Service Framework Agreements, pursuant to which Sichuan Wansheng, an indirect non wholly-owned subsidiary of the Company, agrees to provide Services to each of Wansheng Investment and Huaxin Wansheng in accordance with the principal terms of the 2021 Services Framework Agreements for a period from 28 May 2021 to 31 December 2023.

On 16 November 2023, Sichuan Wansheng entered into the Supplemental Huaxin Wansheng Framework Agreement with Huaxin Wansheng to revise the Existing Annual Cap to the Revised Annual Cap as it is expected that the full-year transaction amount under the Huaxin Wansheng Framework Agreement for the year ending 31 December 2023 will likely exceed the Existing Annual Cap. Save for the revision of the Existing Annual Cap to the Revised Annual Cap, all other terms of the Huaxin Wansheng Framework Agreement shall remain unchanged.

In addition, as the 2021 Services Framework Agreements will expire on 31 December 2023 and it is expected that Sichuan Wansheng will continue to provide Services to each of Wansheng Investment and Huaxin Wansheng after their expiry. On 16 November 2023, Sichuan Wansheng (for itself and on behalf of its subsidiaries) entered into the 2024 Services Framework Agreements with each of Wansheng Investment (for itself and on behalf of its subsidiaries) and Huaxin Wansheng (for itself and on behalf of its subsidiaries) for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026 to renew the agreements and the relevant Annual Caps thereunder.

II. REVISION OF THE ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTION

The Supplemental Huaxin Wansheng Framework Agreement, the Revised Annual Cap and the basis for determination

On 16 November 2023, Sichuan Wansheng entered into the Supplemental Huaxin Wansheng Framework Agreement with Huaxin Wansheng to revise the Existing Annual Cap for the year ending 31 December 2023 to the Revised Annual Cap.

Pursuant to the Supplemental Huaxin Wansheng Framework Agreement, the Existing Annual Cap for the transaction contemplated under the Huaxin Wansheng Framework Agreement for the year ending 31 December 2023 has been revised to the Revised Annual Cap as follows:

	For the year ending 31 December 2023	
	Existing Annual Cap (RMB million)	Revised Annual Cap (RMB million)
Huaxin Wansheng Framework Agreement	<u>11.3</u>	<u>23.6</u>

Save for the revision of the Existing Annual Cap to the Revised Annual Cap, all other terms of the Huaxin Wansheng Framework Agreement shall remain unchanged. Please refer to the Announcement of the Company dated 28 May 2021 for details of the other principal terms of the Huaxin Wansheng Framework Agreement.

The Board confirms that as at the date of this announcement, the transaction amount for the provision of Services under the Huaxin Wansheng Framework Agreement has not exceeded the Existing Annual Cap for the year ending 31 December 2023. The Revised Annual Cap were determined with reference to: (i) the historical transaction amount for the transactions under the Huaxin Wansheng Framework Agreement for the six months ended 30 June 2023; and (ii) the most up-to-date estimation for the provision of the Services to Huaxin Wansheng following the increase in the number of the property projects developed by Huaxin Wansheng in 2023. Specifically, in the second half of 2023, Huaxin Wansheng was provided with Services for its 6 new projects, with the estimated increase in the property management area of approximately 1.2 million square meters.

III. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The 2024 Services Framework Agreements

As the 2021 Services Framework Agreements will expire on 31 December 2023 and it is expected that Sichuan Wansheng will continue to provide Services to each of Wansheng Investment and Huaxin Wansheng after their expiry. On 16 November 2023, Sichuan Wansheng (for itself and on behalf of its subsidiaries) entered into the 2024 Services Framework Agreements with each of Wansheng Investment (for itself and on behalf of its subsidiaries) and Huaxin Wansheng (for itself and on behalf of its subsidiaries), pursuant to which Sichuan Wansheng Group agrees to provide Services to each of Wansheng Investment Group and Huaxin Wansheng Group in accordance with the principal terms of the 2024 Services Framework Agreements for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026. Parties to the 2024 Service Framework Agreements may, subject to compliance with the Listing Rules, renew agreements by written agreement.

Scope of Services

Pursuant to the 2024 Service Framework Agreements, Sichuan Wansheng Group agreed to provide the following Services to each of Wansheng Investment Group and Huaxin Wansheng Group:

1. *Preliminary property management services*

Sichuan Wansheng Group will provide preliminary property management services for property projects developed by Wansheng Investment Group and Huaxin Wansheng Group before the establishment of property owners' association, including but not limited to security, cleaning service, maintenance of public facilities and equipment, parking space management services and garden and landscape maintenance services.

2. *Sales facilitation services*

Sichuan Wansheng Group will provide sales facilitation services for the property projects developed by Wansheng Investment Group and Huaxin Wansheng Group, including display unit management services, marketing planning and design, reception services and consultation services.

3. *Early planning and consultancy services*

Sichuan Wansheng Group will provide consultancy services for the property projects developed by Wansheng Investment Group and Huaxin Wansheng Group at its beginning design and development stage, including planning and design, marketing, construction standards and functional layout. Sichuan Wansheng Group will also provide consultancy services on building design, material and equipment selection, layout of wire and cables etc.

4. *Property management office set-up services*

Sichuan Wansheng Group will provide various services to Wansheng Investment Group and Huaxin Wansheng Group during the preparatory stage of setting up a property management office, including all expenses incurred during the preparation stage after a property management project is taken over from Wansheng Investment Group and Huaxin Wansheng Group, covering initial expenses such as salaries, office expenses, training expenses, travel expenses, printing expenses, property office supplies and procurement expenses during the preparation period.

5. *Inspection services*

After construction of a property development is completed, Sichuan Wansheng Group will conduct inspection and prepare inspection reports. It will also conduct quality assurance about the common parts of a property including inspection and trial runs on common facilities, equipment and landscaping. For the individual flats, Sichuan Wansheng Group will conduct inspection on the doors and windows, the walls, floors, ceiling and other interior decorations. It will also inspect the waterproof areas, the heating, plumbing and electrical systems to ensure they meet delivery standards.

Sichuan Wansheng shall enter into separate written agreements with each of Wansheng Investment and Huaxin Wansheng which will set out the detailed terms for the relevant transactions contemplated under their respective 2024 Service Framework Agreements as and when necessary, provided that such agreements shall be subject to the terms of the 2024 Service Framework Agreements, and their respective term shall also not violate the provisions of the 2024 Service Framework Agreements.

The provision of preliminary property management services to Wansheng Investment Group and Huaxin Wansheng Group under the 2024 Service Framework Agreements are subject to due appointment by them through a tendering process (if necessary) as required by applicable laws and regulations or through other methods. Such laws and regulations include the Regulations on Property Management (《物業管理條例》), the Interim Measures for Tender and Bidding Management of Preliminary Property Management (《前期物業管理招標投標管理暫行辦法》) and other relevant laws, regulations and policies implemented at the location of the property.

Existing annual caps and historical transaction amounts under the 2021 Service Framework Agreements

The annual caps and the historical transaction amounts for the transactions under the 2021 Service Framework Agreements for each of the following periods are set out below:

	For the year ended/ending 31 December				For the six months ended 30 June	
	2021		2022		2023	
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
	Annual cap ⁽¹⁾	Historical amount ⁽¹⁾	Annual cap	Historical amount	Annual cap ⁽²⁾	Historical amount
Wansheng Investment Framework Agreement	<u>9.4</u>	<u>8.5</u>	<u>9.0</u>	<u>8.9</u>	<u>8.4</u>	<u>2.2</u>
Huaxin Wansheng Framework Agreement	<u>11.0</u>	<u>9.5</u>	<u>11.3</u>	<u>10.4</u>	<u>23.6</u>	<u>4.7</u>

Note:

- (1) The terms of the 2021 Service Framework Agreements commenced on 28 May 2021.
- (2) The annual caps for the year ending 31 December 2023 for the transactions under the Huaxin Wansheng Framework Agreement has been revised pursuant to the Supplemental Huaxin Wansheng Framework Agreement. For details, please refer to the section headed "II. REVISION OF THE ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTION" in this announcement.

Annual Caps and Determination basis for the Annual Caps

The Annual Caps in respect of the 2024 Service Framework Agreements for each of the following periods are set out below:

	for the year ending 31 December 2024 <i>(RMB million)</i>	Annual Caps for the year ending 31 December 2025 <i>(RMB million)</i>	for the year ending 31 December 2026 <i>(RMB million)</i>
2024 Wansheng Investment Framework Agreement	<u>7.4</u>	<u>5.3</u>	<u>4.2</u>
2024 Huaxin Wansheng Framework Agreement	<u>23.2</u>	<u>13.0</u>	<u>4.6</u>

The Annual Caps are estimated by the Directors with reference to: (i) the respective historical transaction amounts for the transactions under the 2021 Service Framework Agreements for the two years ended 31 December 2021 and 2022 and the six months ended 30 June 2023 (as mentioned above); (ii) the number, nature, category and location of the properties; (iii) the estimated gross floor area of the properties; (iv) the estimated number of parking spaces; (v) the rates generally offered by Sichuan Wansheng Group to Independent Third Parties in respect of comparable services; (vi) the anticipated staff costs of Sichuan Wansheng Group; and (vii) a reasonable buffer to cater for any unexpected property management services.

Pricing Policy

Pursuant to the 2024 Service Framework Agreements, the service fees for the Services shall be determined after arm's length negotiations between the parties with reference to (i) the type, location and size of the properties, (ii) the scope and standard of the Services to be provided, (iii) the anticipated operational costs (including, among others, labour costs and administrative costs) for providing such Services and the expected increase of related costs due to inflation and economic and social development, and (iv) the prevailing market prices for similar Services. The terms and conditions of the 2024 Service Framework Agreements shall in any event, not be less favourable than those entered into by Sichuan Wansheng Group for providing similar services to Independent Third Parties.

The Group generally adopts the following pricing policy for the 2024 Service Framework Agreements and each of the individual agreements to be entered into by members of the Group with connection persons:

- (a) each individual agreement shall be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) the Group shall refer to the service fees charged by the Group to Independent Third Parties for other transactions involving the provision of similar services (in terms of scope and requirement of services, the location of the property, the condition of the property, the level of difficulty in managing said property etc.);
- (c) the service fees shall be determined by reference to the relevant guidance prices prescribed by local authorities (where available) or those charged by competitors of comparable scale to the Group for similar transactions if no transactions for similar services have taken place between the Group and Independent Third Parties; and
- (d) the Group shall refer to service fees charged by at least two other property management companies in the PRC for comparable transactions to gauge whether the service fees offered by property developers such as Wansheng Investment Group and Huaxin Wansheng Group are fair and reasonable and are no less favourable than those offered by Independent Third Parties.

Internal Control Measures

In order to ensure the transactions contemplated under the 2024 Service Framework Agreements (i) will be conducted on normal commercial terms; and (ii) will not be prejudicial to the interests of the Company and its Shareholders as a whole, the Company has formulated and adopted the following internal control policies:

- (a) the finance department staff and the finance department manager will prepare the relevant information and the chief financial officer will conduct checks once every three months and half year to review and assess whether the transactions are conducted in accordance with the terms of the 2024 Service Framework Agreements;
- (b) the finance department staff and the finance department manager will prepare the relevant information and the chief financial officer will monitor the monthly transaction amounts between the Group and each of Wansheng Investment Group and Huaxin Wansheng Group under the 2024 Service Framework Agreements and report to the management of the Group to ensure that the transaction amounts will not exceed the Annual Caps;

- (c) the finance department staff and the finance department manager will prepare the relevant information and the chief financial officer will monitor the prices and terms of the 2024 Service Framework Agreements by obtaining at least two quotations for each type of services from Independent Third Parties when individual agreements under the 2024 Service Framework Agreements are renewed. They will work together to ensure that the transactions contemplated under the 2024 Service Framework Agreements are conducted on normal commercial terms and at prices and terms no more favourable than those offered by the Group to Independent Third Parties;
- (d) the finance department is required to present a summary of transactions with the Group's related parties to the internal control and compliance department for review. The internal control and compliance department shall assess whether such transactions will constitute any disclosure and approval requirement in accordance with the Listing Rules. The transactions report is required to be submitted to the audit committee for review during every six months period and the year end;
- (e) the independent non-executive Directors will review the continuing connected transactions every year and confirm that the transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the 2024 Service Framework Agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (f) the Company will engage its auditors to report on the continuing connected transactions every year. The auditors of the Company will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were, in all material respects, in accordance with the pricing policies of the Group; (iii) were entered into, in all material respects, in accordance with the 2024 Service Framework Agreements; and (iv) have not exceeded the Annual Caps.

IV. REASONS FOR AND BENEFITS OF THE REVISION OF THE EXISTING ANNUAL CAP AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

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

Based on the historical transaction amounts and business development of Huaxin Wansheng, the Company expects that the full-year transaction amount under the Huaxin Wansheng Framework Agreement for the year ending 31 December 2023 will likely exceed the Existing Annual Cap. Sichuan Wansheng has entered into the Supplemental Huaxin Wansheng Framework Agreement to revise the Existing Annual Cap for the year ending 31 December 2023 under the Huaxin Wansheng Framework Agreement with Huaxin Wansheng.

As the 2021 Services Framework Agreements will expire on 31 December 2023 and it is expected that Sichuan Wansheng will continue to provide Services to each of Wansheng Investment and Huaxin Wansheng after their expiry. Sichuan Wansheng entered into the 2024 Services Framework Agreements with each of Wansheng Investment and Huaxin Wansheng for a term of three years, commencing from 1 January 2024 and ending on 31 December 2026 to renew the agreements and the relevant Annual Caps thereunder.

The Group believes that the Supplemental Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements will be beneficial to the Group by providing a steady stream of income to the Group. The Supplemental Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements hence represent a strong and long-standing business relationship which the Group can utilise for its future growth. The Group also believes that it is in the interests of the Group to continue to provide the Services, which will allow the Group to further strengthen its market presence in the cities which it has already conducted property management business.

V. BOARD APPROVAL

On 16 November 2023, the Board approved the Supplemental Huaxin Wansheng Framework Agreement, the Revised Annual Cap and the 2024 Service Framework Agreements as set out in this announcement.

None of the Directors has any material interest in the transactions under the Supplemental Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements and therefore no Director has to abstain from voting on the relevant Board resolutions approving the Supplemental Huaxin Wansheng Framework Agreement, the Revised Annual Cap and the 2024 Service Framework Agreements.

The terms of the Supplemental Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements have been reached after arm's length negotiations. The Directors (including the independent non-executive Directors) are of the view that (i) the entering into of the Supplemental Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements are in the ordinary and usual course of business of the Group; (ii) the terms of the Supplemental Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements are on normal commercial terms; and (iii) the terms of the Supplemental Huaxin Wansheng Framework Agreement, the Revised Annual Cap and the 2024 Service Framework Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VI. INFORMATION OF THE GROUP AND THE PARTIES

The Group

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

Wansheng Investment

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, Wansheng Investment was established as a limited liability company under the laws of the PRC on 3 June 2010 which is owned as to 36.55%, 33.75%, 7.5%, 7.2%, 5%, 5% and 5% by Mr. Deng, Mr. Rao Yunke* (饒運科), Mr. Jiang Ronghua* (江蓉華), Mr. Yan Fulong* (嚴福龍), Mr. Li Penghong* (李朋洪), Mr. Rao Ming* (饒銘) and Mr. Qiu Huanan* (邱華南) respectively, who are ordinary residents of the PRC. Save for Mr. Deng, each of the shareholders of Wangsheng Investment are Independent Third Parties. Wansheng Investment is principally engaged in property development in the PRC.

Huaxin Wansheng

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, Huaxin Wansheng was established as a limited liability company under the laws of the PRC on 11 September 2017 which is owned as to 90% and 10% by Mr. Deng and Mr. Wei Jie* (魏傑) respectively, who are ordinary residents of the PRC. Save for Mr. Deng, the other shareholder of Huaxin Wansheng is an Independent Third Party. Huaxin Wansheng is principally engaged in property development in the PRC.

VII. LISTING RULES IMPLICATIONS

As at the date of this announcement, as Sichuan Wansheng, an indirect non wholly-owned subsidiary of the Company, is owned as to 60% by the Group and 40% by Mr. Deng. Mr. Deng is a connected person of the Company. Wansheng Investment is owned by Mr. Deng as to 36.55% and Huaxin Wansheng Investment is owned by Mr. Deng as to 90%. Each of Wansheng Investment and Huaxin Wansheng is an associate of Mr. Deng and therefore a connected person of the Company. Accordingly, the transactions under the Huaxin Wansheng Framework Agreement and the 2024 Service Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, if the Company proposes to revise the annual cap for continuing connected transaction, the Company will be required to re-comply with the relevant requirements under Chapter 14A of the Listing Rules in relation to the relevant continuing connected transaction.

As the highest applicable percentage ratio in respect of (i) the Revised Annual Cap under the Huaxin Wansheng Framework Agreement (as supplemented by the Supplemental Huaxin Wansheng Framework Agreement); and (ii) the Annual Caps for the transactions contemplated under the 2024 Services Framework Agreements in aggregate is more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but exempted from the independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

VIII. DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2021 Service Framework Agreements”	the Wansheng Investment Framework Agreement and/or Huaxin Wansheng Framework Agreement (as the case may be)
“2024 Huaxin Wansheng Framework Agreement”	the framework agreement that Sichuan Wansheng entered into with Huaxin Wansheng on 16 November 2023, pursuant to which Sichuan Wansheng Group agreed to provide the Services to Huaxin Wansheng Group with a term from 1 January 2024 to 31 December 2026
“2024 Service Framework Agreements”	the 2024 Wansheng Investment Framework Agreement and/or 2024 Huaxin Wansheng Framework Agreement (as the case may be)
“2024 Wansheng Investment Framework Agreement”	the framework agreement that Sichuan Wansheng entered into with Wansheng Investment on 16 November 2023, pursuant to which Sichuan Wansheng Group agreed to provide the Services to Wansheng Investment Group with a term from 1 January 2024 to 31 December 2026
“Announcement”	the announcement of the Company dated 28 May 2021
“Annual Caps”	the maximum contractual sum payable by, as the case may be, each of Wansheng Investment Group and Huaxin Wansheng Group for each financial year pursuant to the 2024 Service Framework Agreements for the three years ending 31 December 2026
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Hevol Services Group Co. Limited (stock code: 6093), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules and “connected” shall be construed accordingly
“Continuing Connected Transactions”	the continuing connected transactions as described in this announcement
“Directors”	the director(s) of the Company

“Existing Annual Cap”	the maximum contractual sum payable by Huaxin Wansheng for the year ending 31 December 2023 pursuant to the Huaxin Wansheng Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huaxin Wansheng”	Sichuan Huaxin Wansheng Real Estate Co., Ltd.* (四川華信萬晟房地產有限公司), a company established as a limited liability company under the laws of the PRC on 11 September 2017, which is owned and ultimately controlled by Mr. Deng as to 90% and by Mr. Wei Jie* (魏傑) as to 10%
“Huaxin Wansheng Framework Agreement”	the framework agreement that Sichuan Wansheng entered into with Huaxin Wansheng on 28 May 2021, pursuant to which the Group agreed to provide the Services to Huaxin Wansheng
Huaxin Wansheng Group	Huaxin Wansheng and its subsidiaries
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with any of the Directors, chief executive or substantial Shareholders of the Company or any of their respective subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Deng”	Mr. Deng Lihua (鄧利華), an individual who resides in the PRC and a connected person of the Company
“PRC”	the People’s Republic of China
“Revised Annual Cap”	the revised maximum contractual sum payable by Huaxin Wansheng for the year ending 31 December 2023 pursuant to the Supplemental Huaxin Wansheng Framework Agreement
“RMB”	Renminbi, the lawful currency of PRC
“Services”	the property management services to be provided by Sichuan Wansheng to each of Wansheng Investment and Huaxin Wansheng, the scope of which is set out in the section headed “Scope of Services” in this announcement

“Shareholder(s)”	the shareholders of the Company
“Sichuan Wansheng”	Sichuan Wansheng Property Service Co., Ltd.* (四川萬晟物業服務有限公司), a company incorporated in the PRC with limited liability, which is owned as to 60% by the Group and 40% by Mr. Deng
“Sichuan Wansheng Group”	Sichuan Wansheng and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Huaxin Wansheng Framework Agreement”	the supplemental framework agreement that Sichuan Wansheng entered into with Huaxin Wansheng on 16 November 2023, pursuant to which the parties agreed to revise the maximum contractual sum payable by Huaxin Wansheng for the year ended 31 December 2023
“Wansheng Investment”	Sichuan Wansheng Investment Co., Ltd.* (四川萬晟投資有限公司), a company established as a limited liability company under the laws of the PRC on 3 June 2010, which is owned and ultimately controlled by Mr. Deng as to 36.55% and other six individual shareholders as to 63.45%, namely Mr. Rao Yunke* (饒運科), Mr. Jiang Ronghua* (江蓉華), Mr. Yan Fulong* (嚴福龍), Mr. Li Penghong* (李朋洪), Mr. Rao Ming* (饒銘) and Mr. Qiu Huanan* (邱華南)
“Wansheng Investment Framework Agreement”	the framework agreement that Sichuan Wansheng entered into with Wansheng Investment on 28 May 2021, pursuant to which the Group agreed to provide the Services to Wansheng Investment
“Wansheng Investment Group”	Wansheng Investment and its subsidiaries
“%”	per cent.

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

Hong Kong, 16 November 2023

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.