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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Total revenue of the Group for the year ended 31 December 2025 was approximately RMB1,356.7 million, representing a decrease of approximately RMB8.4 million or approximately 0.6% as compared to approximately RMB1,365.1 million for the corresponding period in 2024.

- Gross profit of the Group for the year ended 31 December 2025 was approximately RMB306.3 million, representing a decrease of approximately RMB43.3 million or approximately 12.4% as compared to approximately RMB349.6 million for the corresponding period in 2024. The overall gross profit margin of the Group for the year ended 31 December 2025 was approximately 22.6%, representing a decrease of approximately 3.0% as compared to approximately 25.6% for the corresponding period in 2024.

- Loss after income tax of the Group for the year ended 31 December 2025 was approximately RMB48.7 million, as compared to profit after income tax of approximately RMB86.6 million for the corresponding period in 2024.

- Loss per share attributable to equity shareholders of the Company amounted to RMB11.55 cents for the year ended 31 December 2025 (2024: earnings per share of RMB9.71 cents).

- Total GFA under management of the Group for the year ended 31 December 2025 was approximately 54.6 million sq.m., representing a decrease of approximately 7.6 million sq.m. or approximately 12.2% as compared with approximately 62.2 million sq.m. for the corresponding period in 2024; total contracted GFA for the year ended 31 December 2025 was approximately 59.8 million sq.m., representing a decrease of approximately 10.4 million sq.m. or approximately 14.8% as compared with approximately 70.2 million sq.m. for the corresponding period in 2024.

The board (the "**Board**") of directors (the "**Directors**") of Hevol Services Group Co. Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	**2025**	2024
		RMB'000	*RMB'000*
Revenue	*3*	**1,356,714**	1,365,068
Cost of sales		**(1,050,457)**	(1,015,461)
Gross profit		**306,257**	349,607
Other income and gains and losses	*4*	**(31,243)**	11,041
Expected credit losses ("**ECL**") allowance on trade and other receivables, net		**(111,972)**	(43,132)
Administrative expenses		**(200,270)**	(206,082)
Finance costs	*5(a)*	**(5,505)**	(3,660)
Share of profit of associates		**933**	101
(Loss)/profit before income tax	*5(b)*	**(41,800)**	107,875
Income tax expense	*6*	**(6,874)**	(21,252)
(Loss)/profit for the year		**(48,674)**	86,623
Other comprehensive income for the year, net of nil tax			
Items that will not be reclassified subsequently to profit or loss:			
– Exchange differences on translation of the Company's financial statements into its presentation currency		**244**	(173)
Total comprehensive income for the year		**(48,430)**	86,450
(Loss)/profit for the year attributable to:			
Equity shareholders of the Company		**(64,689)**	54,388
Non-controlling interests		**16,015**	32,235
		(48,674)	86,623
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**(64,445)**	54,215
Non-controlling interests		**16,015**	32,235
		(48,430)	86,450
(Loss)/earnings per share attributable to equity shareholders of the Company (expressed in RMB cents)			
Basic and diluted	*8*	**(11.55)**	9.71

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		**59,378**	23,784
Intangible assets	*9*	**67,731**	92,161
Investment properties		**74,299**	78,868
Goodwill		**415,605**	460,519
Investments in associates		**1,558**	1,661
Other deposits	*10*	**528**	26,476
Deferred tax assets		**53,584**	36,674
		672,683	720,143
Current assets			
Inventories		**728**	1,245
Trade and other receivables	*10*	**693,155**	731,199
Restricted bank deposits		**2,309**	1,232
Bank balances and cash		**239,453**	273,705
		935,645	1,007,381
Current liabilities			
Bank borrowings		**68,589**	46,965
Contract liabilities	*3(a)*	**367,422**	381,434
Trade and other payables	*11*	**481,181**	445,227
Lease liabilities		**10,099**	10,923
Income tax liabilities		**8,947**	6,375
		936,238	890,924
Net current (liabilities)/assets		**(593)**	116,457
Total assets less current liabilities		**672,090**	836,600
Non-current liabilities			
Bank borrowings		**33,630**	35,980
Lease liabilities		**13,652**	6,829
Deferred tax liabilities		**19,289**	24,708
		66,571	67,517
Net assets		**605,519**	769,083

	Notes	**2025**	2024
		RMB'000	*RMB'000*
EQUITY			
Share capital	*12*	**38**	38
Reserves		**575,409**	693,047
Equity attributable to equity shareholders of the Company		**575,447**	693,085
Non-controlling interests		**30,072**	75,998
Total equity		**605,519**	769,083

NOTES

For the year ended 31 December 2025

1. GENERAL INFORMATION

Hevol Services Group Co. Limited (the "**Company**") was incorporated in the Cayman Islands on 28 May 2018 as an exempted company with limited liability under the Companies Law, Cap 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company is an investment holding company and its subsidiaries (collectively, the "**Group**") are principally engaged in the provision of property management services and related value-added services in the People's Republic of China (the "**PRC**").

The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

In the opinion of the directors, the immediate and ultimate holding company of the Company is Brilliant Brother Group Limited, a company incorporated in the British Virgin Islands ("**BVI**"). The controlling shareholder of the Company is Mr. Liu Jiang ("**Mr. Liu**" or the "**Controlling Shareholder**").

The functional currency of the Company is Hong Kong Dollars ("**HK$**"), while the consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated. The consolidated financial statements are presented in RMB as in the opinion of the directors of the Company, it presents more relevant information to the management who monitors the performance and financial position of the Group based on RMB.

The consolidated financial statements for the year ended 31 December 2025 were approved for issue by the board of directors on 27 March 2026.

2. BASIS OF PREPARATION

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting, International Accounting Standards and Interpretations (collectively "**IFRS Accounting Standards**") issued by the International Accounting Standards Board ("**IASB**"). The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in the preparation of these consolidated financial statements. Although these estimates are based on the management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

New and amended IFRS Accounting Standards and changes in accounting policies

The IASB has issued the following amendment to IFRS Accounting Standards that is first effective for the current accounting period of the Group:

- Amendments to IAS 21 and IFRS 1 – Lack of Exchangeability

The Group has not early adopted any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period. Impact of the adoption of the amended IFRS Accounting Standards is discussed below:

Lack of Exchangeability, the Effects of Changes in Foreign Exchange Rate (Amendments to IAS 21)

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognized as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments did not have any impact on the Group's consolidated financial statements.

Issued but not effective IFRS Accounting Standards

Up to the date of issue of these consolidated financial statements, the IASB has issued a number of new and amended to IFRS Accounting Standards, which are not yet effective for the year ended 31 December 2025 and which have not been early adopted in these consolidated financial statements. These amendments which are potentially relevant to the Group are as follows:

	Effective for accounting periods beginning on or after
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosure (IFRS 19)	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	*Note*
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (Annual Improvements to IFRS Accounting Standards – Volume 11)	1 January 2026

Note: No mandatory effective date yet determined but available for adoption

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in the provision of property management services and related valued-added services and leasing services in the PRC. This operating segment has been identified on the basis of internal management reports reviewed by the chief operating decision-maker (the "**CODM**"), being the executive directors of the Company. The CODM reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regard that there is only one segment which is used to make strategic decisions.

An analysis of the Group's revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers and recognised over time		
Property management services	**1,091,439**	1,077,895
Community value-added services	**231,406**	241,491
Value-added services to non-property owners	**20,355**	29,212
	1,343,200	1,348,598
Leasing income (not within the scope of IFRS 15)	**13,514**	16,470
	1,356,714	1,365,068

Geographical information

The major operating entities of the Group are domiciled in the PRC. As at 31 December 2025 and 2024, substantially all of the non-current assets (other than deferred tax assets) of the Group were located in the PRC.

Information about major customers

For the year ended 31 December 2025, revenue from companies controlled by the Controlling Shareholder contributed 1.1% (2024: 2.0%) of the Group's revenue. Other than companies controlled by the Controlling Shareholder, the Group had a large number of customers and none of whom contributed 10% or more of the Group's revenue for the year ended 31 December 2025 and 2024.

(a) Contract liabilities

The Group recognised the following revenue-related contract liabilities as at the end of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Contract liabilities	**367,422**	381,434

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided. Increase in contract liabilities as a result of the growth of the Group's business and therefore more advance payments were made by the property owners.

(b) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised related to brought-forward contract liabilities.

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year		
Property management services	**208,614**	209,678
Community value-added services	**13,473**	13,473
Value-added services to non-property owners	**842**	642
	222,929	223,793

(c) Unsatisfied performance obligations

For property management services, the Group recognises revenue in the amount that equals to the right to invoice which correspond directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligation for these types of contracts. The term of the contracts for value-added services to non-property owners is generally set to expire when the counterparties notify the Group that the services are no longer required.

For community value-added services, they are rendered in short period of time and there is no material unsatisfied performance obligation at the reporting date.

4. OTHER INCOME AND GAINS AND LOSSES

	2025 *RMB'000*	2024 *RMB'000*
Government subsidy income *(note)*	**3,921**	2,641
Recovery of bad debts	**1,014**	7,474
Bank interest income	**157**	410
Sundry income	**903**	1,165
Fair value gain on financial assets at FVTPL	**–**	25
Gain on disposal of property, plant and equipment	**17**	7
Loss on disposal of subsidiaries	**(28,871)**	–
Impairment on goodwill	**(4,816)**	(777)
Impairment on investment properties	**(3,568)**	
Gain on bargain purchase	**–**	96
	(31,243)	11,041

Note:

During the years ended 31 December 2025 and 2024, government subsidy income mainly related to cash subsidies granted by the PRC government in respect of value-added tax relief and in support of the Group's operating activities which are either unconditional or with conditions that having been satisfied.

5. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

		2025 *RMB'000*	2024 *RMB'000*
(a)	**Finance costs**		
	Interest expenses on lease liabilities	**1,435**	643
	Finance costs on interest-bearing bank borrowings	**4,070**	3,017
		5,505	3,660
(b)	**Other items**		
	Auditor's remuneration	**2,250**	2,250
	Amortisation of intangible assets *(note 9)*	**13,739**	15,143
	Depreciation of property, plant and equipment		
	– Owned assets	**7,862**	5,634
	– Right-of-use assets	**5,852**	2,460
	Depreciation of investment properties		
	– Owned properties	**2,946**	2,562
	– Sub-leased properties	**9,499**	5,997
	Legal and professional fees	**16,754**	16,136
	Short-term leases	**2,253**	1,628

6. INCOME TAX EXPENSE

	2025	2024
	RMB'000	*RMB'000*
Current tax – PRC enterprise income tax		
Current year	**21,030**	27,988
Under/(over)-provision in prior years	**9,737**	(808)
	30,767	27,180
Deferred tax		
Credited to profit or loss for the year	**(23,893)**	(5,928)
Total income tax expense	**6,874**	21,252

Notes:

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law and accordingly, is exempted from Cayman Islands income tax.

(b) BVI income tax

Pursuant to the relevant rules and regulations of BVI, the Group is not subject to any income tax in BVI for the years ended 31 December 2025 and 2024.

(c) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Company has no assessable profits arising in Hong Kong in the current and prior years.

(d) PRC enterprise income tax

The income tax provision of certain PRC entities of the Group has been calculated at the statutory tax rate of 25% on the estimated assessable profits for the years ended 31 December 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The preferential income tax rate applicable to certain of the Group's PRC entities within the scope of the China's Western Development Program and Hainan Free Trade Port Program was 15% for the years ended 31 December 2025 and 2024.

Pursuant to the relevant laws and regulation in the PRC, certain of the Group's PRC entities which are qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% for the years ended 31 December 2025 and 2024. In addition, in accordance with the "Notice on Preferential Income Tax Policies Applicable to Small Low-profit Enterprises", the small and low-profit enterprises are entitled to a tax concession for 75% and 50% of its taxable income for the annual taxable income of less than RMB1,000,000 and the portion that exceeds RMB1,000,000 but does not exceed RMB3,000,000 (inclusive) for the years ended 31 December 2025 and 2024, respectively.

(e) PRC withholding income tax

According to the relevant laws and regulations in the PRC, the Group is also liable to a 10% withholding tax on dividends to be distributed from the Group's foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

7. DIVIDENDS

The directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

8. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2025	2024
(Loss)/profit attributable to equity shareholders of the Company *(RMB'000)*	**(64,689)**	54,388
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share *(thousands)*	**560,000**	560,000
Basic (loss)/earnings per share *(expressed in RMB cents)*	**(11.55)**	9.71

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the years ended 31 December 2025 and 2024 equals the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the years.

9. INTANGIBLE ASSETS

	Customer relationships *RMB'000*	Computer software *RMB'000*	Total *RMB'000*
Year ended 31 December 2024			
Opening net carrying amount	103,388	3,758	107,146
Additions	–	334	334
Disposal	–	(176)	(176)
Amortisation	(13,951)	(1,192)	(15,143)
Closing net carrying amount	89,437	2,724	92,161
At 31 December 2024			
Cost	137,986	10,616	148,602
Accumulated amortisation	(48,549)	(7,892)	(56,441)
Net carrying amount	89,437	2,724	92,161

	Customer relationships ***RMB'000***	**Computer software** ***RMB'000***	**Total** ***RMB'000***
Year ended 31 December 2025			
Opening net carrying amount	**89,437**	**2,724**	**92,161**
Disposal of subsidiaries	**(10,680)**	**(11)**	**(10,691)**
Amortisation	**(13,105)**	**(634)**	**(13,739)**
Closing net carrying amount	**65,652**	**2,079**	**67,731**
At 31 December 2025			
Cost	**127,306**	**10,605**	**137,911**
Accumulated amortisation	**(61,654)**	**(8,526)**	**(70,180)**
Net carrying amount	**65,652**	**2,079**	**67,731**

Amortisation charges recognised is analysed as follows:

	2025 ***RMB'000***	2024 *RMB'000*
Administrative expenses	**13,739**	15,143

10. TRADE AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables	*(a)*		
– Third parties		**457,309**	473,795
– Related parties		**102,887**	89,825
		560,196	563,620
Less: ECL allowance on trade receivables		**(173,220)**	(110,953)
		386,976	452,667
Other receivables	*(b)*		
Deposits and other receivables		**72,433**	83,554
Consideration receivable		**15,500**	–
Other deposits		**202,661**	193,159
Payment on behalf of property owners		**11,739**	6,440
Advances to employees		**7,342**	3,276
		309,675	286,429
Less: ECL allowance of other receivables		**(34,076)**	(8,549)
		275,599	277,880
Prepayments		**31,108**	27,128
		306,707	305,008
Less: Other deposits classified as non-current assets (net of ECL allowance of RMB26,914,000 (2024: RMB2,525,000))		**(528)**	(26,476)
		306,179	278,532
		693,155	731,199

(a) Trade receivables

Trade receivables mainly arise from property management services and value-added services.

Property management services income are received in accordance with the term of the relevant property service agreements. Service income is due for payment upon rendering of services.

The ageing analysis of trade receivables based on invoice date, net of ECL allowance, is as follows:

	2025	2024
	RMB'000	*RMB'000*
0 – 90 days	**73,544**	83,317
91 – 180 days	**47,269**	54,883
181 – 365 days	**74,097**	105,135
1 to 2 years	**90,051**	109,602
2 to 3 years	**57,783**	63,931
Over 3 years	**44,232**	35,799
	386,976	452,667

The movement in the ECL allowance on trade receivables is as follows:

	2025	2024
	RMB'000	*RMB'000*
Balance at the beginning of the year	**110,953**	86,364
Disposal of subsidiaries	**(17,760)**	–
Bad debts written off	**(6,418)**	(17,229)
ECL allowance recognised, net	**86,445**	41,818
Balance at the end of the year	**173,220**	110,953

The Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors.

The Group did not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

As at 31 December 2025, certain of the Group's trade receivables amounted to RMB70,000,000 (2024: RMB70,000,000) were pledged as securities of the Group's bank borrowings of RMB29,500,000.

During the year ended 31 December 2025, certain trade debtors agreed to transfer the legal titles of their owned properties to the Group in settlement of their outstanding trade receivables owed to the Group totaling RMB35,225,000 (2024: RMB20,080,000). The fair value of these properties at the dates of transfer amounting to RMB32,641,000 in total.

(b) Other receivables

Payment on behalf of property owners

The balance mainly represents the payments on behalf of property owners in respect of utilities and maintenance costs of the properties.

Advances to employees

Advances to employees mainly represent advances for various expenses to be incurred in the ordinary course of business.

Other deposits

Other deposits mainly represent deposits paid to government or property developers at the inception of entering into tenders for property management services contracts.

ECL allowance on other receivables measured at amortised cost

Impairment of other receivables from third parties (excluding prepayments) are assessed collectively and individually and measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. Impairment of amounts due from related parties was limited to 12-month ECL since the related parties have a strong capacity to meet its contractual cash flow in the near term.

On 9 May 2025, the Group entered into a sale and purchase agreement with a connected person of the Company to dispose of its 51% equity interest in Jiangsu Shenhua Times Property Group Co., Ltd. at a consideration of RMB30,500,000 (the "**Disposal**"). As at 31 December 2025, the remaining consideration receivable in respect of the Disposal amounted RMB15,500,000.

11. TRADE AND OTHER PAYABLES

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Trade payables			
– Third parties	*(ii)*	**149,157**	137,307
Other payables			
Accrued charges and other payables		**136,958**	122,567
Consideration payables	*(i)*	**42,629**	487
Renovation deposits collected from property owners		**48,851**	64,032
Amounts collected on behalf of property owners		**32,484**	42,293
Other tax liabilities		**29,084**	30,433
Staff costs and welfare accruals		**42,018**	48,108
		332,024	307,920
		481,181	445,227

Notes:

(i) During the year ended 31 December 2025, the Group acquired 30% interest of its subsidiary, Guiyang Xinglong Property Management Co. Ltd. from its non-controlling interests at a consideration of RMB60,190,000. As at 31 December 2025, the Group still owed the amount of consideration of RMB42,629,000 to the non-controlling interests.

(ii) Trade payables

The Group was granted by its suppliers credit periods ranging from 30 to 90 days. The ageing analysis of trade payables based on invoice date is as follows:

	2025	2024
	RMB'000	*RMB'000*
0 to 30 days	**52,312**	57,286
31 to 180 days	**52,554**	46,745
181 to 365 days	**15,038**	13,316
Over 1 year	**29,253**	19,960
	149,157	137,307

12. SHARE CAPITAL

	Number of shares	**Nominal value of shares**
		*United States dollar (**"US$"**)*
Authorised:		
Ordinary shares of the Company:		
Ordinary shares at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	5,000,000,000	50,000

	Number of shares	**Nominal value of shares**	**Equivalent nominal value of shares**
		US$	*RMB'000*
Issued and fully paid:			
Ordinary shares of the Company:			
As at 1, January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	**560,000,000**	**5,600**	**38**

13. SHARE OPTION SCHEME

On 14 June 2019 (the "**Adoption Date**"), the Company adopted a share option scheme (the "**Share Option Scheme**"). The purpose of the Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage the selected participants to work towards enhancing the value of the Company and the shareholders as a whole.

The Share Option Scheme is valid and effective for a period of 10 years commencing on the Adoption Date unless terminated earlier by the shareholders in general meeting.

The maximum number of shares issuable upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the total number of shares in issue.

No option of the Company was granted to the Company's employees and other eligible participants since the Adoption Date and up to the date of these consolidated financial statements.

14. COMMITMENTS

(a) Lease commitments

As lessor

The Group had total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	2025	2024
	RMB'000	*RMB'000*
Within one year	**1,653**	1,546
After one year but within two years	**–**	343
	1,653	1,889

(b) Capital commitments

Capital commitments outstanding at the end of the reporting period not provided for were as follows:

	2025	2024
	RMB'000	*RMB'000*
Capital injection into certain subsidiaries	**240**	489
	240	489

CHAIRMAN'S STATEMENT

Dear shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Hevol Services Group Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present the results announcement of the Company for the year ended 31 December 2025 (the "**Reporting Period**").

In 2025, the property management industry faced numerous challenges amidst a complex and volatile market environment. In response to this situation, all employees of the Group united with one heart and mind, consolidated our development foundation through steadfast commitment and forged our path forward with solid actions. We maintained a firm footing amidst changing circumstances and achieved hard-earned development results. During the Reporting Period, the Group steadily expanded newly contracted projects, and further strengthened its competitiveness in core regional markets. Several projects under management completed smart technology upgrades, leading to a steady increase in customer satisfaction and a continuous enhancement of brand influence. Benefiting from its stable development performance, the Group rose to 22nd place in the ranking of China's Top 100 Property Service Enterprises. Looking ahead, the Group will continue to uphold its service concept of "Happy Life With Hevol", further enhance service quality, optimize its market distribution and make innovation in value-added services, thereby continuing on a path of stable and sustainable development.

For the year ended 31 December 2025, the Group achieved revenue of approximately RMB1,356.7 million, representing a decrease of approximately RMB8.4 million or approximately 0.6% compared to approximately RMB1,365.1 million for the same period in 2024. The Group's gross profit was approximately RMB306.3 million, representing a decrease of approximately RMB43.3 million, or approximately 12.4% as compared to approximately RMB349.6 million in the same period in 2024. The loss after tax amounted to approximately RMB48.7 million, as compared to profit after tax of approximately RMB86.6 million over the same period in 2024. The loss attributable to the Company's shareholders amounted to approximately RMB64.7 million, as compared to profit attributable to the shareholders of approximately RMB54.4 million over the same period in 2024. The basic loss per share was approximately RMB11.55 cents.

For the year ended 31 December 2025, the Group managed 355 property services projects in 43 cities in 18 provinces and municipalities directly under the Central Government, with a total gross floor area ("**GFA**") under management of approximately 54.6 million sq.m., a decrease of approximately 7.6 million sq.m., or approximately 12.2%, compared with approximately 62.2 million sq.m. by the end of 2024; The total number of projects under contract was 367 with a total contracted GFA of approximately 59.8 million sq.m., a decrease of approximately 10.4 million sq.m. or approximately 14.8% compared with approximately 70.2 million sq.m. by the end of 2024.

STRENGTHENING SERVICE QUALITY THROUGH PARTY BUILDING GUIDANCE AND WARMING THOUSANDS OF HOMES WITH METICULOUS SERVICE

The Group closely aligns with national policy directions on service quality enhancement and community governance, consistently maintains a customer-centric approach and adheres to the baseline of honest practice in contract performance. During the year, guided by Party building, the Group promoted the upgrading of property services, strengthened the development of "Red Property" initiatives, and improved the "three-in-one" management model integrating the community, property management and property owners, transformed the spirit of Party commitment into service momentum, addressed residents' urgent concerns, diligently resolved various disputes, and reinforced the foundation of livelihood services. We comprehensively implemented a warm service standard system with focus on three main directions of service innovation, enthusiastic assistance and heartwarming care. We provided customized support for different groups, conveyed warmth through rich neighbourhood activities, created tangible and perceptible service products, fully unleashed the emotional value of our services, and delivered a warm living experience for property owners. As the property management industry enters a critical stage of value restructuring, the Group will deepen its commitment to providing warm and caring services under the guidance of Party building, and safeguard the peace and tranquility of communities through meticulous and closed-loop management. By doing so, the Group aims to further enhance the brand of "Pioneering Hevol, Bringing Warmth to Every Home" and contribute to the high-quality development of the property management industry.

UPHOLDING THE THIRD-PARTY ENTRUSTMENT STRATEGY AND FOCUSING ON THE DEVELOPMENT OF HIGH-QUALITY PROJECTS

The Group remains committed to third-party entrustment development strategy, adheres to the approach of regional concentration and contiguous project development, ensures development quality through strategic resolve and consolidates its growth foundation through meticulous cultivation. In terms of regional development, the Group continuously focused on expansion in economically developed regions and high-quality projects, ensuring each project has a solid customer base and long-term value. Regarding business format expansion, the Group successfully entered the university and cultural and sports venue sectors, while continuing to deepen its presence in the government and public institution and other public building markets, securing multiple projects, which demonstrated its professional service capabilities in relevant segments. To broaden market boundaries and consolidate development momentum, the Group also continued to deepen its partner mechanism, making it a key engine for market expansion. By collaborating with quality partners, it leveraged superior resources and deepened collaboration and cooperation, thereby achieving mutual benefits and jointly expanding the market. The Group will continue to uphold its strategic resolve for third-party entrustment with focus on meticulous cultivation in the non-residential sector and precise efforts in the quality residential sector, and use project quality as the core benchmark and business format breakthroughs as the growth driver to push market expansion efforts towards higher quality and more sustainable development.

FOCUSING ON PROPERTY OWNERS' CORE NEEDS TO METICULOUSLY BUILD AN ECOSYSTEM OF COMMUNITY VALUE-ADDED SERVICES

The Group deeply recognizes that value-added services are key to enhancing property owners' well-being and creating a new community ecosystem. During the year, centering on property owners' needs, the Group conducted in-depth research into property owners' living habits and core demands, precisely addressed their practical requirements in areas such as convenient group buying, home maintenance, neighbour interaction and living facilities, and established a distinctive service system, which was widely recognized by property owners and enhanced their satisfaction. In addition, the Group increased support for value-added services, with the management team working on the front lines to facilitate business development and ensure the efficient delivery of various value-added services and provide solid support for high-quality business operations. The Group will remain steadfastly committed to prioritizing property owners' needs, continuously deepen frontline empowerment initiatives, optimize its business network, and persistently upgrade community value-added services. This will not only provide property owners with more excellent and thoughtful services but also carve out new growth paths for the Group amidst fierce market competition, aiding the Group in achieving high-quality and sustainable development.

CREATING A NEW PARADIGM FOR SMART SERVICES AND DEEPENING AI TECHNOLOGY APPLICATION

Currently, the transformations brought by AI technology are sweeping across all industries. The Group is proactively seizing this trend by actively exploring the in-depth integration of AI technology with community services. During the year, smart benchmark projects were carried out, achieving unmanned equipment inspections and security patrols in certain projects. The Group explored intelligent solutions for sanitation and customer services, driving the evolution of service models toward smarter iterations. In the future, the Group will continue to deepen the integration and innovation of AI and property services, closely adhere to the goals of "risk control, experience optimization, cost reduction and efficiency enhancement", and continuously explore new scenarios and models for technology application. By empowering services with technology and leading development with innovation, we strive to build new communities with smart services, and provide property owners with smarter, more efficient and more attentive living experiences while injecting sustained technological momentum into the Group's high-quality development.

Finally, on behalf of the Board, I would like to extend my gratitude to all shareholders, business partners, property owners, customers and suppliers for their long-term support and trust to the Group, and also the management and all staff for their hard work and contribution to the Group.

Liu Jiang
Chairman of the Board of Directors

Hong Kong, 27 March 2026

BUSINESS REVIEW

The Group is a renowned market player in the property management industry in China, and has been engaged in property management services for nearly 24 years. Leveraging on its comprehensive strength in property management services, the Group has been honoured as one of the "2025 China's Top 100 Property Service Enterprises" by the China Index Academy for several consecutive years, with its overall ranking rising from 24th in 2024 to 22nd in 2025. In addition, during the year, the Group won multiple awards such as "2025 China Property Service Enterprise with Distinctive Characteristics – Red Property", "2025 Top 100 Most Influential Property Service Brands in China", "2025 Leading Property Service Quality Brand in China", "2025 Leading Property Value-added Service Operation Enterprise in China" and "2025 Leading Smart Property Service Enterprise in China".

As of 31 December 2025, the Group provided property management services, community value-added services and value-added services to non-property owners in 43 cities in 18 provinces and municipalities in China. The total number of projects under management amounted to 355, with a total GFA of approximately 54.6 million sq.m., representing a decrease of approximately 7.6 million sq.m. or approximately 12.2% as compared to approximately 62.2 million sq.m. in the same period of 2024. The total number of projects under contract was 367 with a total contracted GFA of approximately 59.8 million sq.m., representing a decrease of approximately 10.4 million sq.m. or approximately 14.8% as compared to approximately 70.2 million sq.m. in the same period of 2024.

As of 31 December 2025, the Group recorded revenue of approximately RMB1,356.7 million, representing a decrease of approximately RMB8.4 million or approximately 0.6% as compared to approximately RMB1,365.1 million in the same period of 2024; gross profit of approximately RMB306.3 million, representing a decrease of approximately RMB43.3 million or approximately 12.4% as compared to approximately RMB349.6 million in the same period of 2024. The Group recorded loss after tax for the year ended 31 December 2025 of approximately RMB48.7 million, as compared to profit after tax of approximately RMB86.6 million in the same period of 2024.

PROPERTY MANAGEMENT SERVICES

Property Management Services

The Group provides a range of property management services for property owners and residents as well as property developers, including security, cleaning, greening, gardening services as well as repair and maintenance services. The Group's property management portfolio focuses on serving residential communities and also involves other types of properties, such as commercial properties and government offices, schools, hospitals and other professional services projects.

By adhering to the policy direction of "enhancing property service quality" and centering on the industry's mission to "serve the people, facilitate their lives, and ensure their well-being", the Group actively explores the "property services + lifestyle services" model to elevate grassroots governance effectiveness. During the year, the Group has intensified efforts across multiple fronts, focusing on upgrading "two points and one line" touchpoints to establish a standardized control system for all scenarios of community services. Quality analysis meetings were held regularly to strengthen special control over key service links, safeguarding the homes of property owners through standardized services. Meanwhile, staying true to its commitment to heartfelt service, the Group integrated human-centered care throughout its service processes, focused on residents' high-frequency needs and the specific demands of vulnerable groups, and built a comprehensive community service matrix for all ages while fostering neighborhood connections. It prioritized talent development by cultivating versatile service teams guided by the principle of "one specialty and multiple skills", established a professional training instructor team, and implemented a three-tier assessment system to strengthen the talent foundation. In addition, the Group advanced its digital transformation by empowering traditional service scenarios with intelligent tools, and established a human-machine collaborative service model that converts technological advancements into tangible service conveniences for property owners. The Group will closely follow national policies on livelihood security and community governance, continuously upgrade our service systems, and strive to create high-quality, attentive and convenient service experiences for our clients. Together with all property owners, we will build a better home filled with greater happiness and a stronger sense of belonging.

As of 31 December 2025, the revenue from property management services amounted to approximately RMB1,091.4 million, representing an increase of approximately RMB13.5 million or approximately 1.3% as compared to approximately RMB1,077.9 million in the same period in 2024. For the year ended 31 December 2025, the Group's revenue generated from property management services accounted for approximately 80.4% of the Group's total revenue for the period.

As the Group's strategic focus, expansion of third-party entrustment achieved progress during the year across three dimensions of project quality, business format breakthroughs and regional development. The Group strictly implemented project screening criteria, resolutely preventing the implementation of loss-making projects. Meanwhile, it proactively phased out existing low-quality projects that were loss-making or had no prospect of returning to profitability. Through dynamic adjustment, the Group continuously optimized its portfolio of projects under management, laying a solid foundation for high-quality development. Breakthroughs in business format expansion were achieved on multiple fronts, with successful entry into the university and cultural and sports venue sectors. In addition, the Group continued to deepen its presence in traditional advantageous sectors such as judiciary, communications, healthcare, tourism, finance and other government public buildings and public institution markets, further solidifying its professional reputation in the non-residential market. For residential segment, the Group focused on quality projects in economically developed regions, stabilizing the resilience of its core business. Furthermore, the Group deepened its partner mechanism, integrating high-quality external resources to achieve win-win cooperation. The Group continuously strengthened the professional and systematic development of its marketing team, maintained strategic resolve amidst industry fluctuations and fierce competition, and built core competitive barriers with professional capabilities and service quality, thereby solidifying the foundation for the development of third-party entrustment.

On 31 December 2025, the Group managed 355 property services projects across 43 cities in 18 provinces and municipalities in China, with a total contracted GFA of about 54.6 million sq.m., a decrease of about 7.6 million sq.m. or about 12.2% compared with about 62.2 million sq.m. in the same period in 2024, mainly covering six regions in China, namely Northern China, Northeastern China, Eastern China, Central China, Southwestern China and Southern China.

Geographical Coverage

The table below sets out the breakdowns of (i) revenue from property management services and (ii) GFA under management classified by geographic regions which the Group provides property management services for the periods indicated:

	31 December 2025				31 December 2024			
	Revenue generated from property management services		**GFA under management**		Revenue generated from property management services		GFA under management	
	RMB'000	***%***	***'000 sq.m.***	***%***	*RMB'000*	*%*	*'000 sq.m.*	*%*
Northern China[(1)]	**150,268**	**13.8**	**6,167**	**11.3**	140,932	13.1	6,751	10.8
Northeastern China[(2)]	**40,151**	**3.7**	**2,423**	**4.4**	38,333	3.6	2,606	4.2
Eastern China[(3)]	**199,719**	**18.3**	**8,880**	**16.2**	221,772	20.6	15,536	25.0
Central China[(4)]	**22,471**	**2.1**	**2,490**	**4.6**	22,059	2.0	1,484	2.4
Southwestern China[(5)]	**564,738**	**51.7**	**31,394**	**57.5**	555,363	51.5	30,838	49.6
Southern China[(6)]	**114,092**	**10.4**	**3,294**	**6.0**	99,436	9.2	4,982	8.0
Total	**1,091,439**	**100.0**	**54,647**	**100.0**	1,077,895	100.0	62,197	100.0

Notes:

(1) "Northern China" includes Beijing, Tianjin, Tangshan and Hohhot.

(2) "Northeastern China" includes Harbin, Shenyang, Panjin and Dandong.

(3) "Eastern China" includes Shanghai, Kunshan, Changshu, Hangzhou, Jiaxing, Taizhou and Jinan.

(4) "Central China" includes Changsha, Yiyang, Yueyang, Huaihua, Wuhan, Zaoyang and Chibi.

(5) "Southwestern China" includes Chongqing, Chengdu, Neijiang, Meishan, Guiyang, Zunyi, Qiannanzhou, Honghezhou and Zhaotong.

(6) "Southern China" includes Guangzhou, Shenzhen, Zhongshan, Jiangmen, Dongguan, Huizhou, Zhuhai, Haikou, Sanya, Lingshui, Wenchang and Ledong.

The Group managed a diverse portfolio of property management, comprising primarily residential properties and, to a lesser extent, non-residential properties. Non-residential properties include commercial properties and other types of professional service projects. The table below sets out the breakdowns of its: (i) revenue generated from property management services by type of properties, and (ii) total GFA under management by type of properties for the periods indicated:

	31 December 2025				31 December 2024			
	Revenue generated from property management services		**GFA under management**		Revenue generated from property management services		GFA under management	
	RMB'000	***%***	***'000 sq.m.***	***%***	*RMB'000*	*%*	*'000 sq.m.*	*%*
Residential properties	**910,929**	**83.5**	**48,674**	**89.1**	939,070	87.1	56,463	90.8
Non-residential properties	**180,511**	**16.5**	**5,973**	**10.9**	138,825	12.9	5,734	9.2
Total	**1,091,439**	**100.0**	**54,647**	**100.0**	1,077,895	100.0	62,197	100.0

Community value-added services

As an extension of the Group's property management services business, the Group provides community value-added services to property owners and residents according to their needs. The Group's community value-added services help to satisfy the needs of property owners and residents for quality life, enhance customer experience, as well as to create a more comfortable and convenient living community. The community value-added services, mainly includes home-living services, real estate brokerage, housing decoration and renovation services, bulk purchases for community, online community business platform, parking space rental, and public facilities rental.

During the year, the Group continued to deepen its value-added service framework, and precisely focused on two core directions of home life services and vehicle services to comprehensively upgrade its service offerings. Home life services address property owners' essential needs, covering full-spectrum solutions including asset management, home repairs and maintenance, on-demand home services, daily necessities supply and in-home elderly care, effectively meeting everyday household requirements. Vehicle services revolve around ensuring property owners' mobility, with deep cultivation in key areas such as new energy vehicle charging, routine vehicle maintenance and standardized parking management, thereby enhancing the travel experience for property owners through convenient services. Guided by property owners' genuine needs, the Group meticulously identified and streamlined underperforming businesses to build an efficient and practical home life service system, thereby putting the service concept of "Happy Life With Hevol" into practice, allowing owners to enjoy a convenient, worry-free and warm quality of life.

As of 31 December 2025, the Group's revenue from community value-added services reached approximately RMB244.9 million, representing a decrease of approximately RMB13.1 million, or approximately 5.1% as compared to approximately RMB258.0 million in the same period in 2024. For the year ended 31 December 2025, the Group's revenue generated from community value-added services accounted for approximately 18.1% of the Group's total revenue for the period.

Value-added services to non-property owners

Revolving around the needs of property developers, the Group mainly provides site services and diverse property management services for property developers, and provides full-cycle and full-process services before property sales and delivery. Leveraging the Group's professional service standards in the property management industry, property developers are comprehensively aided in enhancing their brand value.

As of 31 December 2025, the Group's revenue from value-added services to non-property owners amounted to approximately RMB20.4 million, representing a decrease of approximately RMB8.8 million as compared to approximately RMB29.2 million over the same period in 2024. For the year ended 31 December 2025, the Group's revenue generated from value-added services to non-property owners accounted for approximately 1.5% of the Group's total revenue for the period.

PROSPECT

The Group prioritizes building the brand of "Pioneering Hevol, Bringing Warmth to Every Home", steadfastly upholding its service ethos to drive high-quality development. In terms of service quality, guided by Party-building initiatives, the Group will provide heartfelt service and further refine its offerings across various service scenarios to comprehensively enhance property owners' sense of well-being. For business development, the Group will focus on economically developed regions and high-quality projects, deepen collaboration with partners to actively expand our premium projects, thereby achieving resource complementarity and mutual benefits. In the value-added services sector, the Group will prioritize the core needs of property owners, and facilitate innovation and upgrades in convenience facilities and lifestyle services to meet property owners' demands for high-quality and diverse services. The Group will explore the integration of smart technologies, and combine AI tools and smart upgrades to create more efficient and high-quality service models, paving the way for the Group's development in a new era.

FINANCIAL REVIEW

Revenue

The Group derived revenue from: (i) property management services; (ii) community value-added services; and (iii) value-added services to non-property owners. Overall revenue decreased by approximately RMB8.4 million, or approximately 0.6% from approximately RMB1,365.1 million in 2024 to approximately RMB1,356.7 million in 2025. Such decrease was primarily attributable to the Group's intensification of market expansion efforts to secure new high-quality property management projects and the divestment of loss-making property management projects. As a result, the Group's total GFA under management decreased by 7.6 million sq.m., or approximately 12.2% from approximately 62.2 million sq.m. in 2024 to approximately 54.6 million sq.m. in 2025, the number of projects under management decreased from 394 to 355. Despite an increase in revenue from property management services by approximately RMB13.5 million or approximately 1.3% due to high-quality projects, the revenue from public utility services has declined amid the market and economic downturn, resulting in a decrease in revenue from community value-added services by approximately RMB13.1 million, or approximately 5.1%. Meanwhile, due to the impact of the domestic real estate market, the sales assistance services and ancillary property management services provided to Hevol Real Estate Group Limited (和泓置地集團有限公司) and its subsidiaries ("**Hevol Real Estate Group**") and other property developers decreased, resulting in a decrease in value-added service income from non-property owners of approximately RMB8.8 million.

The following table sets out a breakdown of the Group's total revenue by business segment for the years indicated:

	Year ended 31 December					
	2025		2024		**Change**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	**1,091,439**	**80.4**	1,077,895	79.0	13,544	1.26
Community value-added services (including rental income)	**244,920**	**18.1**	257,961	18.9	(13,041)	(5.06)
Value-added services to non-property owners	**20,355**	**1.5**	29,212	2.1	(8,857)	(30.32)
Total	**1,356,714**	**100.0**	1,365,068	100.0	(8,354)	(0.61)

Property management services

Property management services primarily include providing security, cleaning, greening and gardening and repair and maintenance services to residential, commercial and other types of properties. Revenue increased by approximately RMB13.5 million, or approximately 1.3%, from approximately RMB1,077.9 million in 2024 to approximately RMB1,091.4 million in 2025. Such increase was primarily attributable to the Group's intensification of market expansion efforts to secure new high-quality property management projects, but the growth was limited due to the divestment of loss-making property management projects. The Group's total GFA under management decreased by approximately 7.6 million sq.m., or approximately 12.2% from approximately 62.2 million sq.m. in 2024 to approximately 54.6 million sq.m. in 2025, and the number of projects under management decreased from 394 to 355.

Community value-added services

Revenue from community value-added services decreased by approximately RMB13.1 million or approximately 5.1% from approximately RMB258.0 million in 2024 to approximately RMB244.9 million in 2025. Such decrease was primarily attributable to the Group's emphasis on community value-added services that property owners need, while revenue from public utility services declined amid the economic downturn.

Value-added services to non-property owners

The Group provides a wide range of value-added services to non-property owners including sales site services, sales assistance services and ancillary property management services. Revenue from value-added services to non-property owners decreased by approximately RMB8.8 million from approximately RMB29.2 million in 2024 to approximately RMB20.4 million in 2025. The decrease was mainly due to a further decrease of revenue from sales assistance services and ancillary property management services to Hevol Real Estate Group and other property developers resulted from impact of domestic real estate market.

Cost of Sales

Cost of sales of the Group primarily comprises staff costs, sub-contracting costs, utility expenses, repairs and maintenance costs, cost of providing ancillary property management services, material costs and sales taxes. Cost of sales increased by approximately RMB35.0 million or approximately 3.4% from approximately RMB1,015.5 million in 2024 to approximately RMB1,050.5 million in 2025. Such increase was mainly attributable to: (i) increase in the number of property services projects in the public construction category resulted in the outsourcing of certain services (such as greening and security) to other service providers, which increased the subcontracting costs by approximately RMB10.4 million; (ii) increase in the cost of community value-added services, mainly due to an increase of approximately RMB17.1 million in home improvement and decoration services, sharing of public area income, staff salaries and benefits and other expenses; and (iii) the increase of repairs and maintenance expenses by approximately RMB2.0 million from approximately RMB302.6 million in 2024 to approximately RMB304.6 million in 2025 resulted from an increasing costs of repairs and maintenances incurred for certain older public facilities in the residential communities. The growth rate of cost of sales was slightly higher than the growth rate of revenue, primarily due to the Group's increased investment in the preliminary stages of new property management projects to increase market share in key regions.

Gross Profit and Gross Profit Margin

The table below sets forth the Group's gross profit and gross profit margin by business segment for the years indicated:

	Year ended 31 December					
	2025		2024			
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Change	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Property management services	**213,275**	**19.5**	238,760	22.2	(25,485)	(10.7)
Community value-added services (including rental income)	**88,931**	**36.3**	105,051	40.7	(16,120)	(15.3)
Value-added services to non-property owners	**4,051**	**19.9**	5,796	19.8	(1,745)	(30.1)
Total	**306,257**	**22.6**	349,607	25.6	(43,350)	(12.4)

Overall gross profit of the Group decreased by approximately RMB43.3 million, or approximately 12.4% from approximately RMB349.6 million in 2024 to approximately RMB306.3 million in 2025. The decrease in gross profit was primarily attributable to the Group's investment in the preliminary stages of new property service projects to increase market share in key regions, as well as the lower gross profit margins of public building projects. Overall gross profit margin of the Group decreased by approximately 3.0% from approximately 25.6% for the corresponding period in 2024 to approximately 22.6% in 2025.

Property management services

Gross profit for the Group's property management services decreased by approximately RMB25.5 million, or approximately 10.7% from approximately RMB238.8 million in 2024 to approximately RMB213.3 million in 2025. The decrease in gross profit was primarily attributable to the Group's increased investment in the preliminary stages of new property management projects to increase market share in key regions, as well as the lower gross profit margins of public building projects. Gross profit margin of property management services decreased from approximately 22.2% in 2024 to approximately 19.5% in 2025.

Community value-added services

Gross profit for the Group's community value-added services decreased by approximately RMB16.2 million, or approximately 15.4% from approximately RMB105.1 million in 2024 to approximately RMB88.9 million in 2025, gross profit margin of community value-added services decreased from approximately 40.7% in 2024 to approximately 36.3% in 2025. The decrease in gross profit and gross profit margin was mainly due to the decrease in the Group's revenue from public utility services.

Value-added services to non-property owners

Gross profit of value-added services to non-property owners of the Group decreased by approximately RMB1.7 million from approximately RMB5.8 million in 2024 to approximately RMB4.1 million in 2025. The decrease in gross profit was attributable to a decrease of sales assistance services and ancillary property management services provided to Hevol Real Estate Group and other property developers resulting from impact of real estate market in the PRC. Gross profit margin of value-added services to non-property owners was 19.9%, remaining largely consistent with 2024.

Other Income and gains and losses

Other income of the Group decreased by approximately RMB42.2 million from approximately RMB11.0 million in 2024 to a loss of approximately RMB31.2 million in 2025, which was mainly due to the one-off loss of RMB28.9 million from the disposal of subsidiaries, the decrease in bad debt recovery of approximately RMB6.5 million, goodwill impairment of RMB4.8 million related to an acquired subsidiary, and impairment of investment property of RMB3.6 million.

Administrative Expenses

Administrative expenses of the Group mainly include staff costs, travelling and entertainment, professional fees, telecommunication, utilities, depreciation and amortization. Administrative expenses of the Group decreased by approximately RMB5.8 million, or approximately 2.8% from approximately RMB206.1 million in 2024 to approximately RMB200.3 million in 2025, primarily due to the fact that the Group replaced physical meetings with remote video conferences, thereby reducing meeting and travel expenses; during the year, the Group also controlled expenditures on business entertainment and clothing.

ECL allowance on trade and other receivables

The ECL allowance on trade and other receivables increased by approximately RMB68.8 million from approximately RMB43.1 million in 2024 to approximately RMB111.9 million in 2025. The Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors, and considered making individual assessment on the recoverability of trade receivables from related parties. In 2025, the Group recorded an ECL allowance of RMB38.9 million on trade receivables due from related parties (2024: RMB7.9 million). The significant increase was mainly driven by the weakening credit profile of certain related-party customers during the year. In particular, these debtors were involved in ongoing litigation and experienced financial difficulties, which adversely affected their ability to settle outstanding balances in a timely manner. In response to these developments, management reassessed the recoverability of these related-party trade receivables in accordance with the IFRS 9 ECL framework. Based on individual assessments performed for the affected debtors, management determined that there had been a significant increase in credit risk and a corresponding decline in expected recoverability, resulting in a higher ECL allowance being recognised. Impairment of other receivables from third parties (excluding prepayments and advances to employees) are assessed collectively and individually and measured as either 12-month ECL or lifetime ECL. The increase in the ECL allowance on trade and other receivables was primarily driven by (i) the increased trade receivables; (ii) certain upward adjustments of ECL rates based on the collection profile for sales in the past 36 months as well as the corresponding historical credit losses during that period; and (iii) the current and forwarding-looking macroeconomic factors mainly including current situation in the domestic real estate sector and the economic downturn of domestic market, affecting the customer's ability to settle the amount outstanding.

Income Tax Expenses

Income tax expenses of the Group decreased by approximately RMB14.4 million, or approximately 67.7% from approximately RMB21.3 million in 2024 to approximately RMB6.9 million in 2025, primarily due to the inclusion of tax effect on non-taxable income and utilisation of tax losses previously not recognised.

Profit for the Year

Profit for the year of the Group decreased by approximately RMB135.3 million from approximately RMB86.6 million in 2024 to a loss of approximately RMB48.7 million in 2025, primarily due to (i) a reduction in gross profit resulting from the Group's investment in the preliminary stages of new property management projects to increase market share in key regions, as well as the lower gross profit margins of public building projects; (ii) an increase in credit impairment provisions made on trade and other receivables; (iii) losses including a one-off loss on disposal of subsidiaries; and (iv) the impairment of goodwill of Chongqing Xinlongxin, an acquired subsidiary.

Intangible Assets

Intangible assets decreased from approximately RMB92.2 million as at 31 December 2024 to approximately RMB67.7 million as at 31 December 2025. The decrease was mainly due to decrease from disposal of subsidiaries of RMB10.7 million during the year and amortisation and depreciation for the year with aggregate amount of approximately RMB13.8 million.

Investment Properties

Investment properties which consisted of certain car parking spaces and shop premises, decreased from approximately RMB78.9 million as at 31 December 2024 to approximately RMB74.3 million as at 31 December 2025 mainly due to investment property additions for the year of approximately RMB20.9 million, set off by transfer of investment properties to fixed assets for owner-occupied use, impairment on certain investment properties and depreciation with aggregate amount of approximately RMB25.5 million.

Goodwill

Goodwill slightly decreased from approximately RMB460.5 million as at 31 December 2024 to approximately RMB415.6 million as at 31 December 2025, such decrease was mainly due to the decrease in goodwill from disposal of Jiangsu Shenhua and Zhongshan Zhongzheng of RMB40.1 million and the impairment of goodwill of the acquired Chongqing Xinlongxin of RMB4.8 million.

Other Receivables

Other receivables represented deposits paid for certain projects which to be completed and repaid over one year.

Trade and Other Receivables

Trade and other receivables include trade receivables, prepayments and other receivables. Trade receivables are mainly related to property management services as well as value-added services. Trade receivables of the Group decreased from approximately RMB452.7 million as at 31 December 2024 to approximately RMB387.0 million as at 31 December 2025, primarily due to the increase in credit impairment provisions made on trade receivables. Other receivables mainly consist of deposits, prepayment and other receivables and payment on behalf of property owners. Other receivables increased from approximately RMB278.5 million as at 31 December 2024 to approximately RMB306.2 million as at 31 December 2025, mainly due to (i) an increase of approximately RMB13.9 million in deposits paid to property developers, owners' committees or other third parties at the inception of property management service contracts; (ii) payments made on behalf of owners of RMB5.3 million; (iii) an increase of RMB4.1 million in advances to employees; (iv) an increase of RMB4.0 million in prepayments; and (v) the effect of credit impairment provisions on other receivables. The Group seeks to strengthen strict control over its outstanding receivables, performs ongoing credit evaluation of its customers and makes frequent contact with customers to encourage regular payment of management fees.

Contract Liabilities

The Group's contract liabilities mainly arise from advance payments made by customers while the underlying property management services are yet to be provided. Contract liabilities of the Group decreased from approximately RMB381.4 million as at 31 December 2024 to approximately RMB367.4 million as at 31 December 2025, primarily due to the decrease in number of property service projects under management from 394 in 2024 to 355 in 2025.

Trade and Other Payables

Trade payables of the Group increased from approximately RMB137.3 million as at 31 December 2024 to approximately RMB149.2 million as at 31 December 2025, primarily due to a slightly increasing materials and utilities expenses payable by the Group to it suppliers. Other payables mainly consist of accrued staff costs, accrued charges and other payables and collected amounts on behalf of property owner committees and property owners. The other payables of the Group increased slightly from approximately RMB307.9 million as at 31 December 2024 to approximately RMB332.0 million as at 31 December 2025. The total other payables remained largely consistent, with the increase in accrued charges and other payables and consideration payable, being offset by the decrease in collected amounts on behalf of property owners and accrued staff costs.

Liquidity, Capital Structure and Financial Resources

The Group's cash and cash equivalents are denominated in RMB and HKD. Bank balances and cash decreased from approximately RMB273.7 million as at 31 December 2024 to approximately RMB239.5 million as at 31 December 2025, primarily due to the consideration of approximately RMB19.4 million paid for the subsequent acquisition of 30% equity interest in Guiyang Xinglong Property Management Co., Ltd.* (貴陽興隆物業管理有限公司) ("**Guiyang Xinglong**"), and the increase in payment of deposits to property developers or owners' committees or other third parties at the beginning of entering into contracts for property management services. The Group's net current assets decreased to a level that was substantially in line with its current liabilities. As at 31 December 2025, the Group's current ratio was approximately 1.00 times (31 December 2024: 1.13 times), maintaining solid financial position. The Group has borrowings of approximately RMB102.2 million as at 31 December 2025 (2024: approximately RMB82.9 million) which certain of the Group's investment properties of approximately RMB37.2 million were pledged for borrowings of RMB57.7 million. As at 31 December 2025, 100% (31 December 2024: 100%) of the Group's borrowings were on fixed interest rates.

Asset Charges

As at 31 December 2025, certain investment properties of the Group of RMB37.2 million (2024: RMB36.5 million) were pledged for bank borrowing of RMB57.7 million (2024: RMB21.5 million). Certain trade receivables of the Group of RMB70.0 million (2024: RMB70.0 million) were pledged for bank borrowings of RMB29.5 million (2024: RMB35.5 million). The paid-in capital of RMB7.0 million of Guiyang Xinglong, a subsidiary of the Group, was pledged for bank borrowings of RMB15.0 million (2024: Nil).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

On 9 May 2025, Beijing Hongsheng Investment Limited* (北京泓升投資有限責任公司) (being an indirect wholly-owned subsidiary of the Company) ("**Beijing Hongsheng**") (as the vendor) entered into a sale and purchase agreement with Jingjiang Zhihui Network Technology Co. Ltd.* (靖江智匯網絡科技有限公司) ("**Jingjiang Zhihui**") (as the purchaser) and Jiangsu Shenhua Times Property Group Co., Ltd.* (江蘇深華時代物業集團有限公司) ("**Jiangsu Shenhua**") (as the target company), pursuant to which Beijing Hongsheng agreed to sell, and Jingjiang Zhihui agreed to acquire, a total of 51% equity interest of Jiangsu Shenhua at a total consideration of RMB30,500,000. For details, please refer to the announcements of the Company dated 9 May 2025 and 20 May 2025. The said disposal was completed on 28 May 2025.

On 11 June 2025, Hehong Furuiying (Guizhou) Information Consultancy Limited* (和泓福瑞盈(貴州)信息諮詢有限公司) (being an indirect wholly-owned subsidiary of the Company) ("**Hehong Furuiying**") (as the purchaser) entered into a sale and purchase agreement with Mr. Qu Peijun* (屈培軍先生) (the "**Seller**") and Guiyang Xinglong (as the target company), pursuant to which the Seller agreed to sell, and Hehong Furuiying agreed to acquire, a total of 30% equity interest of Guiyang Xinglong at a total consideration of RMB60,189,700. For details, please refer to the announcement of the Company dated 11 June 2025. The said acquisition was completed on 26 June 2025.

On 14 November 2025, Hehong Furuiying (as the vendor) entered into a sale and purchase agreement with Zhongshan Furun Property Service Co., Ltd.* (中山市福潤物業服務有限公司) ("**Zhongshan Furun**") (as the purchaser) and Zhongshan Zhongzheng Property Management Co., Ltd.* (中山市中正物業管理有限公司) ("**Zhongshan Zhongzheng**") (as the target company), pursuant to which Hehong Furuiying agreed to sell, and Zhongshan Furun agreed to acquire, a total of 51% equity interest of Zhongshan Zhongzheng at a total consideration of RMB7,877,400. For details, please refer to the announcement of the Company dated 14 November 2025. The said disposal was completed on 15 December 2025.

Save as disclosed above, during the Reporting Period, the Group did not conduct any material acquisitions or disposals of subsidiaries, associates and joint ventures.

Significant Investment Held and Future Plans for Material Investment and Capital Assets

As of 31 December 2025, the Group did not hold any significant investment. The Group has no future plan for material investments or capital assets as at the date of this announcement.

Gearing Ratio

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total interest-bearing debt less cash and cash equivalents. As at 31 December 2025 and 2024, the gearing ratio of the Group maintained at net cash position.

Contingent Liabilities

As at 31 December 2025, the Group did not have any contingent liabilities (2024: Nil).

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

Foreign Exchange Risk

The Group's exposures to currency risk mainly arise from its bank balance of RMB234.3 million (2024: RMB267.0 million) denominated in RMB placed with banks in the Mainland China. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group does not hedge its foreign currency risk. However, management monitors the foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration Policies

The Group had 3,911 employees as at 31 December 2025 (31 December 2024: 4,951 employees). For the year ended 31 December 2025, the Group's total staff costs were approximately RMB419.9 million (2024: RMB425.8 million). The remuneration package of the employees included salary, bonus and other cash subsidies. Employees were rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group was subject to social insurance contribution plans or other pension schemes prescribed by the local governments and was required to pay on behalf of the employees, a monthly social insurance fund covering pension fund, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance, the housing provident fund, or other mandatory provident fund schemes on behalf of the employees. The Group hosted comprehensive internal staff training programmes for its staff to improve and enhance their technical and service skills, as well as to provide them with the knowledge of industry quality standards and work place safety standards. The Group provided orientation training to new hires and introduce them to the Group's corporate culture to understand its service standards and procedures. The Group also provided training courses and regular seminars on various aspects of its business operations, such as quality control and customer relationship management, to the Group's employees. The Group had also adopted a share option scheme, details of which are set out in note 13 to the consolidated financial statements in this announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no material events subsequent to 31 December 2025 which could have a material impact on our operating and financial performance as of the date of this announcement.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. Details of the corporate governance practices will be disclosed in the Company's report for the year. The Board is of the view that, during the year ended 31 December 2025, the Company has complied with all the code provisions on the Corporate Governance Code ("**CG Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its codes of conduct regarding securities transactions by its Directors and employees (the "**Securities Dealing Code**").

The Company has made specific enquiry of all Directors whether the Directors have complied with the required standard as set out in the Model Code for the year ended 31 December 2025 and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the said period. No non-compliance event was found during the above period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ACCOUNTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with Appendix C1 to the Listing Rules. The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit of the Group. The Audit Committee has reviewed the annual results and the consolidated financial statements of the Group for the year ended 31 December 2025 and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

The Audit Committee comprises Mr. Fan Chi Chiu, Dr. Chen Lei and Mr. Qian Hongji, who are independent non-executive Directors.

DIVIDEND

The Board did not recommend the payment of final dividend for the year ended 31 December 2025 (for the year ended 31 December 2024: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive and during which period no share transfer will be effected, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the annual general meeting of the Company to be held on Friday, 29 May 2026 (the "**AGM**"). In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716. 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 22 May 2026.

NOTICE OF ANNUAL GENERAL MEETING

The AGM will be held on 29 May 2026 and a notice convening the AGM will be published and dispatched in the manner as required by the Listing Rules in due course.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Listing Rules.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, BDO Limited (the "**Auditor**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the respective websites of the Company at www.hevolwy.com.cn and the Stock Exchange at www.hkexnews.hk. The annual report of the Company for the year ended 31 December 2025 containing all the information required under the Listing Rules will be dispatched to the Shareholders and made available on the above websites in due course.

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

Hong Kong, 27 March 2026

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.