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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the annual report for the year ended 31 December 2019 (the “**2019 Annual Report**”) of Hevol Services Group Co. Limited (the “**Company**”, and its subsidiaries, the “**Group**”) published on 27 April 2020. Unless otherwise defined or the context otherwise requires, capitalised terms used herein shall bear the same meanings as those defined in the 2019 Annual Report.

USE OF PROCEEDS

As disclosed in the 2019 Annual Report, the net proceeds received by the Group, after deducting related expenses, were HK\$75.8 million (equivalent to approximately RMB66.6 million), and the balance of unutilised net proceeds amounted to approximately HK\$74.3 million as at the date of the 2019 Annual Report. In addition to the information disclosed under the paragraph headed “Management Discussion and Analysis – Use of Proceeds” in the 2019 Annual Report, the Board would like to provide further information regarding the actual and expected timeline for utilising the remaining balance of the proceeds from the listing, details of which are set out as follows:

Item	Percentage	Net proceeds (in RMB million)			Expected time of use of unutilised proceeds
		Available	Utilised	Unutilised	
1 Acquisition of other property management companies	51.8%	34.5	–	34.5	On or before 31 December 2022
2 Bidding for new property management projects	7.7%	5.1	0.3	4.8	On or before 31 December 2022
3 Investment in advanced technologies and smart communities	23.1%	15.4	0.9	14.5	On or before 31 December 2022
4 Expansion of value added services business segment	14.4%	9.6	0.1	9.5	On or before 31 December 2022
5 Working capital and general corporate purpose	3.0%	2.0	–	2.0	On or before 31 December 2022
	<u>100.0%</u>	<u>66.6</u>	<u>1.3</u>	<u>65.3</u>	

- (1) The net proceeds from the listing amounted to HK\$75.8 million (after deducting underwriting fees and relevant expenses). Such net proceeds are intended to be applied in accordance with the proposed application as disclosed in the Group's prospectus.
- (2) The expected timeline for utilising the remaining proceeds is made based on the best estimation of the Company taking into account, among others, prevailing and future market conditions and business developments and need, and therefore is subject to change.

The Company will continue to evaluate and adopt a prudent and flexible approach for utilising the net proceeds effectively and efficiently for the long-term benefit and development of the Group. The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of market conditions.

Should there be any material change in the intended use of the net proceeds from the listing as described in the Group's prospectus, the Company will make appropriate announcement(s) in due course.

The above additional information does not affect any other information contained in the 2019 Annual Report. Save as disclosed in this announcement, the content of the 2019 Annual Report remain unchanged.

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

Hong Kong, 28 August 2020

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.