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泓盈集團
HOLLWIN

HOLLWIN URBAN OPERATION SERVICE GROUP CO., LTD

泓盈城市運營服務集團股份有限公司

(A joint-stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2529)

**(1) INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2025;
AND
(2) SUPPLEMENTAL ANNOUNCEMENT TO
THE 2024 ANNUAL REPORT**

FINANCIAL HIGHLIGHTS

- Revenue of the Group remained relatively stable at RMB316.2 million for the Reporting Period (six months ended June 30, 2024: RMB311.6 million), among which revenue from property management services increased by approximately RMB12.6 million, revenue from urban services decreased by approximately RMB11.6 million, and revenue from commercial operation services increased by RMB3.6 million.
- The gross profit of the Group remained relatively stable at RMB85.1 million for the Reporting Period (six months ended June 30, 2024: RMB86.7 million), while the gross profit margin slightly decreased from 27.8% to 26.9%.
- During the Reporting Period, the net profit for the period remained relatively stable at RMB38.5 million (six months ended June 30, 2024: RMB38.1 million).
- During the Reporting Period, net profit attributable to equity shareholders of the Company amounted to RMB38.5 million (six months ended June 30, 2024: RMB38.2 million).
- Basic and diluted earnings per share amounted to RMB0.24 for the Reporting Period (six months ended June 30, 2024: RMB0.29).
- The Board does not recommend the distribution of any interim dividend for the Reporting Period.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Hollwin Urban Operation Service Group Co., Ltd (the “**Company**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”), together with the comparative figures for the six months ended June 30, 2024 and the comparative figures as at December 31, 2024.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2025

		Six months ended June 30,	
		2025	2024
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	3	316,190	311,609
Cost of sales		<u>(231,093)</u>	<u>(224,934)</u>
Gross profit		85,097	86,675
Other net income		112	564
Selling expenses		(1,527)	(2,389)
Administrative expenses		(28,234)	(31,531)
Expected credit loss		<u>(4,499)</u>	<u>(3,448)</u>
Profit from operations		50,949	49,871
Share of profits less losses of an associate and joint ventures		155	164
Finance income		1,041	908
Finance costs		<u>(68)</u>	<u>(11)</u>
PROFIT BEFORE TAXATION		52,077	50,932
Income tax	4	<u>(13,542)</u>	<u>(12,882)</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>38,535</u>	<u>38,050</u>

		Six months ended June 30,	
		2025	2024
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Attributable to:			
Equity shareholders of the Company		38,537	38,177
Non-controlling interests		<u>(2)</u>	<u>(127)</u>
Profit for the period		<u>38,535</u>	<u>38,050</u>
Earnings per share			
Basic and diluted	5	<u>0.24</u>	<u>0.29</u>

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2025

		As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		17,305	17,286
Intangible assets		30	47
Interest in joint ventures		14,809	14,635
Interest in an associate		10,782	10,736
Deferred tax assets		14,405	13,124
Rental deposits		2,340	842
Prepayments for acquisition of non-current assets		2,441	2,890
		<u>62,112</u>	<u>59,560</u>
CURRENT ASSETS			
Inventories		3,474	3,680
Contract assets		242,927	286,302
Prepayments, trade and other receivables	6	238,958	187,013
Time deposit		60,000	–
Restricted bank deposits		3,210	5,325
Cash and cash equivalents		321,326	354,668
		<u>869,895</u>	<u>836,988</u>
CURRENT LIABILITIES			
Trade and other payables	7	518,100	480,002
Contract liabilities		20,656	23,578
Lease liabilities		669	761
Current taxation		12,602	13,690
		<u>552,027</u>	<u>518,031</u>
NET CURRENT ASSETS		<u>317,868</u>	<u>318,957</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>379,980</u>	<u>378,517</u>

		As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000
	<i>Note</i>		
NON-CURRENT LIABILITIES			
Lease liabilities		2,000	2,139
Deferred income		1,724	1,860
		<u>3,724</u>	<u>3,999</u>
NET ASSETS			
		<u>376,256</u>	<u>374,518</u>
CAPITAL AND RESERVES			
	8		
Share capital		160,000	160,000
Reserves		216,250	214,513
Total equity attributable to equity shareholders of the Company			
		376,250	374,513
Non-controlling interests		6	5
TOTAL EQUITY			
		<u>376,256</u>	<u>374,518</u>

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

	Note	Attributable to equity shareholders of the Company					Non-controlling interests	Total equity
		Share capital	Share premium	Statutory surplus reserve	Retained profits	Total		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)								
Balance at January 1, 2024		120,000	–	5,938	129,916	255,854	–	255,854
Changes in equity for the six months ended June 30, 2024:								
Profit and total comprehensive income for the period		–	–	–	38,177	38,177	(127)	38,050
Issuance of shares by initial public offering		40,000	42,001	–	–	82,001	–	82,001
Capital contribution receivable from non-controlling interests		–	–	–	–	–	127	127
Balance at June 30, 2024 and July 1, 2024		160,000	42,001	5,938	168,093	376,032	–	376,032
Changes in equity for the six months ended December 31, 2024:								
Profit and total comprehensive income for the period		–	–	–	33,681	33,681	(249)	33,432
Special dividends declared	8(a)	–	–	–	(35,200)	(35,200)	–	(35,200)
Appropriation for statutory surplus reserve		–	–	16,261	(16,261)	–	–	–
Capital contribution receivable from non-controlling interests		–	–	–	–	–	254	254
Balance at December 31, 2024		<u>160,000</u>	<u>42,001</u>	<u>22,199</u>	<u>150,313</u>	<u>374,513</u>	<u>5</u>	<u>374,518</u>
Balance at January 1, 2025		160,000	42,001	22,199	150,313	374,513	5	374,518
Changes in equity for the six months ended June 30, 2025:								
Profit and total comprehensive income for the period		–	–	–	38,537	38,537	(2)	38,535
Dividends approved in respect of the previous year	8(a)	–	–	–	(36,800)	(36,800)	–	(36,800)
Capital contribution receivable from non-controlling interests		–	–	–	–	–	3	3
Balance at June 30, 2025		<u>160,000</u>	<u>42,001</u>	<u>22,199</u>	<u>152,050</u>	<u>376,250</u>	<u>6</u>	<u>376,256</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2025

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before taxation	52,077	50,932
Adjustments for:		
Expected credit loss on trade receivables, other receivables and contract assets	4,499	3,448
Other expenses and losses	3,016	2,348
Changes in working capital:		
Increase in prepayments, trade and other receivables	(55,679)	(22,432)
Decrease/(increase) in contract assets	43,063	(22,260)
Increase in trade and other payables	1,234	32,495
(Increase)/decrease in other working capital	(2,017)	890
Cash generated from operations	46,193	45,421
Income tax paid	(15,910)	(16,572)
Net cash generated from operating activities carried forward	30,283	28,849
Net cash generated from operating activities	30,283	28,849
INVESTING ACTIVITIES		
Payment for the purchase of property, plant and equipment	(4,287)	(1,836)
Payment for time deposit	(60,000)	–
Other cash flows arising from investing activities	959	915
Net cash used in investing activities	(63,328)	(921)

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Capital element of lease rentals paid	(231)	(64)
Interest element of lease rentals paid	(68)	(11)
Issuance of shares upon initial public offering, net of issuing costs paid	–	109,772
Other cash flows used in financing activities	–	2,009
Net cash (used in)/generated from financing activities	(299)	107,688
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(33,344)	135,616
Cash and cash equivalents at January 1,	354,668	210,210
Effect of foreign exchange rate changes	2	259
CASH AND CASH EQUIVALENTS AT JUNE 30,	321,326	346,085

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

June 30, 2025

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, Interim financial reporting, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on August 27, 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group principally generates its revenue from the provision of property management services, urban services and commercial operation services as defined in Note 3(b).

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers and other sources by major services lines is as follows:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major service lines		
– Provision of property management services	140,970	134,432
– Provision of municipal sanitation services	23,288	28,589
– Provision of lighting system operation services	33,635	30,953
– Provision of commercial operation services	33,910	30,346
– Provision of landscaping and engineering services	56,399	65,394
– Provision of parking lots services	25,183	19,855
	313,385	309,569
Revenue from other sources		
Disaggregated by major services lines		
– sub-lease parking lots	2,805	2,040
	316,190	311,609

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in Note 3(b).

(ii) *Information about major customers*

Revenue from customer contributing over 10% of the Group's revenue during the Relevant Periods is as follow:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Changsha Urban Development Group Co., Ltd. and its subsidiaries (excluding the Group, together, the "CSUD Group")	<u>113,441</u>	<u>117,168</u>

(b) **Segment reporting**

The Group manages its businesses by divisions, which are organised by services lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment, the Group has presented the following three reportable segments.

- Property Management Services which include management and operation services provided to commercial properties, residential properties, and public properties.
- Urban Services which include the provision of lighting system operation services, municipal sanitation services, landscaping and engineering services, parking lot operation services and sublease of parking lot.
- Commercial Operation Services which include the provision of commercial operation services such as tenant sourcing services, tenant management, rent collection services and sublease of commercial properties.

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment profit/loss represents gross profit/loss of each segment.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the six months ended June 30,	Property Management Services		Urban Services		Commercial Operation Services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Revenue from external customers</i>								
Revenue from contracts with customers within the scope of IFRS 15								
Disaggregated by timing of revenue recognition								
Point in time	2,069	1,218	–	–	1,376	793	3,445	2,011
Over time	144,959	133,214	132,447	144,791	32,534	29,553	309,940	307,558
	147,028	134,432	132,447	144,791	33,910	30,346	313,385	309,569
<i>Revenue from other sources</i>								
Gross rental income	–	–	2,805	2,040	–	–	2,805	2,040
	147,028	134,432	135,252	146,831	33,910	30,346	316,190	311,609
Inter-segment revenue	5,128	4,007	99	260	–	–	5,227	4,267
Reportable segment revenue	152,156	138,439	135,351	147,091	33,910	30,346	321,417	315,876
Gross profit	26,508	27,169	37,440	40,134	21,149	19,372	85,097	86,675

No segment assets and liabilities information are provided as no such information is regularly provided to CODM of the Group on making decision of resources allocation and performance assessment.

No geographical segment analysis is shown as all of the Group's revenue is derived from activities in, and from customers located in the People's Republic of China (the "PRC") and all the Group's assets are situated in the PRC.

4 INCOME TAX

- (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Current tax – PRC Corporate Income Tax		
Provision for the period	14,623	13,449
Under/(over)-provision in respect of prior year	199	(86)
Deferred tax		
Origination and reversal of temporary differences	(1,280)	(481)
	<u>13,542</u>	<u>12,882</u>

Note:

- (i) The Group's entities in the Mainland China are subject to PRC income tax at 25%.
- (ii) Certain entities of the Group had been filed as Small Low-Profit Enterprises for previous years. The management of the Group believes that these entities will continue to qualify as Small Low-Profit Enterprises for the year ending December 31, 2025 and are subject to a preferential effective tax rate at 5% for the six months ended June 30, 2025.

5 EARNINGS PER SHARE

- (a) Basic and diluted earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB38,537,000 (six months ended June 30, 2024: RMB38,177,000) and the weighted average of 160,000,000 ordinary shares (2024: 129,890,110 shares) in issue during the interim period.

There were no dilutive shares during the six months ended June 30, 2025 and 2024.

6 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Trade receivables		
– related parties	58,050	49,377
– third parties	194,154	149,075
	<u>252,204</u>	<u>198,452</u>
Less: allowance for trade receivables	<u>(37,209)</u>	<u>(33,025)</u>
	<u>214,995</u>	<u>165,427</u>
Other receivables	9,624	9,177
Less: allowance for other receivables	<u>(2,955)</u>	<u>(2,952)</u>
	<u>6,669</u>	<u>6,225</u>
Amounts due from related parties	6,535	6,151
Bills receivable	–	204
Input value-added tax to be deducted	4,615	4,657
Prepayments	5,976	4,349
Others	<u>168</u>	<u>–</u>
	<u>238,958</u>	<u>187,013</u>

All of the prepayments, trade and other receivables are expected to be recovered or recognised as expense within one year.

Ageing analysis

The ageing analysis of trade receivables based on the date of relevant revenue recognised and net of loss allowance, is as follows:

	At June 30, 2025 RMB'000	At December 31, 2024 RMB'000
Within 1 year	148,028	123,907
1 to 2 years	63,646	39,116
Over 2 years	<u>3,321</u>	<u>2,404</u>
	<u>214,995</u>	<u>165,427</u>

Trade receivables are due when the receivables are recognised.

7 TRADE AND OTHER PAYABLES

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Trade payables		
– related parties	26,074	28,844
– third parties	282,197	299,287
	<u>308,271</u>	<u>328,131</u>
Amounts due to related parties	7,187	4,009
Accrued payroll and other benefits	23,318	29,384
Other taxes and charges payables	25,294	29,032
Deposits	60,431	63,576
Receipts on behalf of property owners and tenants	52,177	17,390
Other payables and accrued charges	4,622	8,480
Dividends payable	36,800	–
	<u>518,100</u>	<u>480,002</u>

The ageing analysis of trade payables, based on the invoice date, is as follows:

	At June 30, 2025 <i>RMB'000</i>	At December 31, 2024 <i>RMB'000</i>
Within 1 year	245,014	279,148
1 to 2 years	47,059	40,094
Over 2 years	16,198	8,889
	<u>308,271</u>	<u>328,131</u>

8 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

Dividends payable to equity shareholders

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interim dividend declared and paid after the interim period	–	–
Special dividend declared after the interim period of RMB0.22 per share	–	35,200
	<u>–</u>	<u>35,200</u>

Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period.

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.23 per share (six months ended June 30, 2024: nil)	36,800	–
	<u>36,800</u>	<u>–</u>

The final dividend of RMB36,800,000 was subsequently settled in July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is a state-owned urban service and operation provider deeply rooted in Hunan Province, especially in Changsha. The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on May 17, 2024 by way of global offering.

The Group focuses on providing a wide spectrum of services to its customers, forming a cohesive business layout rooted in urban area. Headquartered in Changsha, Hunan Province, the Group has established a solid market presence in the region. The services the Group provides can be divided into three categories depending on service characteristics and industry standards: (i) property management services, including different property management services and value-added services to public properties, commercial properties, and residential properties; (ii) urban services, including landscaping and engineering, lighting system operation, parking lot operation, and municipal sanitation services; and (iii) commercial operation services. The Group has built a reputation in the local market by serving a variety of property owners and developers, and its prospects are reliant on the relationships the Group has cultivated with these property owners and developers. The Group believes that provision of diverse services will improve customers’ loyalty, increase the Group’s brand recognition and enhance business operations and financial performance. According to China Index Academy (“**CIA**”), the Group was ranked 42nd among the top 100 property management service enterprises in China in 2025 (2025中國物業服務百強企業). The Group was also recognized as a “Leading Smart Urban Services Enterprise in China 2025” (2025中國智慧城市服務領先企業), one of the “2025 China Excellent State-owned Property Management Companies” (2025中國國有物業服務優秀企業) and “Leading Enterprise of Characteristic Property Service in China 2025” (2025中國特色物業服務領先企業) by CIA.

During the six months ended June 30, 2025, the Group derived revenue primarily from three operation segments, namely, (i) property management services; (ii) urban services; and (iii) commercial operation services.

Project Portfolio

The following table sets forth the number of projects and GFA under management for property management services, urban services and commercial operation services as at the dates indicated by operation segments:

	As at June 30,			
	2025		2024	
	Number of projects	GFA under management (million sq.m.)	Number of projects	GFA under management (million sq.m.)
Property management services	84	11.6	73	10.9
Urban services ^{(1) (2)}	160	–	200	–
Commercial operation services	54	0.8	57	0.8
Total	<u>298</u>	<u>12.4</u>	<u>330</u>	<u>11.7</u>

Note:

- (1) Urban services projects are not measured by GFA under management.
- (2) Landscaping and engineering projects are projects of a one-off nature, and the number listed refers to the number of completed projects, while the other projects of urban services are projects of a recurring nature.

Property management services – accounting for approximately 46.5% of the Group's total revenue

The Group provides public property management services, commercial property management services and residential property management services. Public properties include civic squares, parks and scenic spots, urban exhibition halls, government office buildings and schools; commercial properties include commercial office buildings, commercial complexes and sales centres; and residential properties mainly include residences and apartments. In addition, the Group also provides a wide range of value-added services to property developers, property owners, and tenants.

During the Reporting Period, the Group's revenue from property management services amounted to approximately RMB147.0 million, representing an increase of approximately 9.4% as compared to the same period in 2024, mainly due to the increase in the GFA and number of projects under management of the Group.

As at June 30, 2025, the GFA under management of the Group's property management services was approximately 11.6 million sq.m., representing a year-on-year increase of 6.4% which was primarily due to the fact that the Group enhanced its efforts in market expansion by utilising the business resources of CSUD Group and actively exploring business opportunities with independent third party customers.

In the first half of 2025, the Group achieved continuous improvement in market expansion. The Group undertook three new projects contracted in the first half of 2025 by enhancing efforts in market expansion, and had 84 projects in total in terms of property management services.

Urban services – accounting for approximately 42.8% of the Group's total revenue

Founded on the Group's established expertise, experience and track record of providing quality and tailor-made management services to various categories of properties, the Group has been extending its business capacities to become a state-owned professional urban service provider specializing in serving public spaces and municipal infrastructures. The Group assists local governments and public institutions in providing urban services to improve the living experience and environment of citizens. The Group's urban services mainly include (i) landscaping and engineering, including landscape construction and engineering construction; (ii) lighting system operation, including landscape lighting operation and functional lighting operation; (iii) parking lot operation including the operation and management of public parking spaces by self-operation and leasing; and (iv) municipal sanitation services including the cleaning of municipal infrastructures such as city roads, the external walls of buildings along the main road, street lamps, and bus platforms.

During the Reporting Period, the Group's revenue from urban services amounted to approximately RMB135.3 million, representing a decrease of approximately 7.9% over the same period in 2024. The decrease was primarily due to the decrease in the number of landscaping and engineering projects. The decline in the project volume was mainly attributable to the overall market contraction due to local government debt resolution and slower infrastructure investment growth.

Commercial operation services – accounting for approximately 10.7% of the Group’s total revenue

The Group offers a wide range of commercial property operation services to developers, owners, and tenants, including preliminary business planning, preliminary operation analysis, tenant recruitment, lease agreement formulation, opening guidance, and daily operation counselling.

During the Reporting Period, the Group’s revenue from commercial operation services increased from RMB30.3 million for the six months ended June 30, 2024 to RMB33.9 million for the six months ended June 30, 2025, representing an increase of 11.7% over the corresponding period of 2024.

As at June 30, 2025, the Group provided commercial operation services to 54 commercial properties with a total GFA under management of approximately 0.8 million sq.m., which remained stable as compared to that as at June 30, 2024.

FUTURE OUTLOOK

In the second half of 2025, the Group will continue to be committed to achieve the mission of “making urban life better”, further diversify its businesses, enhance internal control level, adhere to the parallel development of scale and quality, further strengthen confidence in development, and continuously achieve new breakthroughs in operating results.

(1) Continue to consolidate the Group’s position in Hunan Province and continue to expand the business scale through multiple channels

The Group’s business scale will be expanded through mergers and acquisitions, equity investment and other methods. Sound procedures for the selection of acquisition targets as well as due diligence and judgment will be implemented. The Group will optimize its service offerings based on the deep cultivation of related industries and accumulated years of experience. The Group will continue to leverage the project reserves held by CSUD Group and plan to actively secure projects to be developed by CSUD Group and its associates in the future to expand the business scale of the Group. In addition to cooperation with CSUD Group, the Group will strengthen its business development capabilities by obtaining business opportunities with independent third-party property developers and other customers, as well as leveraging the Group’s brand image and business know-hows that are accumulated through the Group’s successful business operation.

(2) Continue to improve the Group’ brand awareness, service quality and customer satisfaction

Based on the whole industry chain and full life cycle of urban service and operation and to meet the people’s growing needs for a better urban life, the Group will continue to focus on customer satisfaction as a core, continue to upgrade service quality, and provide more detailed, comprehensive, caring and efficient property services and value-added services for diversified customers. Leveraging the advantages of CSUD Group, the Group will actively expand its business reach to undertake more projects. In addition, the Group will cooperate with local governments to take urban services as the entry point, and undertake relevant projects to increase the Group’s output value. The Group will also try to enrich its brand awareness and value-added services by adding different customized value-added services to the service value chain.

(3) Continue to invest in technology empowerment to further improve the Group’s technology capabilities and promote its degrees of digitization and automation

The Group will continue to develop and optimize the functionality of its internal management information system, which primarily focuses on the online management of various labour-intensive tasks, contracts, finance, and assets. Furthermore, the Group will continue to develop and enhance various types of business operating systems to achieve functional development, data linking, and information resource sharing.

FINANCIAL REVIEW

Revenue

The total revenue of the Group remained relatively stable at RMB311.6 million and RMB316.2 million for the six months ended June 30, 2024 and 2025, respectively:

- *Property management service.* Revenue from property management services increased by 9.4% from RMB134.4 million for the six months ended June 30, 2024 to RMB147.0 million for the Reporting Period, mainly attributable to (i) an increase in the GFA under management from 10.9 million sq.m. as at June 30, 2024 to 11.6 million sq.m. as at June 30, 2025; and (ii) an increase in the number of projects under management from 73 as at June 30, 2024 to 84 as at June 30, 2025.
- *Urban services.* Revenue from urban services decreased by 7.9% from RMB146.8 million for the six months ended June 30, 2024 to RMB135.3 million for the Reporting Period, primarily due to the decrease in the number of landscaping and engineering projects. The decline in the project volume was mainly attributable to the overall market contraction due to local government debt resolution and slower infrastructure investment growth.

- *Commercial operation services.* Revenue from commercial operation services increased by 11.7% from RMB30.3 million for the six months ended June 30, 2024 to RMB33.9 million for the Reporting Period, primarily due to the collection of outstanding payments with respect to certain project by the customers of the Group, on which the Group's revenue was calculated based, in the first half of 2025.

Cost of sales

The cost of sales of the Group increased by 2.7% from RMB224.9 million for the six months ended June 30, 2024 to RMB231.1 million for the Reporting Period, primarily due to (a) the Group's revenue growth which led to a corresponding rise in cost, and (b) the transition of certain sales centers in the property management segment into residential projects upon delivery, which resulted in higher cost for rendering services.

Gross profit and gross profit margin

As a result of the foregoing, the overall gross profit margin of the Group slightly decreased from 27.8% for the six months ended June 30, 2024 to 26.9% for the Reporting Period.

Other net income

The Group's other net income decreased by 80.1% from RMB0.6 million for the six months ended June 30, 2024 to RMB0.1 million for the Reporting Period, primarily due to a decrease in non-recurring government subsidies and reduced exchange gains.

Selling expenses

The Group's selling expenses decreased by 36.1% from RMB2.4 million for the six months ended June 30, 2024 to RMB1.5 million for the Reporting Period, primarily driven by a decrease in marketing expenses as projects entered a stable operation phase.

Administrative expenses

The Group's administrative expenses decreased by 10.5% from RMB31.5 million for the six months ended June 30, 2024 to RMB28.2 million for the Reporting Period, mainly because higher expenses were incurred last year for listing-related activities.

Expected credit loss

The Group's expected credit loss increased by 30.5% from RMB3.4 million for the six months ended June 30, 2024 to RMB4.5 million for the Reporting Period, primarily due to the ageing of certain trade receivables and contract assets.

Finance income

The Group's finance income increased by 14.6% from RMB0.9 million for the six months ended June 30, 2024 to RMB1.0 million for the Reporting Period, primarily because of an increase in cash at banks, which resulted in higher finance income.

Share of profits less losses of an associate and joint ventures

The Group's share of profits less losses of an associate and joint ventures remained relatively stable at RMB0.2 million and RMB0.2 million for the six months ended June 30, 2024 and 2025, respectively.

Income tax

The Group's income tax increased by 5.1% from RMB12.9 million for the six months ended June 30, 2024 to RMB13.5 million for the Reporting Period, primarily because of an increase in profit before taxation.

Profit and total comprehensive income for the period

As a result of the foregoing, the Group recorded the profit and total comprehensive income for the period of RMB38.1 million and RMB38.5 million for the six months ended June 30, 2024 and 2025, respectively.

Inventories

The Group's inventories remained relatively stable at RMB3.7 million and RMB3.5 million as at December 31, 2024 and June 30, 2025, respectively.

Contract Assets

The Group's contract assets amounted to RMB286.3 million and RMB242.9 million as at December 31, 2024 and June 30, 2025, respectively, primarily due to the settlement and recognition of certain contract assets.

Trade receivables

The Group's trade receivables increased by 30.0% from RMB165.4 million as at December 31, 2024 to RMB215.0 million as at June 30, 2025, primarily due to the settlement of certain contract assets transferred into trade receivables and the ageing of certain trade receivables.

Other receivables

The Group's other receivables increased by 7.1% from RMB6.2 million as at December 31, 2024 to RMB6.7 million as at June 30, 2025, primarily due to an increase in deposits and guarantee deposits.

Trade payables

The Group's trade payables decreased by 6.1% from RMB328.1 million as at December 31, 2024 to RMB308.3 million as at June 30, 2025, primarily due to the payments made on trade payables by the Group.

Property, plant and equipment

The Group's property, plant and equipment consist primarily of (i) motor vehicles; (ii) machinery and electronic equipment; (iii) furniture and others; (iv) leasehold improvement; and (v) right-of-use assets. The carrying amount of property, plant and equipment remained relatively stable at RMB17.3 million and RMB17.3 million as at December 31, 2024 and June 30, 2025, respectively.

Liquidity and capital resources and current assets

In order to manage the Group's cash, maintain strong and healthy liquidity and ensure that the Group is well positioned to take advantage of future growth opportunities, the Group has adopted comprehensive treasury policies and internal control measures to review and monitor its financial resources and has maintained stable financial condition and sufficient liquidity throughout. As at June 30, 2025, the Group did not have any outstanding borrowings or banking facilities.

As at June 30, 2025, the Group's cash and cash equivalents amounted to approximately RMB321.3 million, representing a decrease of approximately 9.4% as compared with approximately RMB354.7 million as at December 31, 2024. The decrease was mainly attributable to net cash used in investing activities. The Group's net cash used in investing activities amounted to RMB63.3 million for the six months ended June 30, 2025, mainly attributable to the placement for time deposit of RMB60.0 million. The management believes that the Group has sufficient financial resources and future revenue to support the current working capital requirement and future expansion of the Group.

Foreign currency risk

The Group's principal activities are conducted in the PRC. Except for certain net proceeds raised from the listing in May 2024, which are denominated in Hong Kong dollars, the Group is not exposed to any significant risk directly related to foreign exchange fluctuations. Taking into account the potential RMB exchange rate fluctuations, the Group will continue to monitor its foreign exchange exposure and take prudent measures to reduce its foreign exchange risk. For the six months ended June 30, 2025, the Group did not use any financial instruments for hedging purposes.

Capital commitment and capital expenditure

The Group mainly has capital commitments with respect to contribution to the associate and joint ventures. Capital expenditure contracted for but not yet incurred as at December 31, 2024 and June 30, 2025 was RMB6.6 million and RMB6.5 million, respectively.

The following table sets out the Group's capital expenditure for the periods indicated:

	For the six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Additions to purchase of property, plant and equipment	<u>4,287</u>	<u>1,836</u>

Contingent liabilities

The Group had no material contingent liabilities as at June 30, 2025.

Pledge of assets

As at June 30, 2025, none of the assets of the Group was pledged.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Main Board of the Stock Exchange on May 17, 2024 by way of global offering of ordinary shares of the Company, including a public offering in Hong Kong of 4,000,000 shares and an international offering of 36,000,000 shares, in each case at a price of HK\$3.2 per share (collectively the “**Global Offering**”). After deducting the underwriting fees and relevant expenses, net proceeds from the Global Offering amounted to approximately HK\$86.4 million. Such proceeds have been and will continue to be applied in the manner consistent with that in the prospectus of the Company dated May 8, 2024 (the “**Prospectus**”):

Usage	% of total net proceeds	Planned allocation of net proceeds HK\$ million (approximately)	Unutilised net proceeds as at December 31, 2024	Utilised net proceeds during the Reporting Period	Unutilised net proceeds as at June 30, 2025	Expected timeline for full utilization of the balance
Strategic acquisitions, including strategic acquisitions of property management service providers specializing in professional service providers and urban service providers with relevant operation experience and required qualifications	29.2%	25.2	25.2	–	25.2	By the end of 2025
Purchase of vehicles and equipment, including:						
(i) Purchase operational vehicles for municipal sanitation services	19.8%	17.1	17.1	–	17.1	By the end of 2026
(ii) Procure operational vehicles and equipment for lighting system operation services	1.2%	1.0	1.0	–	1.0	By the end of 2025

Usage	% of total net proceeds	Planned allocation of net proceeds HK\$ million (approximately)	Unutilised net proceeds as at December 31, 2024	Utilised net proceeds during the Reporting Period	Unutilised net proceeds as at June 30, 2025	Expected timeline for full utilization of the balance
Technological investment, including:						
(i) Develop and optimise the internal management information system	8.5%	7.4	5.1	–	5.3	By the end of 2026
(ii) Develop and enhance business operating systems	7.4%	6.4	6.4	–	6.4	By the end of 2027
(iii) Develop device connection systems	8.5%	7.4	7.4	–	7.4	By the end of 2026
(iv) Recruit engineers for software development and maintenance	0.8%	0.7	0.7	–	0.7	By the end of 2026
Talent training and retention, including:						
(i) Expand the Group's dedicated team	13.7%	11.8	11.8	0.6	11.2	By the end of 2027
(ii) Optimise talent training programmes	1.6%	1.4	1.4	–	1.4	By the end of 2027
Working capital	9.3%	8.0	8.0	8.0	–	By the end of 2025
Total	100.0%	86.4	84.1	8.6	75.7	

The unutilised net proceeds are currently held in bank deposits and will continue to be applied in the manner consistent with the proposed allocations in the Prospectus. For further information, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As at the date of this announcement, there has been no material change in the actual use of the net proceeds from the intended use.

EMPLOYEE AND REMUNERATION POLICY

As at June 30, 2025, the Group had a total of 547 employees. For the Reporting Period, the total staff cost of the Group was RMB49.4 million (six months ended June 30, 2024: RMB48.4 million).

The Group's employee remuneration policy is determined by factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group considers the employee's annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service quality. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business and operations are subject to relevant laws and regulations of the Hong Kong Special Administrative Region ("**Hong Kong**") and the PRC. During the Reporting Period, the Group had complied with all applicable laws and regulations of Hong Kong and the PRC, which would have significant impact on the Group.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the "**Corporate Governance Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Company has complied with all the applicable code provisions of the Corporate Governance Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

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 a code of conduct for securities transactions by the Directors and supervisors (the “**Supervisors**”) of the Company. The Company has made specific enquiries to all Directors and Supervisors and they all have confirmed that they had complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Reporting Period.

COMPLIANCE WITH EQUITY ENTRUSTMENT AGREEMENTS

As disclosed in the Prospectus, in order to avoid potential competition from CSUD Group and safeguard the interests of the Group and shareholders of the Company, the Company entered into:

- (a) an equity entrustment agreement (the “**Changsha Xingshui Equity Entrustment Agreement**”) with Changsha Xingshui Property Management Company Limited (長沙市興水物業管理有限公司, “**Changsha Xingshui**”) and the sole shareholder of Changsha Xingshui, Zhongnan Huayun Development Co., Ltd. (中南華韻發展有限公司, “**Zhongnan Huayun**”), pursuant to which, Zhongnan Huayun entrusted the Company with the management and operation of Changsha Xingshui by way of equity entrustment. In addition, Zhongnan Huayun undertook to resolve the competition between Changsha Xingshui and the Group through (i) disposal of its equity interests in Changsha Xingshui or (ii) other approaches within three years after the execution of such agreement. For details of the entrustment, please refer to the section headed “Relationship with Our Controlling Shareholders” in the Prospectus.
- (b) an equity entrustment agreement (the “**Hunan Changran Equity Entrustment Agreement**”) with Changsha Ranqi Shiye Group Company Limited (長沙市燃氣實業有限公司, “**Ranqi Group**”) and Hunan Changran Property Development Company Limited (湖南長燃物業發展有限公司, “**Hunan Changran**”), pursuant to which, Ranqi Group entrusted the Company with certain management and operation of its wholly-owned subsidiary, Hunan Changran, by way of equity entrustment. In addition, Ranqi Group undertook to resolve the competition between Hunan Changran and the Group through (i) disposal of its equity interests in Hunan Changran or (ii) other approaches within three years after the execution of such agreement. For details of the entrustment, please refer to the section headed “Relationship with Our Controlling Shareholders” in the Prospectus.

For the year ended December 31, 2024, Zhongnan Huayun, Changsha Xingshui, Hunan Changran, and Ranqi Group confirmed that they had complied with the Changsha Xingshui Equity Entrustment Agreement and Hunan Changran Equity Entrustment Agreement, respectively. The independent non-executive Directors have reviewed the confirmation letters issued by the aforementioned entities in relation to their compliance with such entrustment agreements for the year ended December 31, 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the Reporting Period. As at June 30, 2025, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period.

AUDIT COMMITTEE

The principal duties of the audit committee of the Company (“**Audit Committee**”) include the review and supervision of the Group's financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor for determining the scope of the Group audit.

The Audit Committee, together with the management of the Company, have reviewed the unaudited interim results of the Group and this announcement and agreed with the accounting treatment adopted by the Company. The Audit Committee considered that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

REVIEW OF INTERIM RESULTS

The condensed interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board will be included in the 2025 interim report of the Company to be dispatched to the shareholders of the Company.

EVENTS AFTER THE REPORTING PERIOD

The Company is not aware of any material subsequent events from June 30, 2025 to the date of this announcement that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE") AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hollwingroup.com), and the 2025 interim report will be dispatched to the shareholders of the Company in a manner which the shareholders of the Company have selected to receive corporate communications and will be published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Hollwin Urban Operation Service Group Co., Ltd
Mr. Xie Yi
Chairman and Executive Director

Changsha, Hunan Province, the PRC
August 27, 2025

As at the date of this announcement, the Board comprises Mr. Xie Yi, Mr. Yang Xin, Mr. Duan Wenming and Mr. Wong Kwok Fu as executive Directors; Mr. Yu Xiao as non-executive Director; and Ms. Chan Ka Lai Vanessa, Dr. Dai Xiaofeng and Mr. Tse Chi Wai as independent non-executive Directors.