泓盈集团
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: 02529)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST OF THE TARGET COMPANY

Financial adviser to the Company

民銀資本
CMBC CAPITAL HOLDINGS LIMITED

THE ACQUISITION

On 17 April 2026 (after trading hours), the Company entered into the Share Acquisition Agreement with the Transferors pursuant to which the Company has conditionally agreed to acquire, and the Transferors have conditionally agreed to sell, the entire equity interest of the Target Company at the consideration of RMB49,543,500, subject to the terms and conditions of the Share Acquisition Agreement.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

LISTING RULES IMPLICATIONS

Discloseable transaction

As the relevant percentage ratio(s) calculated under Chapter 14 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected transaction

As at the date of this announcement, CSUDGCL, being one of the Transferors and as one of the Controlling Shareholders of the Company, is a connected person of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An ESM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the Acquisition.

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter of recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report from the Independent Valuer; and (v) a notice of the ESM and other information as required under the Listing Rules will be published on or before 11 May 2026.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in relation to the fairness and reasonableness of the Acquisition.

China Sunrise Capital Limited, has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Acquisition is fair and reasonable and to advise the proposed resolution in respect thereof at the ESM.

ATTENTION: Shareholders and potential investors of the Company should note that the Acquisition is subject to the satisfaction or waiver (where applicable) of certain conditions and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

INTRODUCTION

On 17 April 2026 (after trading hours), the Company entered into the Share Acquisition Agreement with the Transferors pursuant to which the Company has conditionally agreed to acquire, and the Transferors have conditionally agreed to sell, the entire equity interest of the Target Company at the consideration of RMB49,543,500, subject to the terms and conditions of the Share Acquisition Agreement. The principal terms of the Share Acquisition Agreement are set out below:

THE SHARE ACQUISITION AGREEMENT

Date

17 April 2026 (after trading hours)

Parties

(1) the Company (as the Transferee);

(2) the Transferors, being,

  (a) CSUDGCL;

  (b) Mr. Liu Junqing;

  (c) Mr. Yang Guanzhong;

  (d) Mr. Yang Hong;

  (e) Ms. Yang Yujuan;

  (f) Mr. Tang Weiping; and

  (Parties (2)(a) to (f), collectively, the "**Transferors**", and each a "**Transferor**")

(3) the Target Company.

Subject matter

Pursuant to the Share Acquisition Agreement, the Transferors have conditionally agreed to sell, and the Company has conditionally agreed to acquire, the entire equity interest of the Target Company. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company.

Consideration and payment terms

The total consideration of the Acquisition payable by the Company to the Transferors shall be RMB49,543,500 (the "**Consideration**"), which is determined by the parties at arm's length with reference to the appraised value of the entire equity interest of the Target Company as at the Valuation Reference Date (i.e. 30 June 2025). Please refer to the section headed "Valuation Report of the Target Company" in this announcement below for details.

The Consideration will be paid by the Company in cash to the Transferors, which shall be funded by the Group's internal resources, and will be settled by installments in accordance with the payment schedule and conditional upon the satisfaction of the relevant payment conditions set out in the Share Acquisition Agreement as particularised below:

Installment	**Payment Milestone**[Note 1]	**Payment Conditions**[Notes 2, 3]	**Percentage of Total Consideration Payable**[Note 4]
First	On the Completion Date	Not applicable (Payable upon Completion)	70% of the Consideration[Note 5]
Second	Within thirty (30) Business Days following the expiration of the First Performance Guarantee Year and the issuance of the audit report required under the Share Acquisition Agreement	Subject to (i) the Target Company's audited net profit for First Performance Guarantee Year meeting the guaranteed performance target; and (ii) no material breach by the Transferors has occurred	5% of the Consideration
Third	Within thirty (30) Business Days following the expiration of the Second Performance Guarantee Year and the issuance of the audit report required under the Share Acquisition Agreement	Subject to (i) the Target Company's audited net profit for Second Performance Guarantee Year meeting the guaranteed performance target; and (ii) no material breach by the Transferors has occurred	5% of the Consideration
Fourth	Within thirty (30) Business Days following the expiration of the Third Performance Guarantee Year and the issuance of the audit report required under the Share Acquisition Agreement	Subject to (i) the Target Company's audited net profit for Third Performance Guarantee Year meeting the guaranteed performance target; and (ii) no material breach by the Transferors has occurred	5% of the Consideration
Fifth	Refer to the section headed "Credit Receivable Recovery Guarantee" below	Subject to the cumulative Actual Recovery Amount (as defined below) of the Baseline Credit Receivable (as defined below) meeting the recovery target	15% of the Consideration

Note 1: If any scheduled payment date is not a Business Day, such payment shall be made on the next Business Day.

Note 2: Subject to a waiver by the Company in writing, payment for any installment subsequent to the first installment is conditional upon the Target Company having achieved the Undertaken Net Profit (as defined below) or the recovery target for the cumulative Actual Recovery Amount of the Baseline Credit Receivable for the corresponding year of the Performance Guarantee Period, as determined by the annual audit report for such year issued by an audit firm acceptable to the Company.

Note 3: A failure to meet the guaranteed performance target or the recovery target of the Baseline Credit Receivable shall not result in a complete forfeiture of the corresponding installment payment. Instead, in the event of such failure, the Company shall be entitled to adjust (including by way of deduction) the amount of such Installment in accordance with the mechanisms set forth in the sections headed "Performance Compensation Mechanism" and "Credit Receivables Recovery Guarantee Mechanism" below.

Note 4: The Consideration shall be payable by the Company to CSUDGCL and each Individual Shareholders, respectively, in proportion to their respective equity interests held in the Target Company.

Note 5: Among which, the portion of funds involved in the Subsequent Share Purchase Arrangement (as defined below), i.e., the after-tax cash proceeds equivalent to 50% of the total Consideration payable to the Individual Shareholders to be used to purchase certain number of unlisted shares of the Company held by CSUDGCL, shall be transferred in full into an escrow account (the "**Escrow Account**"), which shall be opened in the name of an authorised person among the Individual Shareholders representing the Individual Shareholders at a commercial bank (the "**Escrow Bank**") to be jointly appointed by the Company and the Transferors.

Performance Guarantee

The Transferors, as the performance guarantors, have jointly and severally undertaken to the Company that, during the Performance Guarantee Period, the audited cumulative net profit of the Target Company, adjusted by deducting the portion of gross profit derived from Non-market-oriented Projects that exceeds 51% of the Target Company's total cumulative gross profit (the "**Actual Net Profit**"), shall be no less than RMB24,000,000 (the "**Undertaken Net Profit**").

"Net profit" shall refer to the net profit after tax and excluding any non-recurring profit or loss, as set out in the consolidated financial statements of the Target Company. The amount shall be determined based on an unqualified audit report issued by an accounting firm qualified to engage in securities and futures related business and acceptable to the Company.

The annual breakdown of the Undertaken Net Profit is as follows:

Performance Guarantee Period	**Undertaken Net Profit** *(RMB'000)*
First Performance Guarantee Year	6,550
Second Performance Guarantee Year	8,000
Third Performance Guarantee Year	9,450
Cumulative Total	**24,000**

Performance Compensation Mechanism

Upon the expiry of the entire Performance Guarantee Period, the Company shall appoint an audit firm to conduct a special audit (the "**Special Audit**") on the cumulative Actual Net Profit of the Target Company for the entire Performance Guarantee Period and issue a specific audit report.

If the cumulative Actual Net Profit of the Target Company during the Performance Guarantee Period is less than the cumulative Undertaken Net Profit, the Transferors shall compensate the Company in cash. The compensation amount shall be calculated as follows:

$$\text{Cash Compensation Amount} = \frac{(\text{Cumulative Undertaken Net Profit} - \text{Cumulative Actual Net Profit})}{\text{Cumulative Undertaken Net Profit}} \times \text{15\% of the Consideration under the Share Acquisition Agreement.}$$

The Transferors shall be severally liable for the aforesaid compensation obligation on a pro rata basis in accordance with their respective shareholding percentages in the Target Company as at the date of the Share Acquisition Agreement. In addition, the Individual Shareholders shall be jointly and severally liable to the Company for the portion of the compensation obligation corresponding to their aggregate 49% equity interest in the Target Company.

If, in any year of the Performance Guarantee Period, the Target Company fails to achieve the Undertaken Net Profit for that year, the Company shall have the right, but not the obligation, to suspend payment of all or part of the Consideration corresponding to the Undertaken Net Profit for that year and for any subsequent years of the Performance Guarantee Period (the "**Suspended Consideration**"). In the event the Company exercises such right, the Company shall not be obligated to conduct annual settlements at the end of each year of the Performance Guarantee Period, but shall be entitled to wait until the expiration of the entire Performance Guarantee Period and the completion of the Special Audit.

Thereafter, the Company shall calculate the total cash compensation amount due from the Transferors (the "**Total Compensation Amount**") in accordance with the formula set forth above. The Company shall be entitled to directly offset such Total Compensation Amount against the Suspended Consideration.

If the Suspended Consideration exceeds the Total Compensation Amount, the Company shall pay the remaining balance to the Transferors in accordance with the payment terms set forth under the section headed "Consideration and payment terms" above.

If the Suspended Consideration is insufficient to cover the Total Compensation Amount, the Transferors shall pay the shortfall to the Company in cash within 30 days of receiving a written notice from the Company. The suspension of payment and set-off of the Suspended Consideration shall be without prejudice to the Company's rights and obligations regarding the payment, assessment, and set-off of the Credit Receivable Recovery Consideration (as defined below).

External Market Expansion Undertaking

Pursuant to the Share Acquisition Agreement, the Individual Shareholders have jointly and severally undertaken to the Company that, during the Performance Guarantee Period, the cumulative sales revenue generated from Market-oriented Projects (excluding loss-making projects) achieved by the Target Company (the "**Actual External Expansion Performance**") shall be no less than RMB150,000,000 (the "**Guaranteed External Expansion Performance**"). The Actual External Expansion Performance shall be determined based on the amounts confirmed in the standard unqualified annual audit reports and special audit report issued by an audit firm acceptable to the Company.

Upon the expiration of the Performance Guarantee Period, the audit firm shall conduct a special audit on the Actual External Expansion Performance and issue a report. If the cumulative Actual External Expansion Performance is lower than the cumulative Guaranteed External Expansion Performance, the Individual Shareholders shall compensate the Company in cash in proportion to their respective equity interests in the Target Company held as at the date of the Share Acquisition Agreement. The compensation amount shall be calculated as follows:

$$\textit{Cash Compensation Amount} = \frac{\textit{(Guaranteed External Expansion Performance – Actual External Expansion Performance)}}{\textit{Guaranteed External Expansion Performance}} \times \textit{15\% of the total Consideration payable to the Individual Shareholders}$$

Any compensation amount payable shall be deducted on a priority basis from the Consideration not yet paid to the Individual Shareholders; any shortfall shall be paid by the Individual Shareholders to the Company in cash within 30 days after receiving a written notice from the Company.

Such compensation obligation is without prejudice to any other liabilities the Individual Shareholders may incur for other breaches of the Share Acquisition Agreement.

Credit Receivable Recovery Guarantee Mechanism

In addition to the Performance Guarantee, the Transferors have, pursuant to the Share Acquisition Agreement, undertaken to the Company to guarantee the recovery of the net amount of the Credit Receivable of the Target Company as at 30 June 2025 (the "**Baseline Date**") (including accounts receivable and contract assets), which amounts to RMB124,268,108.16 (the "**Baseline Credit Receivable**").

The parties to the Share Acquisition Agreement agreed that payment of the portion of the Consideration corresponding to the recovery of Credit Receivable as at the Baseline Date (being the fifth payment installment, representing 15% of the total Consideration) (the "**Credit Receivable Recovery Consideration**") shall be subject to the actual amount recovered for the Baseline Credit Receivable (the "**Actual Recovery Amount**").

The Company shall not be obligated to pay any Credit Receivable Recovery Consideration until the cumulative Actual Recovery Amount of the Baseline Credit Receivable reaches the difference between the net value of the Baseline Credit Receivable and 15% of the total Consideration (the "**Payment Threshold Amount**"). When the cumulative Actual Recovery Amount exceeds the Payment Threshold Amount, the Company shall commence payment of the Credit Receivable Recovery Consideration, the amount of which shall be calculated as the difference between the cumulative Actual Recovery Amount and the Payment Threshold Amount, provided that the total aggregate payment shall be capped at 15% of the total Consideration.

Excess Recovery Incentive

In consideration of the Transferors' undertakings to facilitate the collection of receivables, the parties agree that in the event the cumulative Actual Recovery Amount of the Credit Receivable exceeds the Baseline Credit Receivable of RMB124,268,108.16, the Company shall pay to the Transferors an incentive equivalent to 60% of such excess amount attributable to projects that were fully completed as at the Baseline Date (the "**Excess Recovery Incentive**").

Should such excess recovery necessitate payments to relevant suppliers exceeding the accounts payable recorded as at the Baseline Date, the Excess Recovery Incentive shall be calculated in accordance with the following formula:

Excess Recovery Incentive = (Excess Recovery Amount – Increased Accounts Payable) × 60%

The parties to the Share Acquisition Agreement agreed that the aforementioned aggregate amount of the Excess Recovery Incentive payable by the Company shall in no event exceed a maximum amount (the "**Incentive Cap**"), which shall be calculated in accordance with the following formula:

Incentive Cap = (Original Value of Credit Receivable for the 100% Completed Projects − Baseline Credit Receivable) × 60%

The "Original Value of Credit Receivable for the 100% Completed Projects" shall be determined by reference to the credit receivable of list of project agreed in the Share Acquisition Agreement, i.e., RMB125,851,133.55. Any amount calculated in excess of the Incentive Cap in accordance with the formula above shall not be payable by the Company.

Duration of Assessment

The obligations to pay the aforementioned Credit Receivable Recovery Consideration and the Excess Recovery Incentive shall survive the expiry of the Performance Guarantee Period and shall remain in effect until the Baseline Credit Receivable as at the Baseline Date have been fully settled.

Final settlement

Upon the expiry of each financial year, the Company shall appoint an independent audit firm to conduct a special audit to verify and confirm the cumulative Actual Recovery Amount of the Baseline Credit Receivable for the respective financial year. Within sixty (60) Business Days following the issuance of the special audit report concerning the recovery status of the Baseline Credit Receivable, the Company shall calculate and pay the Credit Receivable Recovery Consideration payable for the corresponding period (being the balance of the cumulative payable amount after deducting any amounts paid in previous years) and/or the Excess Recovery Incentive payable for the corresponding period, as applicable.

Conditions Precedent

Unless otherwise agreed in writing by the parties to the Share Acquisition Agreement, Completion shall take place on the Completion Date and shall be conditional upon the following Conditions being satisfied or waived (where applicable) by the Company on or before the Long Stop Date, or such later date as may be agreed in writing by the parties:

(a) the representations and warranties made by the Transferors under the Share Acquisition Agreement remaining true, accurate, and complete in all material respects upon the Completion Date;

(b) the Transferors having performed and complied with all agreements and obligations required to be performed by them under the Share Acquisition Agreement on or before the Completion Date;

(c) all necessary governmental and regulatory approvals, filings, and registrations in connection with the Acquisition having been obtained (if applicable);

(d) the Company having obtained the approval from the Independent Shareholders at the ESM for the Acquisition and the transactions contemplated thereunder as required by the Listing Rules;

(e) the Company having obtained the approval from Shareholders by way of ordinary resolution at the general meeting of the Company regarding the change in use of proceeds for the purpose of funding the Acquisition;

(f) the key technical personnel of the Target Company, as identified in the schedule attached to the Share Acquisition Agreement, having entered into new employment contracts and non-disclosure and non-competition agreements with the Target Company for a term of no less than three years commencing on the Completion Date;

(g) during the six-month period prior to the Completion Date, there having been no material adverse change in the business, assets, financial condition, operations or prospects of the Target Company;

(h) all of the Individual Shareholders shall have duly executed a share transfer agreement (the "**Share Transfer Agreement**") with CSUDGCL in relation to the Subsequent Share Purchase Arrangement (as defined below);

(i) the escrow agreement shall have been duly executed by and among the Transferors and the Escrow Bank, and the Escrow Account to be established pursuant to such agreement shall have been opened and be fully operational; and

(j) the Transferors having delivered all necessary completion documents to the Company.

If any of the Conditions are not satisfied or waived by the Company on or before the Long Stop Date (or as extended), the Company shall be entitled to terminate the Share Acquisition Agreement by giving written notice to the Transferors, in which case the Share Acquisition Agreement shall cease to have any effect and neither party shall have any further obligations or liabilities thereunder, save for any antecedent breaches of the Share Acquisition Agreement.

The Subsequent Share Purchase Arrangement

According to the Share Acquisition Agreement, the five Individual Shareholders agree that, following their receipt of the first installment of the Consideration, they shall apply an amount of after-tax cash equal to fifty percent (50%) of their respective pro-rata share of the total Consideration under the Share Acquisition Agreement to purchase the unlisted shares of the Company from CSUDGCL.

Pursuant to the Share Acquisition Agreement, the Individual Shareholders have jointly and severally undertaken to acquire certain unlisted shares of the Company under a subsequent share purchase arrangement (the "**Subsequent Share Purchase Arrangement**").

The Subsequent Share Purchase Arrangement constitutes a separate commercial arrangement from the Acquisition and shall be governed by the separate Share Transfer Agreement (as defined above) to be entered into among the relevant parties.

Completion

Subject to the satisfaction or waiver (where applicable) of all Conditions, the Company shall, within 30 Business Days, deliver a written notice to the Transferors (the "**Completion Notice**").

On the Completion Date, the parties shall perform the closing obligations which include, among others: (i) the delivery by the Transferors and the Company to each other of all necessary and duly executed original documents as required by applicable laws and regulations for the purpose of the Acquisition; (ii) the submission of all necessary application documents to the competent market supervision authority to register the transfer of the entire equity interest in the Target Company to the Company; (iii) procuring the Target Company to amend and file its articles of association and (iv) the issuance of a capital contribution certificate to the Company and the registration of the Company and its acquired capital contribution in the register of shareholders of the Target Company.

Upon the satisfaction and/or waiver (where applicable) by the Company of all Conditions Precedent, Completion shall take place on a date within 15 Business Days following the issuance of the Completion Notice, or on such other date as the parties may mutually agree in writing. The date on which the Completion occurs shall be the completion date (the "**Completion Date**").

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in three main segments comprising property management services, urban services and commercial operation services. The Board believes that the Acquisition represents a strategic opportunity to enhance the Company's capabilities in the "Smart City" and digital transformation sectors. The Target Company is principally engaged in intelligent systems engineering, design, construction, and operation, which is highly synergistic with the Group's strategic goal of becoming a regionally leading and nationally first-tier integrated urban service provider. The Acquisition will improve the Group's urban service industrial chain, enhance its intelligent service capabilities, and accelerate its strategic transformation and upgrade.

The Board believes the Acquisition is in the interests of the Company and the Shareholders as a whole for the following principal reasons:

(i) Strategic Realignment and Strengthening of the Listed Platform

The Acquisition represents a strategic optimisation of resource allocation within the state-owned assets framework. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company. This full integration removes previous structural limitations, better positioning the Company to secure and execute larger-scale, higher-value projects. This strategic consolidation directly enhances the Company's financial scale and operational capacity, bolstering its market leadership and competitive advantage, driving sustainable growth and increasing long-term shareholder value.

(ii) Enhancement of Technological Capabilities and Regional Consolidation

Amid the property management industry's transformation towards technology-driven and qualification-based services, technological capability has become a core indicator of long-term competitiveness. The Acquisition is an important step in advancing the Company's strategy of "driving intelligent transformation through technology" to enhance operational efficiency and service delivery. The Target Company has an established solutions portfolio in the smart city domain. It provides services such as information integration, smart city application development and operations, with its integrated solutions covering key urban sectors including smart transportation, smart industrial parks, and smart education and a proven track record in software platforms and intelligent systems. This will complement the Company's existing expertise and address its needs in certain technological areas and qualifications, strengthening its position as a regionally leading and nationally first-tier integrated urban service provider, solidifying its regional leadership status, and allowing it to better leverage its advantages as a local state-owned enterprise.

(iii) Driving Valuation and Long-Term Growth

As the Company seeks to expand its business boundaries, this strategic acquisition is expected to improve the Company's profitability profile and diversify its revenue streams. The integration of the Target Company's business is expected to strengthen the capital market's recognition of the Company's positioning as a "full-chain urban service provider" and attract investor interest in its long-term growth prospects. The Board believes this may lead to a positive re-evaluation of the Company's profitability and growth potential.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the independent financial adviser) consider that the terms of the Acquisition and the entering into of the Share Acquisition Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Yu Xiao, a non-executive Director of the Company, who also hold management positions at CSUDGCL and its associates (other than the Group), has abstained from voting on the Board resolutions approving the Share Acquisition Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the Share Acquisition Agreement and the transactions contemplated thereunder, and none of the Directors was required to abstain from voting on the Board resolutions approving the Share Acquisition Agreement and the transactions contemplated thereunder.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. It is principally engaged in the business of software and information technology services, including (i) intelligent systems engineering design, construction, operation and maintenance; (ii) smart city construction and operation; and (iii) intelligent system integration and software research and development. The Target Company primarily focuses on (i) smart city construction and operation; (ii) urban and road lighting engineering; (iii) mechanical and electrical engineering; (iv) intelligent system integration, operation, and management; (v) software system research, development, and operation; and (vi) industry academia-research innovation projects.

As at the date of this announcement, the Target Company is owned as to 51% by CSUDGCL, which is ultimately controlled by Changsha Municipal SASAC. The remaining 49% of the equity interest is held in aggregate by five individual shareholders, namely Mr. Liu Junqing (劉俊清) (12.8%), Mr. Yang Guanzhong (楊貫中) (12.4%), Mr. Yang Hong (楊宏) (12.4%), Ms. Yang Yujuan (楊玉娟) (8.2%) and Mr. Tang Weiping (唐偉平) (3.2%).

According to the financial statements of the Target Company for the respective financial years ended 31 December 2024 and 2025 provided by the Target Company, the revenue, profit/(loss) before tax and profit/(loss) after tax of the Target Company for the aforesaid years are set out below:

	For the year ended 31 December	
	2024	**2025**
	RMB'000	*RMB'000*
	(audited)	(unaudited)
Revenue	77,897	80,176
Profit/(loss) before tax	143	1,143
Profit/(loss) after tax	(436)	593

The unaudited net asset value of the Target Company as at 31 December 2025 amounted to approximately RMB55.3 million and the audited net asset value of the Target Company as at 30 June 2025 amounted to approximately RMB49.1 million. According to the Valuation Report, the entire equity of the Target Company was appraised at RMB49,543,500 as at the Valuation Reference Date using the asset-based approach.

CSUDGCL acquired 51% of the Target Company in 2017 at the original acquisition cost of approximately RMB21.9 million.

VALUATION REPORT OF THE TARGET COMPANY

The Company has engaged the Independent Valuer to conduct a valuation of the entire equity interest of the Target Company as at the Valuation Reference Date. The Independent Valuer has issued the Valuation Report on 12 March 2026.

According to the Valuation Report, the appraised market value of the entire equity interest of the Target Company as at the Valuation Reference Date was RMB49,543,500.

A summary of the valuation is set out below:

Valuation approach and methodology

In arriving at the appraised value of the Target Company, the Independent Valuer considered the three generally accepted valuation approaches: the market approach, the income approach, and the asset-based approach.

The market approach was not adopted for this valuation. This was primarily because there were few listed companies or transaction cases in the public market that were sufficiently comparable to the Target Company in terms of business scope, scale, and operating model, making it difficult to find appropriate comparables and ensure a reliable valuation outcome.

The Independent Valuer conducted valuations using both the income approach and the asset-based approach. After a comprehensive analysis, the Independent Valuer adopted the result from the asset-based approach as the final valuation conclusion. The key reason for this selection is that the income approach relies on forecasting future financial performance; however, the Target Company's future profitability is subject to uncertainties, including the need for substantial working capital for projects, the stability of its business sources (which are mainly derived from government entities and may be subject to policy changes), and the stability of its core technical team. Given these uncertainties, the Independent Valuer concluded that the asset-based approach, which reflects the current fair value of the Target Company's individual assets and liabilities, provides a more prudent and accurate representation of the Target Company's value at the Valuation Reference Date.

The asset-based approach determines the value of a business by assessing the fair value of its individual assets and liabilities. The value of the entire equity interest is calculated by subtracting the appraised value of total liabilities from the appraised value of total assets.

Summary of valuation results under the asset-based approach

As at the Valuation Reference Date, the audited net asset value of the Target Company was approximately RMB49.1 million. The appraised value of its net assets under the asset-based approach is approximately RMB49.5 million, representing an appreciation of approximately RMB0.5 million, or 1.0%, over the book value.

A summary of the valuation results is as follows:

Item	Book Value	Appraised Value	Appreciation/ (Depreciation)	Appreciation/ (Depreciation) Rate
	RMB'000	*RMB'000*	*RMB'000*	%
	(A)	(B)	(C=B-A)	(D=C/A×100)
Current assets	129,523.3	129,523.3	–	–
Non-current assets	39,056.8	39,548.5	491.7	1.26
Of which:				
– Fixed assets	21,614.0	22,105.7	491.7	2.27
– Intangible assets	14,346.4	14,346.4	–	–
– Deferred income tax assets	3,096.4	3,096.4	–	–
Total assets	168,580.1	169,071.8	491.7	0.29
Current liabilities	115,480.1	115,480.1	–	–
Non-current liabilities	4,048.2	4,048.2	–	–
Total liabilities	119,528.3	119,528.3	–	–
Net assets (shareholders' equity)	49,051.8	49,543.5	491.7	1.00

Note: Any discrepancies in totals are due to rounding.

The appreciation in the net asset value of the Target Company was mainly attributable to the increase in the appraised value of its fixed assets. The reason for the difference between the appraised value and the carrying amount is as follows: the Target Company's fixed assets increased by approximately RMB0.5 million (or approximately 2.3%). This is mainly attributable to the valuation of the Target Company's building properties. While these are carried at cost less accumulated depreciation for accounting purposes, the valuation was conducted using the income approach, which estimates the value based on the property's potential to generate future rental income, resulting in a higher appraised value.

Key assumptions of the valuation

The following key assumptions were adopted in the preparation of the Valuation Report:

1. It is assumed that the Target Company will continue to operate as a going concern in the foreseeable future, in line with its current business model and operational scale.

2. It is assumed that there will be no material changes to the relevant national and local laws, regulations, policies, or macroeconomic conditions in the PRC where the Target Company operates.

3. It is assumed that there will be no material changes in the relevant interest rates, exchange rates, tax bases and tax rates, and policy-related charges in relation to the Target Company.

4. It is assumed that the Target Company's management team will remain stable and responsible, and that there will be no material changes to its current management structure, business scope, or operating methods.

5. It is assumed that the Target Company will continue to qualify as a "High and New Technology Enterprise" in the future and will continue to be entitled to the preferential enterprise income tax rate of 15%.

6. It is assumed that all information provided by the Company and the Target Company, including financial, operational, and legal title information, is true, accurate, and complete.

7. It is assumed that the Target Company will not be affected by any unforeseen or force majeure events that could have a material adverse impact on its business operations and value.

The Directors have reviewed and considered the Valuation Report, including the methodology adopted, the basis, and the key assumptions used in arriving at the valuation. The Directors are of the view that the valuation is fair and reasonable.

INFORMATION ON THE PARTIES

The Company, a joint stock company established in the PRC with limited liability, is principally engaged in property management services, urban services and commercial operation services. The Company is held as to 75.0% directly and indirectly by CSUDGCL. CSUDGCL, together with Changsha Urban Construction Investment and Development Group Co., Ltd. (長沙市城市建設投資開發集團有限公司), and Yuelushan Tourism Culture Development Co., Ltd. (岳麓山旅遊文化開發有限公司), constitute a group of Controlling Shareholders of the Company.

CSUDGCL, a company established in the PRC with limited liability, is principally engaged in urban development, construction, operation and investment, and property development and investment. CSUDGCL is a state-owned enterprise ultimately controlled by Changsha Municipal SASAC.

Each of the Individual Shareholders is a PRC resident. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Individual Shareholders is an Independent Third Party.

LISTING RULES IMPLICATIONS

Discloseable transaction

As the relevant percentage ratio(s) calculated under Chapter 14 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Connected transaction

As at the date of this announcement, CSUDGCL, being one of the Transferors and as one of the Controlling Shareholders of the Company, is a connected person of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An ESM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the Acquisition.

CSUDGCL, being one of the Controlling Shareholders of the Company and one of the Transferors, and its associates are regarded as having a material interest in the Acquisition and therefore are required to abstain from voting on the resolution proposed to be passed at the ESM for approving the Share Acquisition Agreement and the transactions contemplated thereunder.

As at the date of this announcement, CSUDGCL and Yuelushan Tourism Culture Development Co., Ltd. (岳麓山旅遊文化開發有限公司) ("**Yuelushan Company**"), an associate of the CSUDGCL, in aggregate held 120,000,000 Shares, representing approximately 75% of the total issued Shares of the Company. Accordingly, CSUDGCL and Yuelushan Company shall abstain from voting at the ESM in respect of the resolution proposed to be passed for approving the Share Acquisition Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in relation to the fairness and reasonableness of the Acquisition.

China Sunrise Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Acquisition is fair and reasonable and to advise the proposed resolution in respect thereof at the ESM.

PUBLICATION OF CIRCULAR

A circular containing, among other things, (i) further details of the Acquisition; (ii) a letter of recommendation of the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report from the Independent Valuer; and (v) a notice of the ESM and other information as required under the Listing Rules will be published on or before 11 May 2026.

ATTENTION: Shareholders and potential investors of the Company should note that the Acquisition is subject to the satisfaction or waiver (where applicable) of certain conditions and therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and actions that they should take.

DEFINITIONS

The following expressions shall have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of the entire equity interest of the Target Company by the Company from the Transferors in accordance with the Share Acquisition Agreement and the transactions contemplated thereunder;
"associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Business Day(s)"	any day other than the statutory holidays of the PRC, rest days (Saturdays and Sundays, except for those which business is conducted due to holiday adjustment), or any other days off adjusted pursuant to temporary government notices;
"Company"	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 limited company established in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 2529);
"Completion"	completion of the Acquisition under the Share Acquisition Agreement;
"Conditions Precedent"	the conditions precedent to Completion as set out under the section headed "Conditions Precedent" in this announcement;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules;
"Credit Receivable"	means, in respect of the Target Company, all rights to receive consideration from customers or other third parties arising from its business operations in accordance with applicable laws, including, among others, accounts receivable and contract assets;

"CSUDGCL"	Changsha Urban Development Group Co., Ltd. (長沙城市發展集團有限公司), one of the Controlling Shareholders of the Company, was established in the PRC with limited liability on 20 September 2019 and is wholly owned by Changsha Municipal SASAC as of the date of this announcement;
"Directors"	the directors of the Company;
"ESM"	an extraordinary shareholders' meeting to be convened by the Company for the purpose of considering, and if thought fit, approving the Acquisition by the Independent Shareholders;
"First Performance Guarantee Year"	the first period of twelve (12) consecutive calendar months within the Performance Guarantee Period;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Independent Board Committee"	an independent committee of the Board comprising Ms. Chan Ka Lai Vanessa, Dr. Dai Xiaofeng and Mr. Tse Chi Wai (all being independent non-executive Directors) to advise the Independent Shareholders, taking into account the recommendations of the independent financial adviser, in relation to the Acquisition;
"Independent Shareholders"	the Shareholders other than those who are required under the Listing Rules to abstain from voting at the ESM on the resolution approving the Acquisition;
"Independent Third Party(ies)"	a person(s) who or company(ies) together with their respective ultimate beneficial owner(s) which are third parties independent of the Company and its connected persons (as defined under the Listing Rules);

"Independent Valuer"	Hunan Hengji Real Estate Land Asset Appraisal Co., Ltd.* (湖南恒基房地產土地資產評估有限公司), an independent asset appraisal company in the PRC;
"Individual Shareholders"	individual shareholders of the Target Company, namely Mr. Liu Junqing (劉俊清), Mr. Yang Guanzhong (楊貫中), Mr. Yang Hong (楊宏), Ms. Yang Yujuan (楊玉娟) and Mr. Tang Weiping (唐偉平), each being a PRC resident and a Transferor;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	the latest date on which the Conditions Precedent are satisfied (being 30 June 2026), or such later date as may be agreed in writing between the Company and the Transferors;
"Market-oriented Projects"	means any projects undertaken by the Target Company, excluding Non-market-oriented Projects;
"Non-market-oriented Projects"	means projects undertaken by the Target Company without public bidding procedures or market-oriented competition that are directly commissioned by CSUDGCL or its affiliates (excluding the Target Company), where CSUDGCL or its affiliates acts as the contracting counterparty and the payment obligor;
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules;
"Performance Guarantee Period"	the continuous period of 36 calendar months commencing from the first day of the month immediately following the Completion Date, which for assessment purposes, such period shall be divided into three (3) consecutive performance assessment periods, each comprising twelve (12) consecutive calendar months, being the First Performance Guarantee Year, the Second Performance Guarantee Year and the Third Performance Guarantee Year;
"PRC"	the People's Republic of China;

"RMB"	Renminbi, the lawful currency of the PRC;
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會)
"Second Performance Guarantee Year"	the second period of twelve (12) consecutive calendar months within the Performance Guarantee Period;
"Share Acquisition Agreement"	the Share Acquisition Agreement dated 17 April 2026 entered into between the Company and the Transferors in relation to the Acquisition;
"Share(s)"	ordinary share(s) of the Company;
"Shareholder(s)"	holder(s) of Share(s) in the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules;
"Target Company"	Hunan Liwei Zhongtian Technology Development Co., Ltd.* (湖南力唯中天科技發展有限公司), a company established in the PRC with limited liability;
"Third Performance Guarantee Year"	the third period of twelve (12) consecutive calendar months within the Performance Guarantee Period;
"Transferors"	CSUDGCL and the Individual Shareholders;
"Valuation Report"	the valuation report of the Target Company prepared by the Independent Valuer using the asset-based approach with 30 June 2025 as the Valuation Reference Date;

"Valuation Reference Date"	30 June 2025, the reference date of valuation of the Target Company in the Valuation Report; and
"%"	per cent.

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

Changsha, Hunan Province, the PRC
17 April 2026

As at the date of this announcement, the Board comprises Mr. Xie Yi, Mr. Yang Xin, and Mr. Duan Wenming 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.

* *For identification purpose only*