

Huayu Expressway Group Limited

華昱高速集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1823

2025

Interim Report





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Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Chan Yeung Nam (*Chairman*)
Fu Jie Pin (*Chief Executive Officer*)
Liu Bao Hua

INDEPENDENT NON-EXECUTIVE DIRECTORS

Chu Kin Wang, Peleus
Hu Lie Ge
Lam Hon Kuen

BOARD COMMITTEES

AUDIT COMMITTEE

Chu Kin Wang, Peleus (*Chairman*)
Hu Lie Ge
Lam Hon Kuen

NOMINATION COMMITTEE

Lam Hon Kuen (*Chairman*)
Hu Lie Ge
Fu Jie Pin

REMUNERATION COMMITTEE

Hu Lie Ge (*Chairman*)
Chu Kin Wang, Peleus
Fu Jie Pin

COMPANY SECRETARY

Sin Ka Man *HKICPA, FCCA*

AUTHORISED REPRESENTATIVES

Chan Yeung Nam
Sin Ka Man

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1205, 12/F
Tower 1, Lippo Centre
89 Queensway
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman
KY1-1100
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITORS

Crowe (HK) CPA Limited
9/F Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Stevenson, Wong & Co.
39/F Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

China Merchants Bank
China Minsheng Bank

COMPANY WEBSITE

www.huayu.com.hk

STOCK CODE

1823

Management Discussion and Analysis

FINANCIAL REVIEW

REVENUE

Due to the slackened economic growth and weak purchasing power in the People's Republic of China (the "PRC"), there were substantial declines in both the revenue and profit of Huayu Expressway Group Limited (the "Company") and its subsidiaries (collectively, the "Group"). During the six months ended 30 June 2025 (the "Period"), the Group recorded a revenue of approximately RMB75.8 million, decreased by about 41.1% from approximately RMB128.8 million for the corresponding period of last year.

The total toll revenue received from the First Phase of Qing Ping Expressway (the "Qing Ping Expressway") for the Period was about RMB31.1 million, decreased by about 8.8% from about RMB34.1 million for the corresponding period of 2024. The total traffic flow of the Qing Ping Expressway was about 10.3 million vehicles, decreased by about 9.7% from about 11.4 million vehicles for the corresponding period of 2024.

The revenue generated from the sales of liquor and spirits was approximately RMB44.8 million for the Period, decreased by about 52.7% from about RMB94.8 million for the corresponding period of 2024. The economic slowdown, sluggish property market and high youth unemployment dampened the discretionary spending in the PRC, particularly affecting the Chinese wine market during the Period.

COST OF SALES AND GROSS PROFIT

The Group recorded a gross profit of approximately RMB13.2 million for the Period, decreased by about 54.8% from about RMB29.2 million for the corresponding period of last year. The decrease in gross profit was in line with the drop in the total revenue of the Group for the Period. The relevant gross profit ratio for the Period was about 17.5%, decreased by about 5.1% from about 22.6% for the corresponding period of last year.

For the Qing Ping Expressway, the segment gross profit was approximately RMB1.2 million and the gross profit ratio was about 3.9% for the Period, decreased from approximately RMB3.1 million and 9.3% for the corresponding period in 2024, respectively. The drop in the segment gross profit and gross profit ratio was mainly due to the decrease in the toll revenue during the Period.

For the trading of liquor and spirits, the segment gross profit was about RMB12.0 million and the gross profit ratio was about 26.9% for the Period, representing a decrease of about 0.6% in the gross profit ratio from 27.5% for the corresponding period of last year.

Management Discussion and Analysis

OTHER REVENUE AND OTHER NET GAIN/(LOSS)

The Group recorded other revenue of approximately RMB1.0 million for the Period, as compared to an amount of approximately RMB2.0 million for the corresponding period of last year. Other revenue of the Group mainly comprised the rental income from the highway billboard advertising business and interest income from bank deposits.

In addition, the other net gain was about RMB1.3 million for the Period, as compared to the other net loss of an amount of approximately RMB0.7 million for the corresponding period of last year. Other net gain/(loss) mainly reflected the exchange gain or loss recorded during the Period.

ADMINISTRATIVE EXPENSES

Administrative expenses for the Period were approximately RMB18.9 million, decreased by about 5.5% from approximately RMB20.0 million for the corresponding period of last year. The decrease was mainly due to the tighter cost control during the Period in order to reduce the adverse effect of drop in sales.

SELLING AND DISTRIBUTION COSTS

The Group recorded selling and distribution costs of about RMB5.2 million for the Period, decreased by about 5.5% from approximately RMB5.5 million for the corresponding period of last year. The selling and distribution costs mainly comprised the advertising expenses and staff costs for the liquor and spirits trading business.

FINANCE COSTS

During the Period, the finance costs of the Group amounted to about RMB3.0 million, increased by about 150% from approximately RMB1.2 million for the corresponding period of last year. The amount was mainly utilised for the banking facility provided for the liquor and spirits trading business during the Period.

(LOSS)/PROFIT FOR THE PERIOD

The loss for the Period amounted to approximately RMB25.4 million, as compared to the profit of approximately RMB14.0 million for the corresponding period of 2024. The turnaround from profit to loss for the Period was mainly attributable to the substantial decrease in the sales of wine and liquors due to the continuous contraction of the consumer market in the PRC.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group financed its operating and capital expenditures with its internal resources and bank loans and other borrowings. As at 30 June 2025, the total bank loans and other borrowings drawn by the Group amounted to approximately RMB256.4 million (as at 31 December 2024: approximately RMB244.6 million) and the total cash and cash equivalents, including bank deposits and cash on hand amounted to approximately RMB119.2 million (as at 31 December 2024: approximately RMB185.8 million).

Management Discussion and Analysis

The Group has always pursued a prudent treasury management policy and maintained its liquidity position with sufficient standby banking facilities to meet its daily operation and any demands for capital in the future development. As at 30 June 2025, the total banking facilities of the Group with the banks and other financial institutions in the PRC amounted to approximately RMB582.0 million (as at 31 December 2024: approximately RMB550 million), which were mainly for the working capital of the trading of liquor and spirits business segment. The ratio of total outstanding bank loans and other borrowings to total equity was 0.24 (as at 31 December 2024: 0.23).

The Group's borrowings were mainly arranged on a floating rate basis. During the Period, the Group did not enter into any hedging arrangements to hedge against exposure in the interest rate risk. Any substantial fluctuation of the interest rate may cause negative financial impacts on the Group. The management of the Company (the "Management") will continue to monitor the Group's interest rate risk exposure and will consider taking appropriate actions, including but not limited to hedging should the need arise.

INTANGIBLE ASSETS – SERVICE CONCESSION ARRANGEMENTS

The service concession arrangements confer the right of the Group to operate the Qing Ping Expressway and receive toll fees therefrom. According to the accounting policy adopted by the Group, the amount of the intangible assets is subject to the periodical impairment review. No further impairment was recognised for the Period.

EMPLOYEES AND EMOLUMENTS

As at 30 June 2025, the Group employed a total of 389 (as at 31 December 2024: 387) employees in the PRC and Hong Kong, which included the Management, engineers, technicians and general staff. During the Period, the Group's total expenses on the remuneration of employees amounted to approximately RMB16.9 million (six months ended 30 June 2024: approximately RMB16.5 million).

The Group's emolument policies are formulated based on the performance of individual employees and are subject to a periodical review. Apart from the provident fund scheme (pursuant to the provisions of the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees) and medical insurance, discretionary bonuses, restricted share award scheme and employee share options may also be awarded to employees according to the assessment of their individual performance.

FOREIGN EXCHANGE RISK

The Group mainly operates in the PRC with most of the transactions settled in Renminbi. Some of the Group's cash and bank deposits are denominated in Hong Kong dollars. As at 30 June 2025, the Group had not entered into any hedging arrangements to hedge against exposure in the foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against Renminbi may cause negative financial impacts on the Group. The Management will continue to monitor the Group's foreign currency exposure and will consider taking appropriate actions, including but not limited to hedging should the need arise.

Management Discussion and Analysis

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group did not make any material acquisitions or disposals of subsidiaries or associates.

PLEDGE OF ASSETS

As at 30 June 2025, the long-term secured bank loan of approximately RMB38.0 million borrowed by a subsidiary of the Company was guaranteed by the Company and a director of the subsidiary of the Company. In addition, the loan was secured by a pledge of all equity interest in Shenzhen Huayu Expressway Investment Co., Ltd., a 60% non-wholly owned subsidiary of the Company, including any interest or dividend paid for the shares.

As at 30 June 2025, the other borrowings of approximately RMB18.4 million of the Group were pledged by the Group's inventories with carrying amount of approximately RMB92.0 million.

BUSINESS REVIEW

QING PING EXPRESSWAY

During the Period, competition from the adjacent passages, increase in the number of toll-free national holidays and the slowdown of economic growth in the PRC continued affecting the performance of the Qing Ping Expressway. The total toll revenue of the Qing Ping Expressway was about RMB31.1 million for the Period, decreased by approximately 8.8% from about RMB34.1 million for the corresponding period of last year. The average traffic flow was about 1.7 million vehicles per month, decreased by about 10.5% from about 1.9 million vehicles per month for the corresponding period of last year. Average toll for the Period was about RMB3.0 per vehicle.

TRADING OF LIQUOR AND SPIRITS

Contraction of the consumer market in the PRC seriously affected the business of the trading of liquor and spirits during the Period. The Group recorded revenue of trading of liquor and spirits of approximately RMB44.8 million, decreased by approximately 52.7% from approximately RMB94.8 million for the corresponding period of last year. During the Period, although active marketing campaigns and promotions were organised to strengthen the marketing network and the efficiency of the distribution channel, inventory was still accumulated in the distribution channel. Segment loss (adjusted EBITDA) for the Period was about RMB11.9 million, as compared to segment profit (adjusted EBITDA) of about RMB24.8 million for the corresponding period of last year.

Management Discussion and Analysis

MANUFACTURING COMPLEX IN GUIZHOU RENHUI

The Group acquired three land parcels, collectively covering not less than 150,000 square meters, located and situated in Renhui city of the Guizhou Province in the PRC, in 2023. The land parcels were designated for development into a winery and a comprehensive operating centre comprising wine storage and packaging facilities, offices and carpark. The construction of the above-mentioned winery and operating centre commenced in 2023 and the structural construction completed as at 30 June 2025. Final decoration work was in progress and expected to be completed by the end of 2025.

PROSPECTS

Economic slowdown and contraction of the consumer market seriously affected the Group's business for the Period. However, growth momentum is expected to accelerate in the near future, driven by the falling interest rates and a recovery in foreign demand.

For the Qing Ping Expressway, with the recovery and growth in the economic activities in Shenzhen, the traffic flow and the toll revenue are expected to grow steadily and the toll revenue is expected to become one of the major sources of steady cash inflow of the Group.

The business of trading of liquor and spirits is expected to improve in the near future after the accumulated inventory in the distribution channel was digested. The Group is confident about the performance of this business segment. With the established marketing network and efficient distribution channel, the Group will continue to make effort in the brand building for Huamaojiu. More sales and marketing activities will be arranged in the future, such as wine tasting events and promotion conferences.

Following the completion of the manufacturing facilities in Renhui city, the Group can take advantage of the vertical integration of our wine business. Trial production has been done and the Group is now actively working on the overall design of the finished products.

With the experience of the directors of the Company (the "Directors") in successfully completing various PRC toll-expressway projects, and the connections and reputation established by them in the PRC, the Group will continue to tap and pursue opportunities which are consistent with its overall business strategies, and will aim to generate a satisfactory return on investment. In accordance with the said strategies, the Group may pursue other infrastructure projects in the PRC whenever suitable opportunity arises. Apart from developing new infrastructure projects, the Group may also consider acquiring abandoned or half-developed infrastructure projects, as well as infrastructure projects which are already in operation, from other developers or the government if it is commercially viable to do so. Furthermore, the Group will also consider extending its operation to include some other prosperous businesses once favourable opportunity appears.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of Director	Nature of Interest	Long Position in Ordinary Shares Held	Number of Share Options	Total	Percentage
Mr. Chan Yeung Nam <i>(Note)</i>	Interest of controlled corporation	300,000,000	–	300,000,000	72.71%

Note: Mr. Chan Yeung Nam, an executive Director and chairman of the board of Directors (the "Board"), is deemed to be interested in 300,000,000 shares of the Company (the "Shares") held by Velocity International Limited by virtue of it being wholly-owned by him.

On 29 May 2023, Velocity International Limited had pledged 300,000,000 Shares to Integrated Capital (Asia) Limited (which is wholly owned by Mr. Yam Tak Cheung) as security for another term loan facility provided to Velocity International Limited.

Apart from the foregoing, as at 30 June 2025, none of the Directors or chief executive of the Company or any of their spouses or children under 18 years of age had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding companies, subsidiaries or other associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time during the Period was the Company, or any of its holding companies, subsidiaries or other associated corporations (within the meaning of Part XV of the SFO) a party to any arrangements to enable any Directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding companies, subsidiaries or other associated corporations (within the meaning of Part XV of the SFO).

Corporate Governance and Other Information

SHARE OPTION SCHEME

The Company adopted a share option scheme at the annual general meeting of the Company held on 11 June 2020 (the “Share Option Scheme”) for the purpose of motivating eligible persons to optimise their future contributions to the Group and/or reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The maximum number of Shares which may be issued upon exercise of all share options (the “Option”) to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue as at 11 June 2020, i.e. 41,260,800 Shares. No Option may be granted to any participant of the Share Option Scheme such that the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted to the grantee in any 12-month period exceeds 1% of the Shares in issue from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. Participants of the Share Option Scheme are required to pay the Company HK\$1.0 upon acceptance of the grant on or before 30 days after the offer date. The exercise price of the Option is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange’s daily quotations sheet on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the offer date.

The Share Option Scheme shall be valid and effective for a period of 10 years from 11 June 2020, after which no further Option will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

During the Period, no options were granted by the Company under the Share Option Scheme.

The total number of Shares available for issue under the Share Option Scheme is 41,260,800, representing approximately 10.0% of the Company’s issued share capital as at the date of the Company’s 2024 annual report and as at the date of this interim financial report, respectively.

Apart from the forgoing, at no time during the Period was the Company, or any of its holding companies or subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as is known to any Directors or chief executive of the Company, the persons (other than the Directors and chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were directly or indirectly, interested in 10% or more of the nominal value of any shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of Shareholders	Capacity/Nature of Interest	Long Position in Ordinary Shares Held	Percentage of Total Issued Shares
Velocity International Limited (Note)	Beneficial owner	300,000,000	72.71%
Integrated Capital (Asia) Limited (Note)	Person having security interest in shares	300,000,000	72.71%
Yam Tak Cheung (Note)	Interest of controlled corporation	300,000,000	72.71%

Note: The entire issued share capital of Velocity International Limited is owned by Mr. Chan Yeung Nam, an executive Director and chairman of the Board. On 29 May 2023, Velocity International Limited had pledged 300,000,000 Shares to Integrated Capital (Asia) Limited (which is wholly-owned by Yam Tak Cheung) as security for a term loan facility provided to Velocity International Limited.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Shares during the Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance in the interests of its shareholders. It has adopted the code provisions contained in the Corporate Governance Code (the "CG Code") in Appendix C1 to the Listing Rules. The Company has complied with the code provisions contained in the CG Code throughout the Period.

Corporate Governance and Other Information

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) which is accountable to the Board and its primary duties include the review and supervision of the Group’s financial reporting process and internal control measures. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Mr. Lam Hon Kuen and Mr. Hu Lie Ge. Mr. Chu Kin Wang, Peleus, who is the chairman of the Audit Committee, has professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The Audit Committee has met and discussed with the external auditors of the Company, Crowe (HK) CPA Limited, and has reviewed the accounting principles and practices adopted by the Group and the unaudited results of the Group for the Period. The Audit Committee considered that the unaudited consolidated results of the Group for the Period are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

REVIEW OF THE INTERIM REPORT

This interim financial report for the Period has not been audited, but has been reviewed by the Audit Committee and Crowe (HK) CPA Limited, Certified Public Accountants, the external auditors of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct for securities transactions. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code adopted by the Company throughout the Period.

PUBLICATION AND DESPATCH OF INTERIM REPORT

This 2025 interim report of the Company is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.huayu.com.hk) respectively.

EVENTS AFTER THE REPORTING PERIOD

No significant events occurred subsequent to 30 June 2025 up to the date of this interim financial report.

On behalf of the Board of
Huayu Expressway Group Limited

Chan Yeung Nam
Chairman

Hong Kong, 28 August 2025

Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Revenue	3	75,832	128,824
Cost of sales		(62,585)	(99,654)
Gross profit		13,247	29,170
Other revenue	4	952	2,044
Other net gain/(loss)	4	1,251	(675)
Administrative expenses		(18,869)	(20,011)
Selling and distribution costs		(5,222)	(5,531)
(Loss)/profit from operations		(8,641)	4,997
Finance costs	5(a)	(3,013)	(1,167)
Share of profits less losses of associates		(13,807)	11,473
(Loss)/profit before taxation	5	(25,461)	15,303
Income tax	6	102	(1,309)
(Loss)/profit for the period		(25,359)	13,994
(Loss)/profit attributable to:			
Equity shareholders of the Company		(23,320)	11,918
Non-controlling interests		(2,039)	2,076
(Loss)/profit for the period		(25,359)	13,994
Basic and diluted (loss)/earnings per share (RMB cents)	7	(5.65)	2.89

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
(Loss)/profit for the period	(25,359)	13,994
Other comprehensive income for the period:		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of entities comprising the Group not using Renminbi as functional currency	(645)	721
Total comprehensive income for the period	(26,004)	14,715
Attributable to:		
Equity shareholders of the Company	(23,965)	12,639
Non-controlling interests	(2,039)	2,076
Total comprehensive income for the period	(26,004)	14,715

The notes on pages 19 to 36 form part of this interim financial report.

Consolidated Statement of Financial Position

At 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	8	480,377	428,974
Intangible assets – service concession arrangements	9	35,034	49,134
Interests in associates		144,440	163,579
Deferred tax assets		267	266
Contingent consideration receivables	11	–	20,648
Prepayments	10(b)	38,038	36,563
		698,156	699,164
Current assets			
Inventories		397,365	390,608
Value added tax receivables		45,810	40,632
Trade and other receivables	10(a)	14,121	10,393
Prepayments	10(b)	52,759	48,145
Amounts due from related parties	17(b)	44,850	37,566
Contingent consideration receivables	11	21,524	545
Cash and cash equivalents	12	119,239	185,756
		695,668	713,645
Current liabilities			
Accruals and other payables	13	52,933	67,419
Amounts due to related parties	17(b)	7,687	1,057
Contract liabilities		17,117	12,608
Bank loans and other borrowings	14	116,877	145,124
Lease liabilities		1,637	2,388
Current taxation		5,555	5,775
		201,806	234,371
Net current assets		493,862	479,274
Total assets less current liabilities		1,192,018	1,178,438

Consolidated Statement of Financial Position

At 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	30 June 2025 RMB'000	31 December 2024 RMB'000
Non-current liabilities			
Lease liabilities		100	540
Bank loans	14	139,493	99,469
		139,593	100,009
NET ASSETS		1,052,425	1,078,429
CAPITAL AND RESERVES			
Share capital	15(a)	3,634	3,634
Reserves		723,546	747,511
Total equity attributable to equity shareholders of the Company		727,180	751,145
Non-controlling interests		325,245	327,284
TOTAL EQUITY		1,052,425	1,078,429

Approved and authorised for issue by the Board of Directors on 28 August 2025.

Chan Yeung Nam
Chairman

Fu Jie Pin
Director

The notes on pages 19 to 36 form part of this interim financial report.

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Statutory reserve	Other reserve	Share-based compensation reserve	Exchange reserve	Retained profits/ (Accumulated losses)	Total	Non-controlling interests	Total
	Note 16(a)									
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	3,634	51,487	47,784	680,422	5,085	(20,475)	35,889	803,826	320,196	1,124,022
Changes in equity for the six months ended 30 June 2024:										
Profit for the period	-	-	-	-	-	-	11,918	11,918	2,076	13,994
Other comprehensive income	-	-	-	-	-	721	-	721	-	721
Total comprehensive income	-	-	-	-	-	721	11,918	12,639	2,076	14,715
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	25,866	25,866
Special interim dividends declared (Note 15(b))	-	-	-	-	-	-	(45,574)	(45,574)	-	(45,574)
Deregistration of a subsidiary	-	-	-	-	-	-	-	-	(14,007)	(14,007)
Balance at 30 June 2024 and 1 July 2025	3,634	51,487	47,784	680,422	5,085	(19,754)	2,233	770,891	334,131	1,105,022
Changes in equity for the six months ended 31 December 2024:										
Loss for the period	-	-	-	-	-	-	(20,432)	(20,432)	(6,847)	(27,279)
Other comprehensive income	-	-	-	-	-	686	-	686	-	686
Total comprehensive income	-	-	-	-	-	686	(20,432)	(19,746)	(6,847)	(26,593)
Appropriation to statutory reserve	-	-	15	-	-	-	(15)	-	-	-
Balance at 31 December 2024	3,634	51,487	47,799	680,422	5,085	(19,068)	(18,214)	751,145	327,284	1,078,429

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company							Total	Non-controlling interests	Total
	Share capital	Share premium	Statutory reserve	Other reserve	Share-based compensation reserve	Exchange reserve	Accumulated losses			
	Note 16(a)									
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Balance at 1 January 2025	3,634	51,487	47,799	680,422	5,085	(19,068)	(18,214)	751,145	327,284	1,078,429
Changes in equity for the six months ended 30 June 2025:										
Loss for the period	-	-	-	-	-	-	(23,320)	(23,320)	(2,039)	(25,359)
Other comprehensive income	-	-	-	-	-	(645)	-	(645)	-	(645)
Total comprehensive income	-	-	-	-	-	(645)	(23,320)	(23,965)	(2,039)	(26,004)
Balance at 30 June 2025	3,634	51,487	47,799	680,422	5,085	(19,713)	(41,534)	727,180	325,245	1,052,425

The notes on pages 19 to 36 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Operating activities			
Cash used in from operations		11,611	(88,283)
PRC corporate income tax paid		–	(2,020)
Net cash generated from/(used in) operating activities		11,611	(90,303)
Investing activities			
Payment for the purchase of property, plant and equipment		(67,668)	(74,711)
Payment for investment in associates		(300)	(300)
Interest received		406	1,503
Payment to a related party		(4,720)	(4,000)
Proceeds from redemption of other investments		–	13,800
Net cash outflow upon deregistration of a subsidiary		–	(5,405)
Dividends received from associates		5,633	2,438
Net cash used in investing activities		(66,649)	(66,675)
Financing activities			
Capital element of lease rentals paid		(1,186)	(546)
Interest element of lease rentals paid		(52)	(35)
Proceeds of bank loans and other borrowings		128,025	95,000
Repayment of bank loans and other borrowings		(134,624)	–
Capital injection from non-controlling interests		–	25,866
Borrowing costs paid		(2,778)	(928)
Net cash (used in)/generated from financing activities		(10,615)	119,357
Net decrease in cash and cash equivalents		(65,653)	(37,621)
Cash and cash equivalents as stated in the statement of financial position at 1 January	12	185,756	313,720
Effect of foreign exchange rate changes		(864)	198
Cash and cash equivalents at 30 June	12	119,239	276,297

The notes on pages 19 to 36 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The 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 Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 28 August 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 HKAS 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 full set of financial statements prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA.

The interim financial report is unaudited, but has been reviewed by Crowe (HK) CPA Limited (“Crowe”) 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 HKICPA. Crowe’s independent review report to the Board of Directors is included on pages 37 to 38.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended HKFRS Accounting Standards to this interim financial report for the current accounting period:

- Amendments to HKAS 21, *Lack of Exchangeability*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geographical location. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments:

- Qing Ping Expressway, construction, operation and management of the Qing Ping Expressway;
- Liquor and spirits, mainly distribution of Huamaojiu and Xijiushaofang.

(A) DISAGGREGATION OF REVENUE

Disaggregation of revenue from contracts with customers by major products or service lines and of customers is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Toll income	31,052	34,052
– Sales of liquor and spirits	44,780	94,772
	75,832	128,824

Since the Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, which is Mainland China. Therefore, no analysis by geographical regions is presented.

All the above revenue of the Group were recognised at a point in time.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(B) SEGMENT RESULTS, ASSETS AND LIABILITIES

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

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include accruals, bills payable and lease liabilities attributable to the expressways operations and sales activities of the individual segments and bank borrowings managed directly by the segments.

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.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation". To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other head office or corporate administration costs.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(B) SEGMENT RESULTS, ASSETS AND LIABILITIES (CONTINUED)

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.

	Six months ended 30 June 2025		
	Qing Ping Expressway RMB'000	Liquor and spirits RMB'000	Total RMB'000
Reportable segment revenue	31,052	44,780	75,832
Reportable segment profit (adjusted EBITDA)	12,852	(11,879)	973
Interest income from bank deposits	35	56	91
Interest expense	–	(3,001)	(3,001)
Depreciation and amortisation	(14,602)	(3,479)	(18,081)
As at 30 June 2025			
Reportable segment assets	169,502	1,233,810	1,403,312
Reportable segment liabilities	6,645	380,239	386,884

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(B) SEGMENT RESULTS, ASSETS AND LIABILITIES (CONTINUED)

	Six months ended 30 June 2024		
	Qing Ping Expressway RMB'000	Liquor and spirits RMB'000	Total RMB'000
Reportable segment revenue	34,052	94,772	128,824
Reportable segment profit (adjusted EBITDA)	15,086	24,825	39,911
Interest income from bank deposits	137	825	962
Interest expense	–	(1,135)	(1,135)
Depreciation and amortisation	(15,887)	(869)	(16,756)
As at 30 June 2024			
Reportable segment assets	176,415	1,170,246	1,346,661
Reportable segment liabilities	7,313	286,125	293,438

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(C) RECONCILIATIONS OF REPORTABLE SEGMENT PROFIT OR LOSS

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Reportable segment profit	973	39,911
Other revenue	636	1,752
Other net loss	314	(132)
Depreciation and amortisation	(18,413)	(16,756)
Finance costs	(3,013)	(1,135)
Unallocated head office and corporate expenses	(5,958)	(8,337)
Consolidated (loss)/profit before taxation	(25,461)	15,303

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

4 OTHER REVENUE AND NET GAIN/(LOSS)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Other revenue		
Interest income from bank deposits	407	1,515
Others	545	529
	952	2,044
Other net gain/(loss)		
Net foreign exchange gain/(loss)	604	(1,177)
Gain on the changes in fair value of contingent consideration receivables	331	372
Others	316	130
	1,251	(675)

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

5 (LOSS)/PROFIT BEFORE TAXATION

(LOSS)/PROFIT BEFORE TAXATION IS ARRIVED AT AFTER CHARGING:

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
(a) Finance costs:			
Interest on bank loans and other borrowings	5,102	1,132	
Less: interest expense capitalised into construction in progress*	(2,141)	–	
	2,961	1,132	
Interest on lease liabilities	52	35	
	3,013	1,167	
(b) Staff costs:			
Salaries, wages and other benefits	14,729	15,800	
Contributions to defined contribution retirement plans	2,220	662	
	16,949	16,462	
(c) Other items:			
Depreciation charge			
– owned property, plant and equipment	3,089	1,061	
– right-of-use assets	1,224	568	
Amortisation	14,100	15,455	

* The borrowing costs have been capitalised at a rate of 3.65% per annum.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

6 INCOME TAX

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Continuing operations:		
Current tax – PRC Corporate Income Tax	(101)	1,148
Deferred tax – Origination and reversal of temporary differences	(1)	161
	(102)	1,309

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.
- (ii) No provision has been made for Hong Kong Profits Tax as the Group did not have assessable profits subject to Hong Kong Profits Tax during the periods ended 30 June 2025 and 2024.
- (iii) Pursuant to the income tax rules and regulations of Mainland China, the subsidiaries in Mainland China are liable to PRC Corporate Income Tax at a rate of 25% (six months ended 30 June 2024: 25%) on their assessable profits. Reversal and origination of temporary differences are in connection with the deductible tax losses and other deductible temporary differences.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

7 (LOSS)/EARNINGS PER SHARE

(A) BASIC (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per shares is based on the following (loss)/profit attributable to ordinary shareholders and weighted-average number of ordinary shares in issue during the period.

(i) (Loss)/profit attributable to ordinary shareholders (basic)

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
(Loss)/profit attributable to ordinary shareholders	(23,320)	11,918

(ii) Weighted-average number of ordinary shares (basic)

	2025 '000	2024 '000
Weighted average number of ordinary shares in issue during the period	412,608	412,608

(B) DILUTED (LOSS)/EARNINGS PER SHARE

There are no dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024.

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of equipment with a total cost of RMB422,000 (six months ended 30 June 2024: RMB1,004,000) and incurred costs for construction in progress of RMB55,290,000 (six months ended 30 June 2023: 75,255,000). No item was disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

9 INTANGIBLE ASSETS – SERVICE CONCESSION ARRANGEMENTS

The service concession arrangement represents the Group's rights to operate the Qing Ping Expressway to receive toll fees therefrom.

As at 30 June 2025, there was no indication of impairment of the Group's intangible assets and no provision for impairment of intangible assets was required (31 December 2024: Nil).

10 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

(A) TRADE AND OTHER RECEIVABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Trade receivables	7,524	4,840
Other receivables	6,597	5,553
	14,121	10,393

All trade receivables, based on the invoice date, are aged within three months.

(B) PREPAYMENTS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Prepayments for:		
– suppliers (note i)	52,759	48,145
– subcontractors (note ii)	38,038	36,563
	90,797	84,708
Less: amounts shown under non-current assets	(38,038)	(36,563)
Amounts shown under current assets	52,759	48,145

(i) The balance mainly represents prepayment to suppliers of liquor and spirits business.

(ii) The balance represents the prepayments to subcontractors for the construction project of a winery production plant in Guizhou, PRC.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

11 CONTINGENT CONSIDERATION RECEIVABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
At fair value:		
At beginning of the period/year	21,193	84,040
Repayment during the period/year	–	(63,086)
Fair value change	331	239
At end of the period/year	21,524	21,193
	30 June 2025 RMB'000	31 December 2024 RMB'000
Analysed for reporting purpose		
Contingent consideration receivables		
– Current	21,524	545
– Non-current	–	20,648
	21,524	21,193

Reference is made to the 2024 Annual Report of the Company. Pursuant to the Disposal Agreement, the Consideration in respect of disposal of Daoyue would be settled in three instalments and the Consideration for the Disposal are subject to an upwards or downwards adjustments (as the case may be) for the certain incidents (“Estimated Adjustments”). The first instalment of RMB444,560,000 and the second instalment of RMB63,086,000 was received during the year ended 31 December 2023 and 2024 respectively. The third instalment of the Consideration will be received upon fulfilment (or waiver) of the conditions precedent and adjusted in accordance with Estimated Adjustments as set out below (“Consideration Receivables”), the occurrence of which resulted in the adjustments to be made to the Consideration:

	RMB'000
Estimated fees for obtaining of the title registration certificate(s) of the land and properties of the Daoyue (i)	(33,361)
Net profit attributable to the Group between reference date and the Completion date (ii)	16,644
Others	(6,777)
Estimated Adjustments	(23,494)

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

11 CONTINGENT CONSIDERATION RECEIVABLES (CONTINUED)

- (i) The amount represents an accrual of RMB33,361,000 recognised in Daoyue for land-transferring fees, valuation fees and other fees for obtaining of the title registration certificates of a piece of occupied land, which was estimated by the relevant government authority.
- (ii) The amount represents the net profit of Daoyue attributable to the Group between the reference date of the Disposal and the Completion Date.

Accordingly, the Group recognised the Consideration Receivables as contingent consideration receivables. The contingent consideration receivables are measured at fair value, which is calculated as Consideration less Estimated Adjustments and discounted at an effective interest rate of 3% per annum.

The fair value of contingent consideration receivables is calculated as Consideration less Estimated Adjustments and discounted at an effective interest rate of 3% (31 December 2024: 3.1%) per annum by using discounted cash flow approach.

As at 30 June 2025, considering the progress of fulfilment of the conditions to the settlement of the Consideration Receivables, the directors assessed that the third instalment of Consideration Receivables will be recovered in one year.

At 30 June 2025 and 31 December 2024, the contingent consideration receivables fall into “Level 3 valuations” as defined in HKFRS 13, *Fair Value Measurement*. The significant unobservable input of the Level 3 valuations is the discount factor. The increase in discount rate used would also result in decrease in fair value measurement of contingent consideration receivable. A 5% increase or decrease in the discount rate used while holding all other variables constant would decrease or increase in the carrying amount of contingent consideration receivable by approximately RMB17,800 or RMB17,840 (31 December 2024: RMB33,600 or RMB33,700), respectively.

12 CASH AND CASH EQUIVALENTS

	30 June 2025 RMB'000	31 December 2024 RMB'000
Cash at bank and on hand	119,239	185,756

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

13 ACCRUALS AND OTHER PAYABLES

	30 June 2025 RMB'000	31 December 2024 RMB'000
Construction payables	38,660	49,131
Payroll and other staff benefits payable	2,944	6,976
VAT and surcharges	296	606
Other payables	11,033	10,706
	52,933	67,419

All of the accruals and other payables are expected to be settled or recognised as income within one year.

14 BANK LOANS AND OTHER BORROWINGS

	30 June 2025 RMB'000	31 December 2024 RMB'000
<i>Current liabilities</i>		
Current portion of long-term secured bank loans (Note i)	39,500	17,000
Short-term unsecured bank loans (Note ii)	27,000	23,000
Other borrowings		
– from a supplier (Note iii)	18,377	105,124
– from other independent third parties (Note iv)	32,000	–
	116,877	145,124
<i>Non-current liabilities</i>		
Long-term secured bank loans (Note i)	139,493	99,469
Total	256,370	244,593

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

14 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

At 30 June 2025, the bank loans was repayable as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Within 1 year or on demand	116,877	145,124
After 1 year but within 2 years	2,000	30,000
After 2 years but within 5 years	65,100	52,000
More than 5 years	72,393	17,469
	256,370	244,593

Notes:

- (i) At 30 June 2025, secured bank loans of approximately RMB38 million (31 December 2024: RMB44 million) were guaranteed by the Company and a director of a subsidiary, interest-bearing at 4.8% (31 December 2024: 4.8%) per annum and repayable within 1 year (31 December 2024: 2 years). In addition to the above, the bank loans were secured by the Company's equity interests in Qingping.

At 30 June 2025, secured bank loans of approximately RMB141 million (31 December 2024: RMB72 million) were guaranteed by the Company, certain subsidiaries and certain directors of a subsidiary, interest-bearing at 3.65% (31 December 2024: 3.65%) per annum and repayable within 9 years (31 December 2024: 10 years). In addition to the above, the loans were secured by the Group's land and buildings with carrying amount of approximately RMB410 million (31 December 2024: approximately RMB356 million).

- (ii) At 30 June 2025, the short-term bank loans were unsecured, interest-bearing at 2.5% (31 December 2024: 2.3% to 3.7%) per annum and repayable within one year. The bank loans were guaranteed by the Company and a director of a subsidiary.
- (iii) At 30 June 2025, the borrowings from a supplier of approximately RMB18 million (31 December 2024: RMB105 million) were secured by the Group's inventories with equivalent amounts of the loans outstanding, interest-bearing at 3.7% (31 December 2024: 3.8%) per annum and repayable within one year.
- (iv) At 30 June 2025, the borrowings from other independent third parties of approximately RMB32 million (31 December 2024: Nil) were unsecured, interest-bearing at 5% per annum and repayable within one year.

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

15 CAPITAL AND DIVIDENDS

(A) SHARE CAPITAL

	Number of shares	Amount \$'000	
Ordinary shares of HK\$0.01 each			
<i>Authorised:</i>			
As at 30 June 2025 and 31 December 2024	10,000,000,000	100,000	
	Number of shares	Amount \$'000	Amount RMB'000 (equivalent)
Ordinary shares of HK\$0.01 each			
<i>Ordinary shares, issued and fully paid:</i>			
As at 30 June 2025 and 31 December 2024	412,608,000	4,126	3,634

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

(B) DIVIDENDS

Dividends payable/paid to equity shareholders approved during the interim period:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Special Interim dividend declared of HKD0.121 (equivalent to RMB0.11) per share	–	45,574

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

16 COMMITMENTS

Capital commitments representing the construction of a winery and operating centre outstanding at 30 June 2025 not provided for in the interim financial report, were as follows:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Contracted but no provided for	138,922	203,612

17 MATERIAL RELATED PARTY TRANSACTIONS

(A) PARTICULARS OF SIGNIFICANT TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES DURING THE PERIOD ARE AS FOLLOWS:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Sales to associates	3,564	26,958
Sales to companies controlled by ultimate controlling shareholder	2,269	–
Expense paid on behalf by – Companies controlled by ultimate controlling shareholder	574	880
Receiving services from companies controlled by ultimate controlling shareholder	589	518

Notes to the Unaudited Interim Financial Report

(Expressed in Renminbi unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(B) BALANCES WITH RELATED PARTIES

As at 30 June 2025 and 31 December 2024, the Group had the following balances with related parties:

	30 June 2025 RMB'000	31 December 2024 RMB'000
Amounts due from related parties		
Non-trade nature		
– Companies controlled by ultimate controlling shareholder	4,283	4,283
– Non-controlling interests	37,850	33,130
Trade nature		
– Companies controlled by ultimate controlling shareholder	2,717	153
	44,850	37,566
Amounts due to related parties		
Non-trade nature		
– Companies controlled by ultimate controlling shareholder	192	80
– Companies controlled by a non-controlling interest	95	77
– Associates	6,500	–
Trade nature		
– Associates	900	900
	7,687	1,057
Contract liabilities		
– Associates	10,332	9,174

All the balances with related parties are unsecured and interest-free.

Review Report of Interim Financial Report



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

Review report to the board of directors of Huayu Expressway Group Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 12 to 36 which comprises the consolidated statement of financial position of Huayu Expressway Group Limited ("the Company") and its subsidiaries (together "the Group") as of 30 June 2025 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review Report of Interim Financial Report

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 28 August 2025

Kwok Cheuk Yuen

Practising Certificate Number: P02412