



**廣東愛得威建設(集團)股份有限公司**

**ADWAY** GUANGDONG ADWAY CONSTRUCTION (GROUP) HOLDINGS COMPANY LIMITED\*

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

Stock code: 6189

# Interim Report 2025

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# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Mr. YE Yujing (葉玉敬先生) (*Chairman*)  
Mr. YE Jiajun (葉家俊先生)  
Ms. YE Xiujin (葉秀近女士)  
Mr. YE Guofeng (葉國鋒先生)

### Non-executive Director

Mr. ZHUANG Liangbin (莊良彬先生)

### Independent Non-executive Directors

Mr. CAI Huiming (蔡慧明先生)  
Mr. LIN Zhiyang (林志揚先生)  
Mr. SUN Changqing (孫常青先生)  
Mr. ZHOU Wanxiong (周萬雄先生)

## SUPERVISORS

Mr. LI Rui (李銳先生)  
Mr. LIU Yi (劉毅先生)  
Ms. LIN Jinhao (林錦好女士)  
Mr. YE Weizhou (葉偉周先生)

## AUDIT COMMITTEE

Mr. CAI Huiming (蔡慧明先生) (*Chairman*)  
Mr. LIN Zhiyang (林志揚先生)  
Mr. SUN Changqing (孫常青先生)

## NOMINATION COMMITTEE

Mr. LIN Zhiyang (林志揚先生) (*Chairman*)  
Mr. YE Yujing (葉玉敬先生)  
Mr. SUN Changqing (孫常青先生)

## REMUNERATION COMMITTEE

Mr. SUN Changqing (孫常青先生) (*Chairman*)  
Mr. YE Guofeng (葉國鋒先生)  
Mr. CAI Huiming (蔡慧明先生)

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

3rd Floor, Pengyi Garden Building  
1 Bagua No.1 Road  
Futian District  
Shenzhen, China

## STRATEGY COMMITTEE

Mr. YE Yujing (葉玉敬先生) (*Chairman*)  
Mr. YE Guofeng (葉國鋒先生)  
Mr. YE Jiajun (葉家俊先生)  
Mr. LIN Zhiyang (林志揚先生)  
Mr. SUN Changqing (孫常青先生)

## AUTHORISED REPRESENTATIVES

Mr. YE Guofeng (葉國鋒先生)  
Mr. LEE Leong Yin (李亮賢先生) (*Resigned on 22 August 2025*)  
Mr. He Zhi (何之先生) (*Appointed on 22 August 2025*)

## AUDITOR

Beijing Xinghua Caplegend CPA Limited

## H SHARE REGISTRAR

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

## PRINCIPAL BANKS

Bank of China  
China Construction Bank

## COMPANY SECRETARIES

Mr. LEE Leong Yin (李亮賢先生) (*Resigned on 22 August 2025*)  
Mr. He Zhi (何之先生) (*Appointed on 22 August 2025*)

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1705, 17th Floor  
Chih Heng Commercial Centre  
50 Man Hin East Street  
Sheung Wan, Hong Kong

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET REVIEW

2025 is a year full of challenges and changes. Since the second half of 2021, the real estate industry in China has been severely affected. The real estate industry and related industries have been hit by new incidents of debt crisis. The real estate industry has been in a downturn and has continued to show its momentum. Under the pressure from the ongoing Sino-US trade war and the subsequent continued decoupling and suppression of China by the West, the PRC economic growth has slowed down, and the building decoration industry to which the Group belongs has also been seriously affected.

On the other hand, although the PRC economy is facing tremendous challenges, there is huge growth potential. While the building decoration industry has encountered contraction, the market demand on which the industrial development relies remains. As the government's policy on the real estate industries tends to be more favourable, the future development opportunities subsist. The building decoration industry will shift from a high-speed growth stage to a high-quality development stage with opportunities and challenges co-exist.

## BUSINESS REVIEW

The Group provides professional and comprehensive building decorative services for public and private clients (including state-owned enterprises, government departments and institutions, listed companies, foreign-funded enterprises, property developers and property management companies), mainly covering four areas: (i) building decoration works; (ii) electrical and mechanical installation works; (iii) curtain wall engineering works; and (iv) fire safety engineering works. The Group's projects cover a wide range of buildings and properties, including commercial buildings, office buildings, industrial buildings, residential buildings, public buildings and infrastructure as well as hotels.

With over 27 years of operating history, the Group has gained substantial experience and brand reputation in the building decoration industry in the PRC, with a broad range of the highest level of qualifications and licenses in the building decoration industry. However, due to the continuous impact of the Company's bank debt default, capital chain rupture, lack of solvency and increasing number of litigation cases, the business continued to be substantially reduced in the first half of 2025.

## FUTURE DEVELOPMENT PROSPECTS AND STRATEGIES

The Group is committed to becoming an internationally leading green decoration comprehensive service provider, through debt restructuring, introducing new investors to enter and invest, resolving debt and liquidity risks, and gaining new life.

### 1. To pay attention to segmented markets and focus on regional development

The Group will actively respond to the national policy of stimulating economic recovery in infrastructure investment, real estate, and building decoration industries to expand its business, adopt a cautious order-acceptance strategy, tighten selection criteria against high-quality customers for newly signed orders, empower the Company's building decoration business with technology, and improve the Company's competitiveness. The Group will mainly support and develop businesses in the medical and hotel segments, focusing on the development of the "Guangdong-Hong Kong-Macao Greater Bay Area" to continuously consolidate and highlight its advantages in the segments.

### 2. Optimize the project management process and promote management quality and efficiency

The Group will continue to optimize the project management process and improve the efficiency of the project management through business process re-engineering and innovative solution. We will optimize business models, strengthen risk control and liquidity management based on changes in national industry management.

### 3. Enhance talent reserve

The Group will strengthen the construction of corporate culture, optimize the existing personnel of the Company, hire outstanding management and project manager talents in the industry, and create a "market development oriented, business professional, and career enterprising management composite" team.

### 4. Explore new business opportunities

While focusing on developing its core business, the Company will explore new business opportunities and businesses with new investors, and expand into new energy and technological innovation sectors, moving from traditional architectural decoration service enterprises to technological innovation fields.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## FINANCIAL REVIEW

### Revenue and gross profit margin

The Group's revenue increased from approximately RMB0.20 million for the six months ended 30 June 2024 to approximately RMB0.80 million for the six months ended 30 June 2025. Such decrease was mainly due to the increase in contract value.

The Group's gross profit decreased from approximately RMB0.09 million for the six months ended 30 June 2024 to approximately RMB0.02 million for the six months ended 30 June 2025.

### Loss for the period

The Group's loss for the six months ended 30 June 2025 was approximately RMB16.87 million, which was mainly because the revenue was insufficient to cover administrative expenses and finance costs.

### Liquidity and capital resources

As at 30 June 2025 and 31 December 2024, the Group's monetary capital (including cash and cash equivalents and restricted cash) amounted to approximately RMB5.44 million and RMB7.03 million, respectively. The decrease in the Group's monetary capital was mainly due to the payment of daily expenses; the Company is unable to obtain new external financing due to its debt default; and in order to ensure the completion of projects, direct payment to suppliers by the major procurement customers mainly due to the freezing of the Company's accounts.

#### 1. Trade receivables and contract assets

The Trade receivables, amounting to approximately RMB3.44 million as at 31 December 2024 and consistent as at 30 June 2025, represent amounts from prior years that remain outstanding and are currently being pursued.

#### 2. Trade and other payables

The trade and other payables increased from approximately RMB448.71 million as at 31 December 2024 to approximately RMB462.19 million for the six months ended 30 June 2025, which was mainly due to the newly occurred accounts payable to Employee salaries and other payables in the current period.

#### 3. Borrowings

As at 30 June 2025, the Group had borrowings in the amount of approximately RMB224.81 million (31 December 2024: approximately RMB224.81 million), including interest-bearing bank borrowings and other interest-bearing borrowings.

#### 4. Pledged assets

As at 30 June 2025, the Group's short-term borrowing was secured and pledged by fixed asset of approximately RMB40.66 million in total (31 December 2024: RMB40.66 million) and guaranteed by certain connected persons.

#### 5. Gearing ratio

The gearing ratio was 1,426.91% as at 30 June 2025 while the ratio as at 31 December 2024 was 1,319.04%, which was mainly due to the loss of the Group in the current period.

Gearing ratio represents net debt divided by total assets. Net debt is calculated as total borrowings plus lease liability, trade and other payables, contract liabilities, deferred income. Total assets are calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

#### 6. Capital expenditure

For the six months ended 30 June 2025, the Group had no capital expenditure (2024: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

## 7. Capital commitments

As at 30 June 2025, the Group had no capital commitments (2024: Nil).

Since its establishment, the Company has not conducted business overseas. As at 30 June 2025, the Group did not have any overseas debt commitments.

## 8. Contingent liabilities

As at 30 June 2025, due to financial constraints, overdue bank borrowings and involvement in a number of litigations, the bank deposits of the Group with the total amount of approximately RMB5.33 million has been frozen by the courts in the PRC. According to the Group's in-house legal adviser, the Directors estimated that the Group may be liable for payables, interest and default of approximately RMB82.88 million in total as a result of the litigation and provision for such amount has been made.

## 9. Fluctuation of RMB exchange rate and foreign exchange risks

The majority of the Group's business and all bank borrowings are denominated and accounted for in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation. The Board does not expect that the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have material impact on the business operations or financial results of the Group.

The Group currently has no hedging policy with respect to the foreign exchange risks. Therefore, the Group has not entered into any hedging transactions to management potential fluctuation in foreign currency.

## Significant investments in, acquisitions or disposal of subsidiaries, affiliated companies or assets

The Group did not have any significant investments in, acquisitions or disposal of subsidiaries or affiliated companies or assets during the six months ended 30 June 2025.

## Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## Employees and remuneration policy

As at 30 June 2025, the Group had 24 employees (as at 31 December 2024: 39). During the six months ended 30 June 2025, the Group incurred employee costs of approximately RMB2.27 million (six months ended 30 June 2024: approximately RMB3.02 million). Directors, supervisors and senior management of the Company receive compensation in the form of fees, salaries, allowances, discretionary bonuses, defined pension contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Company. The Company also reimburses its Directors, supervisors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Company or executing their functions in relation to the operations of the Company.

In addition, the Group determines salaries based on each employee's qualifications, position and seniority, and implements systematic and targeted vocational training for employees of different levels on a regular basis and in combination with daily work to meet different requirements, and attaches importance to individual initiative and responsibility. The Group makes contributions to mandatory social security funds for the benefit of employees, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund.

## OTHER INFORMATION

### INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND THE CHIEF EXECUTIVE OFFICER IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the end of the Reporting Period, the interests or short positions of the Directors, supervisors and the chief executive officer of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”)) which will be required to be notified to the Company and the The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code (the “Model Code”) for Securities Transactions by Directors of the Listed Issuers as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to be notified to the Company and the Stock Exchange are as follows:

Director/Supervisor	Nature of interest	Number of shares of the Company	Class of Shares	Long/short position	Approximate percentage of shareholdings in the relevant class of Shares of the Company <sup>(Note 1)</sup>	Approximate percentage of shareholdings in the total share capital of the Company <sup>(Note 2)</sup>
YE Yujing (葉玉敬) <sup>(Note 3)</sup>	Beneficial Owner	67,694,000	Domestic Shares	Long position	37.99%	28.10%
	Interest of spouse	15,504,000	Domestic Shares	Long position	8.70%	6.44%
YE Xiujin (葉秀近) <sup>(Note 4)</sup>	Beneficial Owner	15,504,000	Domestic Shares	Long position	8.70%	6.44%
	Interest of spouse	67,694,000	Domestic Shares	Long position	37.99%	28.10%
YE Guofeng (葉國鋒) <sup>(Note 5)</sup>	Interest in a controlled corporation	6,075,000	Domestic Shares	Long position	3.41%	2.52%
YE Jiajun (葉家俊)	Beneficial Owner	1,000,000	Domestic Shares	Long position	0.56%	0.42%
LIU Yi (劉毅)	Beneficial Owner	510,000	Domestic Shares	Long position	0.28%	0.21%

**Notes:**

1. The calculation is based on 178,167,645 Domestic Shares of the Company in issue at the end of the Reporting Period.
2. The calculation is based on the total number of 240,930,645 Shares of the Company in issue at the end of the Reporting Period (including 178,167,645 Domestic Shares and 62,763,000 H Shares).
3. Mr. YE Yujing is the husband of Ms. YE Xiujin. Under the SFO, Mr. YE Yujing will be deemed to be interested in the same number of Shares in which Ms. YE Xiujin is interested.
4. Ms. YE Xiujin is the wife of Mr. YE Yujing. Under the SFO, Ms. YE Xiujin will be deemed to be interested in the same number of Shares in which Mr. YE Yujing is interested.
5. Shenzhen Gong Xiang Li Investment Entity (Limited Partnership) (深圳市共享利投資企業(有限合夥)) (“Shenzhen Gong Xiang Li”), a limited partnership entity established under the PRC laws, is owned as to 88.15% by Mr. YE Guofeng, our executive Director. In light of the above, Mr. YE Guofeng is deemed to be interested in all the Shares held by Shenzhen Gong Xiang Li.

## OTHER INFORMATION (Continued)

### INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the end of the Reporting Period, so far as the Directors, supervisors and the chief executive officer of the Company are aware of, as indicated on the register of interests and/or short positions required to be maintained pursuant to Section 336 of the SFO, the substantial Shareholders (other than Directors, supervisors and the chief executive officer of the Company) had the following interests and/or short positions in the Shares or underlying Shares of the Company:

Name of Shareholders	Nature of interest	Number of shares of the Company	Class of Shares	Long/short position	Approximate percentage of shareholdings in the relevant class of Shares of the Company <sup>(Note 1)</sup>	Approximate percentage of shareholdings in the total share capital of the Company <sup>(Note 2)</sup>
Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) (寧波梅山 保稅港區瀛享投資中心(有限 合夥)) <sup>(Note 3)</sup>	Beneficial Owner	12,580,645	Domestic Shares	Long position	7.06%	5.22%
Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership) (寧波梅山保稅港區 興旺贏華股權投資中心(有限 合夥)) <sup>(Note 4)</sup>	Beneficial Owner	10,000,000	Domestic Shares	Long position	5.61%	4.15%
Shenzhen Qianhai Xingwang Investment Management Co., Ltd (深圳前海興旺投資管理 有限公司) ("Shenzhen Qianhai Xingwang Investment Management") <sup>(Notes 3 and 4)</sup>	Interest in a controlled corporation	22,580,645	Domestic Shares	Long position	12.67%	9.37%
Shenzhen Qianhai Xingwang Investment Center (Limited Partnership) 深圳前海興旺 投資中心(有限合夥) <sup>(Notes 3 and 4)</sup>	Interest in a controlled corporation	22,580,645	Domestic Shares	Long position	12.67%	9.37%
Xiong Mingwang (熊明旺) <sup>(Notes 3 and 4)</sup>	Interest in a controlled corporation	22,580,645	Domestic Shares	Long position	12.67%	9.37%
South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership) (南海成長精選 (天津)股權投資基金合夥企業 (有限合夥)) <sup>(Note 5)</sup>	Beneficial Owner	17,000,000	Domestic Shares	Long position	9.54%	7.06%
Shenzhen Co-Win Asset Management Holding Company Limited (深圳同創偉業資產管 理股份有限公司) <sup>(Note 5)</sup>	Interest in a controlled corporation	17,000,000	Domestic Shares	Long position	9.54%	7.06%
Shenzhen Co-Win Venture Capital Investments Limited (深圳市同 創偉業創業投資有限公司) <sup>(Note 5)</sup>	Interest in a controlled corporation	17,000,000	Domestic Shares	Long position	9.54%	7.06%



## OTHER INFORMATION (Continued)

Name of Shareholders	Nature of interest	Number of shares of the Company	Class of Shares	Long/short position	Approximate percentage of shareholdings in the relevant class of Shares of the Company <sup>(Note 1)</sup>	Approximate percentage of shareholdings in the total share capital of the Company <sup>(Note 2)</sup>
Shenzhen Co-Win Jinxiu Asset Management Limited (深圳同創錦繡資產管理有限公司) <sup>(Note 5)</sup>	Interest in a controlled corporation	17,000,000	Domestic Shares	Long position	9.54%	7.06%
Zheng Wei He (鄭偉鶴) <sup>(Note 5)</sup>	Interest in a controlled corporation	17,000,000	Domestic Shares	Long position	9.54%	7.06%
Huang Li (黃荔) <sup>(Note 5)</sup>	Interest in a controlled corporation	17,000,000	Domestic Shares	Long position	9.54%	7.06%
Ding Bao Yu (丁寶玉) <sup>(Note 5)</sup>	Interest in a controlled corporation	17,000,000	Domestic Shares	Long position	9.54%	7.06%

### Notes:

- The calculation is based on 178,167,645 Domestic Shares and 62,763,000 H Shares (as the case may be) of the Company in issue as at the end of Reporting Period.
- The calculation is based on the total number of 240,930,645 Shares of the Company in issue as at the end of Reporting Period (including 178,167,645 Domestic Shares and 62,763,000 H Shares).
- Ningbo Meishan Bonded Area Yingxiang Investment Center (Limited Partnership) ("**Ningbo Yingxiang**"), a limited partnership incorporated in the PRC on 10 May 2017, is controlled by the general partner, Shenzhen Qianhai Xingwang Investment Management. Ningbo Yingxiang is owned as to 12%, 6%, 6%, 6%, 4.8%, 3.96%, respectively by Zhao Anchang, by Cheng Donghai, by Feng Qing, by Gu Qijun, by Cen Yinglan, by Chen Min; as to 3.6% by each of Zhang Linkui, Guo Dong, Qiao Xiuqin, Qiu Yingji, Yang Weiguang, Wang Zeliang, Xia Binqun, Ren Wei, Tang Zhiqing, Jiang Xiaochun, Zhu Weiliang, Sun Yihua, Yu Huagui, Qu Maojuan, Wang Jianping, Xia Liping, Wang Qing; and as to 0.01% by Shenzhen Qianhai Xingwang Investment Management, which is a limited liability company established under PRC law on 15 June 2015 is owned as to 99% by Shenzhen Qianhai Xingwang Investment Center (Limited Partnership) ("**Shenzhen Qianhai Xingwang Investment Center**") and 1% by Xiong Mingwang. Shenzhen Qianhai Xingwang Investment Center, a limited partnership entity established under PRC law on 1 February 2016 is owned as to 99% by Xiong Mingwang and 1% by Liu Jun. In light of the above, Shenzhen Qianhai Xingwang Investment Management, Shenzhen Qianhai Xingwang Investment Center and Xiong Mingwang are deemed to be interested in all shares held by Ningbo Yingxiang under the SFO.
- Ningbo Meishan Bonded Area Xingwang Yinghua Equity Investment Center (Limited Partnership) ("**Ningbo Xingwang Yinghua**"), a limited partnership entity established under PRC law on 6 March 2017, is controlled by the general partner, Shenzhen Qianhai Xingwang Investment Management. Ningbo Xingwang Yinghua is owned as to 31.60%, 15.80%, 9.48%, 7.90%, 7.90%, 7.90%, 6.48%, 6.32%, 4.74%, 1.58% and 0.32%, respectively by Bai Xinliang, by Cui Hegen, by Zhang Yao, by Gu Jianfang, by Zhou Ying, by Wu Mohai, by Liu Jun, by Gu Bin, by Yang Mingjiong, by Liu Qian and by Shenzhen Qianhai Xingwang Investment Management, which is a limited liability company established under PRC law on 15 June 2015 is owned as to 99% by Shenzhen Qianhai Xingwang Investment Center (Limited Partnership) ("**Shenzhen Qianhai Xingwang Investment Center**") and 1% by Xiong Mingwang. Shenzhen Qianhai Xingwang Investment Center, a limited partnership entity established under PRC law on 1 February 2016 is owned as to 99% by Xiong Mingwang and 1% by Liu Jun. In light of the above, Shenzhen Qianhai Xingwang Investment Management, Shenzhen Qianhai Xingwang Investment Center and Xiong Mingwang are deemed to be interested in all shares held by Ningbo Xingwang Yinghua under the SFO.
- South China Sea Selected (Tianjin) Equity Investment Fund Limited Partnership Corporation (Limited Partnership) ("**South China Sea LP**"), a limited partnership entity established under PRC laws on 13 April 2011, is controlled by four general partners who were, (i) Shenzhen Co-Win Jinxiu Asset Management Limited ("**Shenzhen Co-Win Jinxiu Asset**"), (ii) Zheng Wei He; (iii) Huang Li; and (iv) Ding Bao Yu. Shenzhen Co-Win Jinxiu Asset, a limited liability company established under PRC laws on 24 December 2014, is a wholly-owned subsidiary of Shenzhen Co-Win Asset Management Holding Company Limited ("**Shenzhen Co-Win Asset**"). Shenzhen Co-Win Asset, a company limited by shares established under PRC laws on 27 December 2010 is owned as to 35.01% by Shenzhen Co-Win Venture Capital Investments Limited ("**Shenzhen Co-Win Venture Capital**"), 15.02% by Zheng Wei He, 14.94% by Huang Li, 10.45% by Shenzhen Co-Win Victory Investment Limited Partnership Corporation (Limited Partnership) (深圳同創創贏投資合夥企業(有限合伙)) ("**Shenzhen Co-Win Victory LP**"), 7.13% by Shenzhen Co-Win South China Asset Management Company Limited (深圳市同創偉業南海資產管理有限公司) which is a limited liability company established under PRC laws on 5 February 2013 and is wholly-owned by Shenzhen Co-Win Venture Capital, 3.38% by Ding Bao Yu, 1.60% by Xue Xiaoqing, 1.07% by Zhang Wenjun, 1.07% by Duan Yao, 0.89% by Tang Zhongcheng (唐忠誠), with the remaining 9.44% owned by other shareholders. Shenzhen Co-Win Venture Capital, a limited liability company established under PRC laws on 26 June 2000, is owned as to 45% by Zheng Wei He and 55% by Huang Li. In light of the above, Shenzhen Co-Win Jinxiu Asset, Shenzhen Co-Win Asset, Shenzhen Co-Win Venture Capital, Zheng Wei He, Huang Li and Ding Bao Yu are deemed to be interested in all Shares held by South China Sea LP under the SFO.

## OTHER INFORMATION (Continued)

### CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

Following specific enquiries made by the Company and confirmation from each of the Company's directors and supervisors, there have been no other changes in the information of the Company's directors and supervisors since the last publication of the annual report by the Company that require disclosure pursuant to Rule 13.51B(1) of the Listing Rules.

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

During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)).

As at the end of the reporting period, the Company did not hold any treasury shares.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct for securities transactions by the Company's directors and supervisors. Having made specific enquiries, all directors and supervisors of the Company have confirmed that they have complied with the relevant provisions of the Model Code throughout the reporting period.

Relevant employees who may have access to inside information by virtue of their employment with the Company are also required to comply with the relevant provisions of the Model Code. The Company is not aware of any non-compliance with the Model Code by relevant employees during the reporting period.

### CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining a high level of business ethics and corporate governance. The Company firmly believes that operating the business in a responsible, transparent and fair manner is crucial to achieving the Company's and the Group's long-term business objectives. Adherence to these principles enhances the interests of the Group and its shareholders in the long run. The Company has been committed to fulfilling its responsibilities to shareholders, ensuring that appropriate processes for overseeing and managing the Group's business are in place, operating effectively and reviewed, and has maintained good corporate governance practices and processes throughout the reporting period.

The Company has adopted the principles and code provisions set out in Part 2 of Appendix C1 to the Listing Rules (the "Corporate Governance Code"). During the reporting period, the Company has fully complied with all applicable code provisions of the Corporate Governance Code.

According to code provision C.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As Mr. Ye Yujing holds both the positions of chairman of the Board and chief executive officer, the Company deviates from code provision C.2.1. The Board believes that Mr. Ye Yujing serving as both chairman and chief executive officer will facilitate more effective planning and management of the Company and is in the best interests of the Company. As all major decisions will be made after consulting the Board, and the Board includes three independent non-executive directors who can provide independent views, the Board considers that there are sufficient safeguards to ensure a balance of power on the Board. The Board will also continue to review and monitor the Company's practices to comply with the Corporate Governance Code.

The Board will review the Group's corporate governance policies and compliance with the Corporate Governance Code in each financial year.

## OTHER INFORMATION (Continued)

### DISCLOSURES UNDER LISTING RULES 13.19 AND 13.21

As of the date of this report, loans totaling approximately RMB224.80 million from 8 banks, 1 company, and 1 individual to the Group have matured, and the Group has been unable to repay or renew these matured loans. Among these, the Group's cumulative matured and unpaid loans from the 8 banks amount to approximately RMB217.70 million.

According to Listing Rule 13.19, the Group has violated the terms of the loan agreements entered into with the aforementioned lenders. To date, the Group has not obtained waivers from these lenders for these defaults. The aforementioned lenders have demanded immediate repayment from the Group. The Company will issue announcements to inform its shareholders and other investors of any material developments regarding these matters in a timely manner.

The details of the matured but unpaid loans from the aforementioned lenders are as follows:

No.	Credit Grantor/Lender	Interest Rate	Loan Balance (RMB)	Maturity Date
1	China Construction Bank Shenzhen Jingyuan Sub-branch	5.6500%	48,026,002.18	2022-7-11
2	Bank of China Shenzhen Changcheng Sub-branch	6.0900%	37,157,904.90	2022-4-15
3	Industrial Bank Co., Ltd. Shenzhen Tian'an Sub-branch	6.0900%	9,248,401.78	2022-10-14
4	Industrial and Commercial Bank of China Guocai Sub-branch	5.6030%	14,381,633.68	2021-12-17
5	Huaxia Bank Shenzhen Futian Sub-branch	6.9000%	23,080,000.00	2022-4-28
6	Shenzhen Rural Commercial Bank Luohu Sub-branch Business Department	8.0000%	24,876,399.77	2022-4-22
7	Bank of Beijing Shenzhen Luohu Sub-branch	5.4375%	18,424,561.84	2022-3-16
8	Bank of Shanghai Shenzhen Branch	6.0100%	42,505,177.13	2022-12-21
9	Yangxi County Kaishi Real Estate Development Co., Ltd.	10.00%	6,904,444.00	2022-9-12
10	Zhong Haojun		200,000.00	2022-12-30
Total Amount:			224,804,525.28	

The loan interest rates are annual rates. In case of default, from the date of default, the interest rate shall be increased by 50% on top of the originally agreed annual rate.

### REVIEW OF THE AUDIT COMMITTEE

The Audit Committee has reviewed with the Company's management the accounting principles and practices adopted by the Group and discussed risk management and internal controls and financial reporting matters, including a review of the interim results of the Group for the six months ended 30 June 2025.

### SUBSEQUENT EVENTS

Other than as disclosed, the Group has no significant matters requiring disclosure from the end of the reporting period until the date of this report.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited)

	Notes	For the six months ended 30 June	
		2025 RMB'000	2024 RMB'000 Restated
Revenue	5	840	197
Cost of sales		(816)	(104)
<b>Gross Profit</b>		<b>24</b>	<b>93</b>
Selling and marketing expenses		(379)	(390)
Administrative expenses		(3,629)	(5,418)
Net impairment losses on financial and contract assets		—	11,696
Other (expenses)/income — net		(1,690)	2,027
<b>Operating loss</b>		<b>(5,675)</b>	<b>8,008</b>
Finance income		7	14
Finance costs		(11,203)	(13,936)
Finance costs — net		(11,196)	(13,922)
<b>Loss before income tax</b>		<b>(16,871)</b>	<b>(5,914)</b>
Income tax expense	6	—	(2,600)
<b>Loss for the period</b>		<b>(16,871)</b>	<b>(8,514)</b>
Other comprehensive expenses			
<b>Total comprehensive expenses for the period</b>		<b>(16,871)</b>	<b>(8,514)</b>
<b>Total loss and comprehensive expenses attributable to:</b>			
Owners of the Company		(16,871)	(8,514)
<b>Loss per share</b>			
— Basic and diluted (RMB)	7	(0.07)	(0.04)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Unaudited)

	Notes	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		39,623	40,661
		39,623	40,661
<b>Current assets</b>			
Trade receivables		3,442	3,442
Other receivables		5,802	6,588
Restricted bank balances		5,330	6,547
Cash and cash equivalents		106	486
		14,680	17,063
<b>Total assets</b>		<b>54,303</b>	<b>57,724</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		240,931	240,931
Reserves		(961,482)	(944,611)
<b>Total equity</b>		<b>(720,551)</b>	<b>(703,680)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income		1,230	1,265
<b>Current liabilities</b>			
Trade and other payables	10	462,190	448,705
Income tax payables		3,745	3,745
Borrowings	11	224,805	224,805
Provision		82,884	82,884
		773,624	760,139
<b>Total liabilities</b>		<b>774,854</b>	<b>761,404</b>
<b>Net current liabilities</b>		<b>(758,944)</b>	<b>(743,076)</b>
<b>Total assets less current liabilities</b>		<b>(719,321)</b>	<b>(702,415)</b>
<b>Net liabilities</b>		<b>(720,551)</b>	<b>(703,680)</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Director

Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

	Share capital RMB'000	Share premium RMB'000	Retained earnings RMB'000	Total RMB'000
<b>As at 1 January 2024</b>	240,931	323,070	(1,211,972)	(647,971)
Comprehensive loss for the year			(8,518)	(8,518)
<b>As at June 2024</b>	240,931	323,070	(1,220,490)	(656,489)
<b>As at 1 January 2025</b>	<b>240,931</b>	<b>323,070</b>	<b>(1,267,681)</b>	<b>(703,680)</b>
Comprehensive loss for the year			<b>(16,871)</b>	<b>(16,871)</b>
<b>As at 30 June 2025</b>	<b>240,931</b>	<b>323,070</b>	<b>(1,284,552)</b>	<b>(720,551)</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

	For the six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Cash flows from operating activities</b>		
Cash generated from operations	(380)	(1,253)
PRC enterprise income tax paid	—	(5,993)
Net cash outflow from operating activities	(380)	(7,246)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property	—	25,744
Net cash inflow from investing activities	—	25,744
<b>Cash flows from financing activities</b>		
Repayment of borrowings	—	(15,124)
Interest paid	—	(3,768)
Net cash outflow from financing activities	—	(18,892)
<b>Net decrease in cash and cash equivalents</b>	<b>(380)</b>	<b>(394)</b>
Cash and cash equivalents at beginning of the year	486	876
<b>Cash and cash equivalents at end of the year</b>	<b>106</b>	<b>482</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Guangdong Adway Construction (Group) Holdings Company Limited (the “**Company**”) is a joint stock company incorporated in the People’s Republic of China (the “**PRC**”) with limited liabilities. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited. The registered and principal place of business of the Company is 3rd Floor, Pengyi Garden Building 1, Bagua No. 1 Road, Futian District, Shenzhen, the PRC.

The Company and its subsidiaries (together the “**Group**”) are principally engaged in provision of interior and exterior building decoration and design services in the PRC.

Mr. Ye Yujing (“**Mr. Ye**”) and Mrs. Ye Xiujin (“**Ms. Ye**”), the wife of Mr. Ye, have been the controlling shareholders of the Group since its establishment.

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

### Scope of consolidated financial statements

As of 30 June 2025, the subsidiaries in the scope of consolidated financial statements of the Company are as follows:

Name of the subsidiaries

Huidong Shikuan Decorative Furniture Creative Culture Company Limited

Huidong Yip’s Development Company Limited

Jingdi Industrial (Shenzhen) Company Limited

Adway Construction (Hong Kong) Limited

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. Except for the new and amended standards as disclosed below, the policies have been consistently applied to all the years presented.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). In addition, the consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost convention.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Going concern

As of 30 June 2025, the Group's net loss was approximately RMB16,871,000, and as at 30 June 2025, the Group had net current liabilities and net liabilities of approximately RMB758,944,000 and RMB720,551,000, respectively. As at 30 June 2025, the Group had borrowings and cash and cash equivalents of approximately RMB224,805,000 and RMB106,000, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company will adopt certain plans and measures to mitigate the liquidity pressure of the Group:

- (i) the Group is currently discussing with creditors and potential investors to carry out debt restructuring exercise for the purpose of reducing the level of debts and obtaining new funding to support the operation of the Group. In the opinion of the directors of the Company, the discussions with creditors and financial institution are constructive. At the same time, the Group has been actively communicating with creditors to resolve the pending litigation cases;
- (ii) the Group is actively seeking for new sources of financing; and
- (iii) the Group will implement measures to control administrative costs to preserve liquidity of the Group.

The directors of the Company, taking into account the above plans and measures, are in the opinion that, they are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the half year ended 30 June 2025.

### 2.3 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing on 1 January 2025:

Amendment to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRSs in the current half year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 New standards, amendments to standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretations have been published but are not mandatory for the reporting period as of 30 June 2025 and have not been early adopted by the Group:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to HKFRS 9 and HKFRS 7) (effective for annual periods beginning on or after 1 January 2026);
- Contracts with Specified Natural Events (Amendments to HKFRS 9 and HKFRS 7) (effective for annual periods beginning on or after 1 January 2026);
- Annual Improvements to HKFRS Accounting Standards — Volume 11 (Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7) (effective for annual periods beginning on or after 1 January 2026);
- Presentation and Disclosure in Financial Statements (HKFRS 18) (effective for annual periods beginning on or after 1 January 2027);
- Presentation of Financial Statements — Classification of Term Liabilities with Covenants as Current or Non-current (HK-Interpretation 5) (effective for annual periods beginning on or after 1 January 2027); and
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to HKFRS 10 and HKAS 28) (effective for annual periods to be determined).

The Group has already commenced an assessment of the impact of these new or revised standards and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no significant impact on the financial performance and position of the Group is expected when they become effective.

## 3. CORRIGENDUM TO THE INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

Management hereby corrects certain errors in the interim results announcement for the six months ended 30 June 2024, arising from inadvertent oversights, as follows:

	For the six months ended 30 June	
	2025 RMB'000 previously stated	2024 RMB'000 Restated
Income	5,534	197
Cost of sales	5,445	104

The above corrections will not affect the financial performance and position for the six months ended 30 June 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 4. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

The Group is principally engaged in provision of interior and exterior building decoration and design services in the PRC. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the board of directors of the Company regards that there is only one segment which is used to make strategic decisions. Revenue and profit before income tax are the measures reported to the executive directors for the purpose of resources allocation and performance assessment.

All of the operating entities of the Group are domiciled in the PRC. Accordingly, all of the Group's revenue is derived in the PRC during the six months ended 30 June 2025.

As at 30 June 2025, all of the non-current assets were located in the PRC.

### 5. REVENUE

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000 Restated
Revenue from construction contracts	798	197
Sales of goods, design and other income	—	—
Total	798	197

### 6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000 Restated
Current income tax		
— PRC enterprise income tax	—	2,600
Deferred income tax	—	—
	—	2,600

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 7. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 2025 and 2024.

	For the six months ended 30 June	
	2025	2024 Restated
Loss attributable to owners of the Company (RMB'000)	(16,871)	(8,514)
Weighted average number of ordinary shares in issue (thousand shares)	240,931	240,931
Basic loss per share (RMB)	(0.07)	(0.04)

The Company did not have any potential dilutive ordinary shares outstanding during the six months ended 2025 and 2024. Diluted earnings per share for the six months ended 2025 and 2024 are the same as the basic earnings per share.

## 8. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## 9. TRADE RECEIVABLES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade receivables	40,806	40,806
Less: provision for impairment of trade receivables	(37,364)	(37,364)
Trade receivables — net	3,442	3,442

Ageing analysis of trade receivables based on revenue recognition date is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 1 year	—	4,816
1 year to 2 years	4,816	9,791
2 years to 3 years	9,791	10,689
3 years to 4 years	10,689	13,185
4 years to 5 years	13,185	2,002
Over 5 years	2,325	323
	40,806	40,806

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

## 10. TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Trade payables	296,883	296,504
	296,883	296,504
Other tax payable	15,065	15,205
Payroll payable	5,838	4,583
Other payables	144,404	132,413
	462,190	448,705

Ageing analysis of trade payables based on invoice date is as follows:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Within 1 year	379	4,392
1 year to 2 years	4,392	30,529
2 years to 3 years	30,529	137,392
Over 3 years	261,583	124,191
	296,883	296,504

## 11. BORROWINGS

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Bank borrowing	133,657	133,657
Other borrowings	91,148	91,148
	224,805	224,805

As at 30 June 2025 and 31 December 2024, all of the Group's borrowings are repayable within one year and denominated in RMB.

As at 30 June 2025, the weighted average annual interest rate for bank borrowings was 6.49% (2024: 6.49%), and the weighted average annual interest rate for other borrowings was 7.03% (2024: 7.03%).