

CANGGANG RAILWAY LIMITED

滄港鐵路有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2169



2025

INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yongliang (劉永亮) (*Chairman*)

Mr. Yi Weiming (衣維明)

(*Chief Executive Officer*)

Non-executive Directors

Mr. Xu Zhihua (徐志華)

Mr. Qin Shaobo (秦少博)

Independent non-executive Directors

Mr. Liu Changchun (劉長春)

Mr. Zhao Changsong (趙長松)

Ms. Lyu Qinghua (呂清華)

AUDIT COMMITTEE

Ms. Lyu Qinghua (呂清華) (*Chairlady*)

Mr. Xu Zhihua (徐志華)

Mr. Liu Changchun (劉長春)

REMUNERATION COMMITTEE

Mr. Liu Changchun (劉長春) (*Chairman*)

Mr. Xu Zhihua (徐志華)

Ms. Lyu Qinghua (呂清華)

NOMINATION COMMITTEE

Mr. Liu Yongliang (劉永亮) (*Chairman*)

Mr. Xu Zhihua (徐志華)

Mr. Liu Changchun (劉長春)

Ms. Lyu Qinghua (呂清華)

(Appointed on 18 June 2025)

JOINT COMPANY SECRETARIES

Mr. Li Juncheng (李俊呈)

Ms. Wong Pui Kiu Ingrid (黃沛翹)

(Appointed on 18 June 2025)

Ms. Lam Wing Chi (林穎芝)

(Resigned on 18 June 2025)

AUTHORISED REPRESENTATIVES

Mr. Yi Weiming (衣維明)

Ms. Wong Pui Kiu Ingrid (黃沛翹)

(Appointed on 18 June 2025)

Ms. Lam Wing Chi (林穎芝)

(Resigned on 18 June 2025)

AUDITOR

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

31/F, Gloucester Tower

The Landmark, 11 Pedder Street

Central, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Morgan, Lewis & Bockius

19/F, Edinburgh Tower

The Landmark

15 Queen's Road Central

Hong Kong

PRINCIPAL BANKS**Hong Kong**

Bank of China (Hong Kong) Limited

The PRC

Bank of Cangzhou, Station Branch

Agricultural Bank of China,

Cangzhou Yunhe Branch

Cangzhou Rural Commercial Bank

**CAYMAN ISLANDS SHARE
REGISTRAR AND
TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

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Cayman Islands

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HONG KONG**

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Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

**HEADQUARTERS AND PRINCIPAL
PLACE OF BUSINESS IN PRC**

Yangzhuang Station

Yangerzhuang Town, Huanghua

Cangzhou, Hebei Province, China

**PRINCIPAL PLACE OF BUSINESS IN
HONG KONG**

Room 1918, 19/F

Lee Garden One

33 Hysan Avenue, Causeway Bay

Hong Kong

COMPANY'S WEBSITE

<http://www.czcgtl.com>

STOCK CODE

2169



DEFINITIONS AND GLOSSARY

In this interim report, the following expressions shall have the following meanings unless the context requires otherwise:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Canggang Railway Line”	a local freight railway line in Cangzhou, Hebei Province, which connects Cangzhou and Bohai New Area which contains Port Huanghua, from Cangzhou Station* (滄州站) to Gangkou Station* (港口站)
“CG Code”	the corporate governance code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China excluding for the purposes of this interim report only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Canggang Railway Limited (滄港鐵路有限公司) (stock code: 2169), an exempted company incorporated in the Cayman Islands with limited liability on 19 October 2018
“Director(s)”	the director(s) of the Company
“Greenport BVI”	Greenport Railway Limited, a limited liability company incorporated under the laws of the BVI on 12 October 2018 and wholly owned by Mr. Yi Weiming
“Group”, “us” or “we”	the Company and its subsidiaries from time to time, or where the context so requires in respect of the period before the Company became the holding company of our present subsidiaries, the entities which carried on the business of the present Group at the relevant time
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong



“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Jinghai BVI”	Jinghai Group Investment Limited (京海集團投資有限公司), a limited liability company incorporated under the laws of the BVI on 12 October 2018 and wholly owned by Mr. Liu Yongliang
“Listing”	the Shares were listed on the Main Board of the Stock Exchange
“Listing Date”	23 October 2020, since which the Shares of the Company have been listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 of the Listing Rules
“Prospectus”	the prospectus of the Company dated 12 October 2020
“Reporting Period”	the six months ended 30 June 2025
“RMB” and “RMB cents”	Renminbi, the lawful currency of the PRC
“share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



DEFINITIONS AND GLOSSARY

“subsidiary(ies)” has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“%” per cent

* *The English translation of company names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*



BUSINESS OVERVIEW

The Group continues to solidify its position as a leading railway operator in Hebei Province, leveraging the Canggang Railway Line to provide reliable and efficient freight transportation services. Our focus remains on delivering integrated logistics solutions to customers while exploring opportunities for network expansion and service enhancements.

During the first half of 2025, the Chinese railway freight market demonstrated signs of recovery, particularly in the coal transportation sector. This positive shift was driven by a combination of factors, including stronger industrial demand and improved operational conditions. Notably, the rebound in coal consumption from power generation and steel production contributed to increased rail freight volumes, particularly in Northern China where our operations are concentrated. Government policies aimed at ensuring stable energy supply chains further supported this trend, helping to alleviate some of the logistical bottlenecks that had impacted performance in prior periods.

The competitive landscape also played a role in this performance. While road freight remains a key alternative for many shippers, rising fuel costs and stricter emissions regulations have reinforced the cost and environmental advantages of rail transport for bulk commodities such as coal. Additionally, the “Railway+” strategy, which promotes tighter integration between rail and other logistics networks, has begun to yield tangible benefits, enhancing connectivity and throughput efficiency.

Looking ahead, the Group remains cautiously optimistic about the remainder of 2025. While the recovery in coal demand provides a stable foundation for growth, we are mindful of potential challenges, including economic uncertainties and evolving regulatory requirements. Our strategy will focus on sustaining operational improvements, exploring new customer segments, and investing in infrastructure resilience to ensure long-term competitiveness.

The Group transported 6.7 million tonnes of cargo during the six months ended 30 June 2025, representing an decrease of 3.6% or 0.2 million tonnes as compared to the 6.9 million tonnes transported for the six months ended 30 June 2024. While this modest decline reflects certain market headwinds, we have proactively implemented operational improvements including refined scheduling processes and reduced turnaround times. These measures position us to capitalize on future market recovery while maintaining our strong service reliability standards.

Our ancillary services remained relatively stable in the six months ended 30 June 2025, with revenue increasing by 1.2% or RMB0.2 million, compared to the same period in 2024. The effect was resulted from the combination of the growth from our loading and unloading services, which benefited from increased transportation volumes of coal during the period; and netting off by the fall of our construction, maintenance and repair operation. The ancillary business demonstrated its ability to maintain stability through diversified service offerings and client relationships.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE DEVELOPMENT

As at 30 June 2025, we operated one local railway, the Canggang Railway Line. One of our business strategies is to construct an additional branch line to expand our business scale, including the expansion of our geographic presence and business to the Comprehensive Industrial Park in Bohai New Area. We have obtained the approval from the Development and Reform Commission of Hebei Province in relation to the construction of the new branch line in January 2024 and have commenced its construction at the end of 2024.

We are also in the process of upgrading and renovating the relevant infrastructure of our Canggang Railway Line to enhance safety and increase the overall capacity of our railway operations.

FINANCIAL REVIEW

Revenue

	Six months ended 30 June			
	2025		2024	
RMB in thousands, other than percentages				
Rail freight transportation	112,135	85.1%	112,722	85.4%
Ancillary services				
Loading and unloading	9,497	7.2%	8,786	6.7%
Road freight transportation	709	0.6%	459	0.3%
Construction, maintenance and repair	4,209	3.2%	4,978	3.8%
Others	5,154	3.9%	5,106	3.8%
Subtotal	19,569	14.9%	19,329	14.6%
Total	131,704	100.0%	132,051	100.0%

Our revenue remained relatively stable at RMB132.1 million for the six months ended 30 June 2024 and RMB131.7 million for the six months ended 30 June 2025, primarily due to the slightly decrease in our revenue from the core rail freight transportation by 0.5% or 0.6 million following the drop of the transported building materials, netting off by the raise from our ancillary business by 1.2% or 0.2 million for the six months ended 30 June 2025, such increase was mainly due to the raise of our loading and unloading operation.

**Operating expenses**

Our operating expenses include staff costs, outsourcing service charges and other labor costs, cargo logistics, depreciation, fuel used, repair and maintenance, general and administration expenses, impairment loss on trade receivables and other expenses. The operating expenses decreased by 2.8% or RMB2.5 million from RMB91.7 million for the six months ended 30 June 2024 to RMB88.2 million for the six months ended 30 June 2025. The decrease was primarily driven by the implementation of the “Cost Reduction and Efficiency Improvement Policy”, resulting the drop in our staff cost and cargo logistic by 7.5% or RMB3.1 million.

Against the backdrop of a moderated economic recovery in the PRC, where policymakers continue to balance structural reforms with targeted stimulus measures, we have proactively strengthened our liquidity management framework. The Company has implemented rigorous controls over receivables, including enhanced senior management oversight of aging balances, to navigate the current environment of selective credit tightening and cautious corporate spending. These disciplined measures have maintained stability in our trade receivables, which stood at RMB81.3 million as at 31 December 2024 and RMB79.4 million as at 30 June 2025, which resulting the reversed the impairment loss of RMB0.1 million during the six months ended 30 June 2025, demonstrating both the effectiveness of our risk mitigation strategies and our judicious approach to credit provisioning in this phase of economic rebalancing.

Our prepayments and other receivables increased significantly from RMB85.3 million for the year ended 31 December 2024 to RMB146.6 million for the six months period ended 30 June 2025 by RMB61.3 million or 72%, primarily due to the increased in deposits for trading business from RMB36.5 million to RMB56.6 million and higher prepayments for construction, growing from RMB39.3 million to RMB64.7 million, in the same period.

Segment result and segment margin

For our rail freight transportation, the segment result was RMB46.5 million and RMB46.1 million and the segment margin was 41.4% and 40.9%, for the six months period ended 30 June 2025 and 2024, respectively. Segment result remained relatively stable for the six months period ended 30 June 2025 and 2024.

Our ancillary businesses, which support our core rail freight operations, demonstrated marked improvement with a profit of RMB0.8 million for the six months ended 30 June 2025, reversing from a loss of RMB2.2 million in the same period last year. While these operations previously faced challenging market conditions – particularly in road transportation – the 2025 turnaround reflects successful operational adjustments and the continued strategic improvement within our ancillary business in the transportation ecosystem.

Other income

Our other income increased by 20.1% or RMB1.9 million from RMB9.2 million for the six months ended 30 June 2024 to RMB11.1 million for the six months ended 30 June 2025, primarily due to the fair value gain on the financial assets measures at fair value through profit and loss (“FVTPL”).



MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Our finance costs decreased by 12.8% or RMB2.0 million from RMB15.9 million for the six months ended 30 June 2024 to RMB13.9 million for the six months ended 30 June 2025, primarily due to the fall of the average loan balance.

Income tax expense

Our income tax expense increased by 16.0% or RMB1.2 million from RMB7.7 million for the six months ended 30 June 2024 to RMB9.0 million for the six months ended 30 June 2025 mainly due to the increase in profit contributed from the rail freight transportation. Our effective tax rate for the six months ended 30 June 2025 and 30 June 2024 remained relatively stable at 22.5% and 22.9%.

Profit for the period and net profit margin

For the six months ended 30 June 2025, the Group recorded a profit of RMB30.8 million, representing an 18.7% increase from the RMB25.9 million for the six months ended 30 June 2024. This improvement was primarily attributable to our other income from the fair value gain on listed shares measures at FVTPL, the fall of our finance cost and the operating expenses, reflecting the successful execution of our strategic initiatives.

Our net profit margin strengthened from 19.6% in 2024 to 23.3% in 2025, reflecting the successful stabilize of our core rail freight transportation business in the current period. This consistent margin improvement underscores our ability to maintain profitability while executing our growth strategy in evolving market conditions.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had net current assets of approximately RMB73.3 million (31 December 2024: RMB127.0 million). The Group continued to maintain a strong financial position. During the Reporting Period, our cash and cash equivalent decreased by RMB70.5 million to RMB85.5 million as at 30 June 2025 from RMB156.0 million as at 31 December 2024, which was mainly due to significant portion of trade deposit paid for our new trading business. With our strong banking facilities supported by different banks available to the Group, we have adequate financial resources to meet our working capital needs as well as to fund our budgeted construction and upgrade plans in 2025 and 2026.

As at 30 June 2025, our interest-bearing borrowings were RMB561.1 million (31 December 2024: RMB521.8 million), of which RMB343.4 million (31 December 2024: RMB364.6 million) was long-term borrowing. We had unutilized and unrestricted banking facilities of RMB11.1 million (31 December 2024: RMB45.0 million), none of which were guaranteed or secured by our related parties.

The gearing ratio, which is calculated by total debt (being bank and other loans) divided by total equity then multiplied by 100%, was approximately 66.9% as at 30 June 2025 (31 December 2024: approximately 64.7%). The increase was mainly attributed to the increase in the ending balance of our bank and other loans. Despite the increase in the gearing ratio, we maintain a strong and comfortable liquidity position that remains well within our risk management parameters.



Importantly, our financial structure continues to be robust, with sufficient coverage ratios and maintaining ample financial flexibility. The current gearing level reflects our strategic decision to utilize debt financing while preserving a healthy balance sheet position to support future growth initiatives.

Pledge of assets

As at 30 June 2025, certain of our property, plant and equipment with carrying amount of approximately RMB6.8 million (31 December 2024: RMB7.0 million), were secured for our bank loans. Also, our property, plant and equipment with carrying amount of approximately RMB174.6 million (31 December 2024: RMB190.2 million) were pledged for our other loans.

As at 30 June 2025, a certain portion of our right-of-use assets with carrying amount of approximately RMB102.2 million (31 December 2024: RMB103.6 million) were pledged for our bank loans.

Contingent liabilities

As at 30 June 2025 and 31 December 2024, the Group did not have any contingent liabilities.

Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. It is expected that the Group will not be subjected to any material adverse effects arising from exchange rate fluctuation except for a few listing compliance transactions as well as the settlement of dividend and demand deposits in Hong Kong dollars. The Group currently does not have any foreign currency hedging policies. Nevertheless, the Group will continue to monitor foreign exchange risk exposure and will take appropriate action when needed.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

During the Reporting Period, we have invested RMB24.3 million for our capital expenditure which was mainly related to the upgrading and renovating of the basic infrastructure of our Canggang Railway Line. We financed our capital expenditure through the proceed from the initial public offering, cash generated from operations and banking facilities.

Capital Commitments

As at 30 June 2025, our outstanding capital commitments in respect of property, plant and equipment amounted to approximately RMB70.8 million (31 December 2024: RMB61.2 million). Save as disclosed in this interim report, we did not have any other material capital commitment.



MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OF CAPITAL ASSETS

Save as disclosed in this interim report and the Prospectus, there were no significant investments held by the Group during the Reporting Period, nor was there any material acquisition or disposal of subsidiaries, associates and joint venture during the Reporting Period. Save as disclosed in this interim report and the Prospectus, there was no other plan for significant investments or additions of capital assets as at 30 June 2025.

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

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

Separately, during the six months ended 30 June 2025, no Shares were purchased by the trustee of the 2022 Share Award Scheme (the "2022 Share Award Scheme") pursuant to the terms of the trust deed of the 2022 Share Award Scheme.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any material subsequent event after the Reporting Period and up to the date of this interim report.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2025, the Group had 638 employees (31 December 2024: 648 employees) (including two executive Directors but excluding three independent non-executive Directors).

The Group offers attractive remuneration package to the employees as the Directors believe the consistency and quality of our staffs is the key to success. In order to retain our staff and motivate them for better performance, the remuneration package, including basic salary and other employee benefits such as bonus, are reviewed annually according to their individual performance. We are also committed to provide a caring environment to retain our staff and for better performance. We provided sufficient trainings and persuaded our staff to attend other courses to maintain their professionalism and qualifications.

USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the global offering of the Company were approximately HK\$206.4 million (equivalent to approximately RMB173.7 million), after deducting the underwriting fees and commission and other related listing expenses paid and payable by us, which was intended to be applied in the manner as set out in the section headed “Future Plan and Use of Proceeds” of the Prospectus. An analysis of the utilization of the net proceeds from the Listing Date up to 30 June 2025 is set out below:

	Revised percentage	Revised allocation of net proceeds RMB million	Utilized At 31 December 2024 RMB million	Unutilized RMB million	Utilized At 30 June 2025 RMB million	Unutilized RMB million	Expected timeline for full utilization ⁽¹⁾
To construct of our branch line connecting the Northern Shandong Industrial Park	-	-	-	-	-	-	-
To construct of our branch line connecting the Comprehensive Industrial Park	40.5%	70.4	52.1	18.3	70.4	-	-
To upgrade and renovating infrastructure for our Canggang Railway Line	36.5%	63.4	63.4	-	63.4	-	-
To purchase one new locomotive	5.0%	8.6	-	8.6	-	8.6	2026 ⁽¹⁾
To upgrade our communications, signal automation, and remote monitoring systems	2.5%	4.4	4.4	-	4.4	-	-
To repay of our bank loan	3.2%	5.5	5.5	-	5.5	-	-
To settle amounts payable in connection with our purchase of land use rights	12.3%	21.4	21.4	-	21.4	-	-
Total	100%	173.7	146.8	26.9	165.1	8.6	

Note:

- I. We continue to innovate and actively improve our company's responsibility to the society. After we compared the classic diesel locomotive with the new energy locomotive and in view of the environmental impact of the classic diesel locomotives, in 2022, our management re-evaluated our plans to purchase a new locomotive using new energy to ensure that we can improve our operational efficiency while also making a greater contribution to society. We are currently in the market research phase, and we plan to order the new locomotive by the end of 2024. However, due to the long manufacturing cycle of locomotives (about one year), the use of net proceeds from the Listing for the purchase of locomotive equipment will be fully utilized in 2026.



OTHER INFORMATION

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) which is conditionally approved by a resolution of the then Shareholders of our Company passed on 16 June 2020. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

The Share Option Scheme is to provide an incentive or reward for the Grantees (as defined below) for their contribution or potential contribution to the Group.

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined below) an opportunity to have a personal stake in our Company and help motivate them to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain 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 our Group, and additionally in the case of Executives (as defined below), to enable our Group to attract and retain individuals with experience and ability and/or reward them for their past contributions.

Under the Share Option Scheme, the Eligible Persons include (i) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group (“Executive”), any proposed employee, any full-time or part-time employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (“Employee”); (ii) a director or proposed director (including an independent non-executive director) of any member of our Group; (iii) a direct or indirect shareholder of any member of our Group; (iv) a supplier of goods or services to any member of our Group; (v) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group; (vi) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of our Group; (vii) an associate of any of the persons referred to in paragraphs (i) to (vi) above; and (viii) any person involved in the business affairs of the Company whom our Board determines to be appropriate to participate in the Share Option Scheme.



Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit. Subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) under the terms of the Share Option Scheme, there is no specific period within which the option may be exercised by the grantee, and there is no vesting period for any option granted under the Share Option Scheme, and there is no performance target which need to be achieved by the grantee before the option can be exercised.

The total number of the Shares available for grant under the Share Option Scheme as at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025 was 400,000,000, 400,000,000, 400,000,000 and 400,000,000, representing approximately 10% of the issued Shares as at the date of the annual report for the year ended 31 December 2024 (the “Annual Report”) and this interim report, respectively. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other scheme of our Group shall not in aggregate exceed 400,000,000 Shares (the “Scheme Mandate Limit”). The Board may think fit seek approval from our Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10% of our Shares in issue as of the date of the Shareholders’ approval.

We may seek separate Shareholders’ approval for granting share options beyond the Scheme Mandate Limit, provided that the options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by our Company before such approval is obtained. We shall issue a circular to the Shareholders containing the details and information required under the Listing Rules.

Notwithstanding anything to the contrary in the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Group shall not exceed 30% of our Company’s issued share capital from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

No option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of options granted and to be granted to that person in any 12-month period exceeds 1% of our Company’s issued share capital from time to time.

An offer of the grant of an option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date. An option have been granted and accepted by the Eligible Person when the duplicate offer letter is duly signed by the grantee together with a remittance of HK\$1.00 is received by our Company on or before the date upon which an offer of an option must be accepted by the relevant Eligible Person.



OTHER INFORMATION

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option. The subscription price shall be at least the highest of (i) the nominal value of a Share; (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and (iii) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets 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 the date on which it becomes unconditional on the Listing Date, i.e. 23 October 2020, after which no further options 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. The remaining life of the Share Option Scheme is around five years and one month.

No share options had been granted, exercised, cancelled, lapsed or subject to any vesting conditions under the Share Option Scheme since the adoption of the Share Option Scheme and up to the date of this interim report. As of 1 January 2025 and 30 June 2025, the total number of shares available for issue under the Share Option Scheme was 100,000,000, representing 10% of the entire issued share capital of the Company (400,000,000 Shares after Share Subdivision).

Other than the Share Option Scheme as disclosed above, at no time during the Reporting Period was the Company, or any of its subsidiaries or its fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Besides the Share Option Scheme discussed in the above paragraphs, no equity-linked agreements were entered into during the Reporting Period or subsisting at the Reporting Period.

2022 SHARE AWARD SCHEME

The Company adopted the 2022 Share Award Scheme on 28 September 2022 (the "Adoption Date"). The terms of the 2022 Share Award Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules effective as of the Adoption Date.

The purposes of the 2022 Share Award Scheme are to recognize the contributions of certain directors and employees of the Group, certain directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company, certain service providers or other eligible participant(s) and to retain and motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

Under the rules constituting the 2022 Share Award Scheme, the individuals eligible for participation in the 2022 Share Award Scheme (the “Eligible Participants”) include any director and employee of the Group; any director and employee of the holding companies, fellow subsidiaries or associated companies of the Company; or any person who provides services (“Service Providers”) to the Group on a continuing or recurring basis in the Group’s ordinary and usual course of business which are in the interests of the long term growth of the Group whom the Board believes and in its sole discretion, determines that have contributed or will contribute to the Group but excluding the following persons: (i) any seconded employee, part-time employee or non-full time employee of the Group; (ii) any employee of the Group who at the relevant time has given or been given notice terminating his employment, office or directorship as the case may be; and (iii) any other person that the Board may determine from time to time.

For the avoidance of doubt, Service Providers should exclude (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

The Board shall not make any further award of Share(s) (“Awarded Shares”) provisionally granted to a grantee (“Grantee”) who is an Eligible Participant as selected by the Board pursuant to the 2022 Share Award Scheme which will result in the number of Shares awarded by the Board under the 2022 Share Award Scheme exceeding ten per cent (10%) of the issued Shares as at the Adoption Date.

The total number of the Shares purchased by the trustee for the purpose of the 2022 Share Award Scheme and available for grant under the 2022 Share Award Scheme as at 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025 was 239,512,000, 239,512,000, 239,512,000 and 239,512,000, representing approximately 5.99% of the issued Shares as at the date of the Annual Report and this interim report, respectively. The maximum number of Shares which may be issued upon exercise of all awards and options to be granted under the 2022 Share Award Scheme and any other scheme of our Group shall not in aggregate exceed 400,000,000 Shares.

Under the terms of the 2022 Share Award Scheme, there is no specified amount payable on acceptance of any award granted under the scheme, no specified period within which payments must be made, and no purchase price of Shares awarded.

However, the Board is entitled to impose any conditions (including, without limitation, the performance, operating and financial targets and other criteria, if any, to be satisfied by the selected participant), as it deems appropriate in its sole and absolute discretion before the awarded Shares can vest.



OTHER INFORMATION

Pursuant to the 2022 Share Award Scheme, no award may be granted to (i) any one person such that the total number of Shares issued and to be issued upon exercise of award granted and to be granted to that person in any 12-month period exceeds 1% of our Company's issued share capital from time to time; and (ii) any independent non-executive Director of the Company whose aggregate interest in the Company reaches 1% or above of the Shares in issue.

Awarded shares may be acquired by the trustee by way of purchase of Shares on the Stock Exchange at the prevailing market price (subject to such maximum price as may be from time to time prescribed by the Board). No Shares shall be purchased by the trustee during the black-out period.

Such awarded shares shall then be held by the trustee for the Eligible Participants in accordance with the provisions of the 2022 Share Award Scheme prior to vesting. The trustee (and its nominee) shall not exercise any voting rights in respect of any Shares held by it as nominee or under the trust constituted by the trust deed (including but not limited to any Awarded Shares, the returned Shares, any bonus Shares and scrip Shares). The Grantees shall not have any right to receive any Awarded Shares set aside for them unless and until the trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Grantees. The Board may from time to time, during the granting of award, or at its discretion, determine the earliest vesting date and other subsequent date(s), if any, in relation to the vesting period.

The 2022 Share Award Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date but may be terminated earlier as determined by the Board provided that such termination shall not affect any subsisting rights of any Grantee hereunder. The remaining life of the 2022 Share Award Scheme is around seven years.

Details of the 2022 Share Award Scheme are set out in the Company's announcement dated 28 September 2022. As of the date of this interim report, no awards or Shares had been granted, exercised, cancelled, lapsed or subject to any vesting conditions under the 2022 Share Award Scheme since the Adoption Date.

The number of Shares that may be issued in respect of Share Option Scheme and 2022 Share Award Scheme granted under all shares schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue for the Reporting Period is nil.

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

As at the end of the Reporting Period, the interests and short positions of the Directors and the chief executives 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 Futures Ordinance (Chapter 571 of the Laws of Hong Kong, the "SFO")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) as recorded in the register kept by the Company, pursuant to section 352 of the SFO or (c) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Interest in the Company (long position)

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares interested	Percentage of shareholding
Mr. Liu Yongliang	Interest in a controlled corporation ⁽¹⁾	2,631,900,000	65.80%
Mr. Yi Weiming	Interest in a controlled corporation ⁽²⁾	72,000,000	1.80%

⁽¹⁾ Mr. Liu Yongliang is the sole shareholder of Jinghai BVI and he is therefore deemed to be interested in the Shares held by Jinghai BVI.

⁽²⁾ Mr. Yi Weiming is the sole shareholder of Greenport BVI and he is therefore deemed to be interested in the Shares held by Greenport BVI.

As at the end of the Reporting Period, so far as is known to any Directors or chief executives of the Company, none of the Directors or chief executives of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE SUBSTANTIAL SHAREHOLDERS UNDER THE SFO

Set out below is the name of the party whose interests and short positions in the shares and underlying shares of the Company (pursuant to part XV of the SFO) as at the end of the Reporting Period as recorded in the register kept by the Company under section 336 of the SFO:

Interest in the Company (long position)

Name	Nature of interest	Number of Shares ⁽²⁾	Approximate % of shareholding
Jinghai BVI	Beneficial owner	2,631,900,000	65.80%
Mr. Liu Yongliang ⁽¹⁾	Interest in a controlled corporation	2,631,900,000	65.80%

⁽¹⁾ Mr. Liu Yongliang is the sole shareholder of Jinghai BVI and he is therefore deemed to be interested in the Shares held by Jinghai BVI.

⁽²⁾ The number of Shares interested in this column have taken the Share Subdivision into account.

Save as disclosed above, as at the end of the Reporting Period, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or which would fall to be disclosed under Part XV of the SFO.

CORPORATE GOVERNANCE

Since the Listing of our Shares on the Stock Exchange on 23 October 2020, the Company has been committed to maintaining high standard of corporate governance. The Board believes that good corporate governance is the basis in ensuring the proper management in the interest of all our shareholders and other stakeholders. Improvement of the corporate governance is a long and systematic project, which requires strong commitment and perseverance. As it always has, the Company will continuously improve the risk assessment and monitoring procedures, internal control policy, enhancing our transparency and disclosures quality to our shareholders to promote the sustainable and robust development of the Company in light of evolving business and regulatory environment and to meet the expectations of stakeholders.

The Group is an established and expanding local railway operator based in Hebei Province. With our Canggang Railway Line, we continue to provide our customers with comprehensive services and one-stop solutions of our freight transportation. As a listed company, we are committed to providing high-quality and reliable services, creating value through sustainable growth and development.



The Group has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, and business strategies:

- (a) Objective – Serving local economy, building a century-old railway
- (b) Vision – Creating value for customers, fostering well-being for employees, generating benefits for the Company, creating wealth for society
- (c) Philosophy – Operating in compliance with laws, upholding integrity, prioritising safety, putting service first
- (d) Spirit – Pursuing truth, pragmatism, and excellence, working together for development
- (e) Core value – Rooted in safety, people-oriented, integrity first, virtuous conduct and professionalism

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

During the Reporting Period, the Company has applied the principles and code provisions as set out in the CG Code, and has complied with all the applicable code provisions as set out in Part 2 of the CG Code.

The Board will continue to review and monitor the corporate governance practices of the Group to ensure compliance with the CG Code from time to time, and to ensure that the Group is led by an effective Board with an independent view from the independent non-executive Directors, in order to optimize return for the Shareholders.

In response to the amended CG Code and the Listing Rules which has come into effect on 1 July 2025. The Board has appointed Ms. Lyu Qinghua, an independent non-executive Director as a member of the nomination committee of the Company with effect from 18 June 2025.



OTHER INFORMATION

DIRECTORS

The Directors during the Reporting Period and up to the date of this interim report were:

Executive Directors

Mr. Liu Yongliang (*Chairman*)

Mr. Yi Weiming (*Chief executive officer*)

Non-executive Directors

Mr. Xu Zhihua

Mr. Qin Shaobo

Independent Non-executive Directors

Mr. Liu Changchun

Mr. Zhao Changsong

Ms. Lyu Qinghua

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules. Specific enquiry has been made to all the Directors, all the Directors have confirmed that they have complied with the required standard set out in Model Code during the Reporting Period.

NON-COMPETITION UNDERTAKING

The Controlling Shareholders have given written declarations and have confirmed, to the Company that they have complied with the non-competition undertakings under the Deed of Non-Competition during the Reporting Period. The Controlling Shareholders have also confirmed in the declarations that they have no interest in any business apart from the Company which competes or is likely to compete, directly or indirectly, with the Company's business during the Reporting Period.

The independent non-executive Directors have reviewed the status of compliance with the undertakings by the Controlling Shareholders and confirmed that they were not aware of any non-compliance of the non-competition undertakings under the Deed of Non-Competition, and are satisfied that such undertakings had been duly enforced and complied with during the Reporting Period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules at all times from the date of Listing to 30 June 2025.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive Directors, namely Ms. Lyu Qinghua (Chairlady of the Audit Committee) and Mr. Liu Changchun, and a non-executive Director, namely Mr. Xu Zhihua.

The Audit Committee has reviewed the Group's unaudited condensed consolidated interim financial statements for the Reporting Period. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and the Audit Committee is of the opinion that such unaudited condensed consolidated interim financial statements comply with the applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

INTERIM DIVIDEND

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

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

There was no change in the information of our Directors and chief executives of the Company subsequent to the date of the Annual Report and up to the date of this interim report which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contribution, and to our Shareholders, investors and business partners for their support.



UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(For the six months ended 30 June 2025)

	Note	2025 RMB'000	2024 RMB'000
Revenue	5	131,704	132,051
Operating expenses:			
Staff costs	7(b)	(25,994)	(28,192)
Outsourcing service charges and other labor costs		(9,200)	(9,208)
Cargo logistics		(11,962)	(12,849)
Depreciation	7(c)	(17,918)	(17,493)
Fuel used		(11,621)	(11,832)
Repairs and maintenance		(5,941)	(5,937)
General and administration expenses		(4,802)	(4,236)
Reversal of impairment loss on trade receivables		86	751
Other expenses		(1,821)	(2,722)
Total operating expenses		(89,173)	(91,718)
Other income	6	11,071	9,221
Operating profit		53,602	49,554
Finance costs	7(a)	(13,900)	(15,937)
Profit before taxation	7	39,702	33,617
Income tax	8	(8,951)	(7,715)
Profit for the period		30,751	25,902
Attributable to:			
Equity shareholders of the Company		30,878	26,351
Non-controlling interests		(127)	(449)
Profit for the period		30,751	25,902
Earnings per share (RMB cents)			(Restated)
– Basic and diluted	10	0.80	0.68

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(For the six months ended 30 June 2025)

	2025 RMB'000	2024 RMB'000
Profit for the period	30,751	25,902
Other comprehensive income for the period (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency of the Group	686	345
Total comprehensive income for the period	31,437	26,247
Attributable to:		
Equity shareholders of the Company	31,564	26,696
Non-controlling interests	(127)	(449)
Total comprehensive income for the period	31,437	26,247

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(As at 30 June 2025)

	Note	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Non-current assets			
Property, plant and equipment	11	785,590	776,932
Right-of-use assets		210,358	189,009
Financial assets at fair value through profit and loss ("FVTPL")	15	46,967	38,418
Deferred tax assets		966	961
Prepayments and other receivables	14	64,683	39,273
Total non-current assets		1,108,564	1,044,593
Current assets			
Inventories	12	90,218	46,664
Trade and bills receivables	13	79,439	81,274
Prepayments and other receivables	14	81,934	46,026
Cash and cash equivalents	16	85,476	155,992
Total current assets		337,067	329,956
Current liabilities			
Bank and other loans	20	217,650	157,155
Trade payables	17	28,386	23,444
Other payables	18	6,889	7,709
Contract liabilities	19	5,436	6,269
Current taxation		5,418	8,365
Total current liabilities		263,779	202,942
Net current assets		73,288	127,014
Total assets less current liabilities		1,181,852	1,171,607

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



(As at 30 June 2025)

		As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
	Note		
Non-current liabilities			
Bank and other loans	20	343,420	364,612
NET ASSETS		838,432	806,995
CAPITAL AND RESERVES	21		
Share capital		8,607	8,607
Reserves		802,201	770,637
Total equity attributable to equity shareholders of the Company		810,808	779,244
Non-controlling interests		27,624	27,751
TOTAL EQUITY		838,432	806,995



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

(Expressed in RMB)

Attributable to equity shareholders of the Company

	Share capital RMB'000 (Note 2 (b))	Share premium RMB'000	Other reserve RMB'000	Share held for share award scheme RMB'000 (Note 2 (c))	Statutory reserve RMB'000	Safety production fund reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	8,607	107,871	97,830	(94,542)	79,457	-	(7,914)	554,642	745,951	29,130	775,081
Changes in equity for the six months ended 30 June 2024:											
Profit for the period	-	-	-	-	-	-	-	26,351	26,351	(449)	25,902
Other comprehensive income	-	-	-	-	-	-	345	-	345	-	345
Total comprehensive income	-	-	-	-	-	-	345	26,351	26,696	(449)	26,247
Appropriation to reserves	-	-	-	-	2,669	-	-	(2,669)	-	-	-
Safety production fund reserve	-	-	-	-	-	1,814	-	(1,814)	-	-	-
- Appropriation	-	-	-	-	-	(1,814)	-	1,814	-	-	-
- Utilisation	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2024	8,607	107,871	97,830	(94,542)	82,126	-	(7,569)	578,324	772,647	28,681	801,328

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025
(Expressed in RMB)

	Attributable to equity shareholders of the Company										
	Share capital RMB'000 (Note 21(b))	Share premium RMB'000	Other reserve RMB'000	Share held for share award scheme RMB'000 (Note 21(c))	Statutory reserve RMB'000	Safety production fund reserve RMB'000	Exchange reserve RMB'000	Retained profits RMB'000	Subtotal RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	8,607	107,871	97,830	(94,542)	100,520	-	(9,081)	568,039	779,244	27,751	806,995
Changes in equity for the six months ended 30 June 2025:											
Profit for the period	-	-	-	-	-	-	-	30,878	30,878	(127)	30,751
Other comprehensive income	-	-	-	-	-	-	686	-	686	-	686
Total comprehensive income	-	-	-	-	-	-	686	30,878	31,564	(127)	31,437
Appropriation to reserves	-	-	-	-	2,575	-	-	(2,575)	-	-	-
Safety production fund reserve	-	-	-	-	-	2,281	-	(2,281)	-	-	-
- Appropriation	-	-	-	-	-	(2,281)	-	2,281	-	-	-
- Utilisation	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2025	8,607	107,871	97,830	(94,542)	103,095	-	8,395	596,342	810,808	27,624	838,432

The notes on pages 32 to 58 form part of these financial statements.





CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2025
(Expressed in RMB)

	Note	Six months ended 30 June	
		2025 RMB'000	2024 RMB'000
Operating activities			
Profit before taxation		39,702	33,617
Adjustments for:			
Depreciation	7(c)	17,918	17,493
Reversal of impairment loss on trade receivables		(86)	(751)
Finance costs	7(a)	13,900	15,937
Interest income	6	(524)	(810)
Net gains on disposal of property, plant and equipment	6	—	(38)
(Gain)/loss on fair value on financial assets measures at FVTPL	6	(8,549)	(5,538)
Changes in working capital:			
Increase in inventories		(43,554)	(4,650)
(Increase)/decrease in trade and bills receivables, prepayments and other receivables		(59,661)	58,465
Decrease/(increase) in trade payables and other payables		4,122	(9,332)
Increase in contract liabilities		(833)	(4,832)
Cash (used in)/generated from operations		(37,565)	99,561
Income tax paid		(11,903)	(6,705)
Net cash (used in)/generated from operating activities		(49,468)	92,856

CONSOLIDATED CASH FLOW STATEMENT



for the six months ended 30 June 2025
(Expressed in RMB)

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Investing activities		
Payments for purchase of property, plant and equipment and right-of-use assets	(47,925)	(21,054)
Payments for purchase of financial assets at FVTPL	—	(14,965)
Proceeds from disposal of property, plant and equipment	264	2,667
Interest received	524	810
Net cash used in investing activities	(47,137)	(32,540)
Financing activities		
Proceeds from new bank and other loans	95,700	205,700
Repayments of bank and other loans	(56,922)	(150,337)
Borrowing costs paid	(13,375)	(15,412)
Net cash generated from financing activities	25,403	39,951
Net (decrease)/increase in cash and cash equivalents	(71,202)	100,267
Cash and cash equivalents at 1 January	155,992	112,392
Effect of foreign exchange rate changes	686	345
Cash and cash equivalents at 30 June	85,476	213,004



NOTES TO THE FINANCIAL STATEMENTS

I CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 19 October 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 23 October 2020. The Company and its subsidiaries are principally engaged in the provision of rail freight transportation and related ancillary services by operating freight railway and railway yards in the People’s Republic of China (the “PRC”).

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the “IASB”). It 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 set out in Note 4 below.

These condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The unaudited condensed consolidated interim financial information for the Reporting Period has not been reviewed by HLB Hodgson Impey Cheng Limited, the Company’s external auditor, but has been reviewed by the Audit Committee.

The financial information relating to the financial year ended 31 December 2024 that is included in the unaudited condensed consolidated interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.



3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a investment team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The investment team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the IFRS Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



NOTES TO THE FINANCIAL STATEMENTS

3 USE OF JUDGEMENTS AND ESTIMATES *(Continued)*

Expected credit losses for trade receivables

The credit loss allowance for trade receivables are based on assumptions about the expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the profit or loss.

4 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amendments to the first time for the current period's interim financial information.

- Amendments to IAS 21 *Lack of Exchangeability*

The application of the amendments to IFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated interim financial statements.

5 REVENUE

The Group is principally engaged in the provision of rail freight transportation and related ancillary services by operating freight railway and railway yards. All of the revenue of the Group is recognized over time.

- (i) Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
Disaggregated by major service lines:		
– Rail freight transportation	112,135	112,722
– Ancillary services		
– Loading and unloading	9,497	8,786
– Road freight transportation	709	459
– Construction, maintenance and repair	4,209	4,978
– Others	5,154	5,106
Subtotal	19,569	19,329
	131,704	132,051

- (ii) For the six months ended 30 June 2025 and 2024, the Group's customers with whom transactions exceeded 10% of the Group's revenue in the respective periods are set out below:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Customer A	18,921	24,215
Customer B	—*	13,390
Customer C	20,994	19,304
Customer D	24,259	21,191

* Transactions with these customers did not exceed 10% of the Group's revenue in the respective periods.

Note: Customer C includes a group of our customers that are under the common control of the same ultimate shareholder.

5 REVENUE (Continued)

- (iii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The aggregated amounts of the transaction price allocated to the remaining performance obligations under the Group's existing contracts as at 30 June 2025 and 31 December 2024 are as follows, which represent revenue expected to be recognised in the future from construction, maintenance and repair contracts entered into by the customers with the Group.

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year	—	6,965
Over 1 year	—	—
	—	6,965

(b) Segment reporting

The Group manages its businesses by provision of services. 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. No operating segments have been aggregated to form the following reportable segments.

- Rail freight transportation: this segment provides rail freight transportation in the PRC.
- Ancillary services: this segment provides freight loading and unloading services, road freight transportation and other services in the PRC.

(i) Segment results

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

**5 REVENUE** *(Continued)***(b) Segment reporting** *(Continued)***(i) Segment results** *(Continued)*

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is “adjusted operating profit”. To arrive at adjusted operating profit, the Group’s operating profit is adjusted for items not specifically attributed to individual segments, such as general and administration expenses and other income. No inter-segment revenue has occurred during the six months ended 30 June 2025 and 2024. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group’s other income, finance costs and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

5 REVENUE (Continued)

(b) Segment reporting (Continued)

(i) Segment results (Continued)

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 six months ended 30 June 2025 and 2024 is set out below.

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Revenue from external customers		
– Rail freight transportation	112,135	112,722
– Ancillary services	19,569	19,329
	131,704	132,051
Segment result		
– Rail freight transportation	46,451	46,056
– Ancillary services	796	(2,238)
	47,247	43,818



5 REVENUE *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Reconciliation of segment results

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Segment result	47,247	43,818
General and administration expenses	(4,716)	(3,485)
Other income	11,071	9,221
Finance costs	(13,900)	(15,937)
Profit before taxation	<u>39,702</u>	<u>33,617</u>

(iii) Geographic information

The Group's revenue is substantially generated from provision of rail freight transportation and related ancillary services in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

(c) Seasonality of operations

The Group's core rail freight transportation segment does not possess of material seasonality effect because our customers usually maintain a stable inventory level for their business. The Group anticipates the transportation demand remain relatively stable throughout the year.

6 OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Government grants	259	282
Interest income	524	810
Net gains on disposal of property, plant and equipment	—	38
Gain on fair value on financial assets measures at FVTPL	8,549	5,538
Net trading profit	1,279	1,957
Others	460	596
	<u>11,071</u>	<u>9,221</u>

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Total interest expense on bank and other loans	<u>13,900</u>	<u>15,937</u>

(b) Staff costs:

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Salaries, wages and other benefits	22,645	25,244
Contributions to defined contribution retirement plans	<u>3,349</u>	<u>2,948</u>
	<u>25,994</u>	<u>28,192</u>

7 PROFIT BEFORE TAXATION *(Continued)*

(b) Staff costs: *(Continued)*

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in a defined contribution retirement benefit plan managed by the local government authorities. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the defined salaries level in the PRC (other than Hong Kong), from the above mentioned retirement plans at their normal retirement age.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Depreciation		
– property, plant and equipment (Note 11)	15,685	15,306
– right-of-use assets	2,233	2,187
	17,918	17,493
Short-term lease charges with remaining lease term of not more than 12 months	50	180
Auditors' remuneration	435	500
Cost of inventories	11,623	11,850

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Current tax		
Provision for the period	8,946	7,891
Deferred tax		
Origination and reversal of temporary differences	5	(176)
	<u>8,951</u>	<u>7,715</u>

9 DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six months ended 30 June 2024: Nil).

10 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the six months ended 30 June 2025 is calculated based on the profit attributable to ordinary equity shareholders of the Company of RMB30,878,000 (six months ended 30 June 2024: RMB26,351,000) and the weighted average number of ordinary share, in issue of 3,847,792,000 shares (six months ended 30 June 2024: 3,847,792,000 shares) during the period.

	Six months ended 30 June	
	2025	2024
Weighted average number of ordinary shares at 30 June	<u>3,847,792,000</u>	<u>3,847,792,000</u>

(b) Diluted earnings per share

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



11 PROPERTY, PLANT AND EQUIPMENT

- (i) The Group's property, plant and equipment are all located in the PRC.
- (ii) During the six months ended 30 June 2025, the Group paid RMB24,343,000 for upgrading and renovating the basic infrastructure of the Canggang Railway Line to enhance the safety and increase the overall capacity of railway operation.

12 INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprise:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Fuel	5,105	3,384
Coal held for trading	13,784	17,241
Gravel held for trading	60,983	19,310
Materials and consumables	10,346	6,729
	<u>90,218</u>	<u>46,664</u>

- (b) The analysis of the amounts of inventories recognised as an expense and included in profit or loss is as follows:

	For the six months ended 30 June 2025 RMB'000	2024 RMB'000
Carrying amount of inventories used	<u>11,623</u>	<u>11,850</u>

13 TRADE AND BILLS RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables	69,364	58,261
Bills receivables (Notes (ii))	10,075	23,013
	79,439	81,274

Notes:

- (i) All of the trade and bills receivables, net of loss allowance, are expected to be recovered within one year.
- (ii) At 30 June 2025, the carrying amounts of the Group's bills receivables that had been endorsed to the Group's suppliers and other creditors to settle the Group's trade and other payables towards these suppliers but had not been derecognized in the unaudited condensed consolidated interim financial statements were RMB6,935,000 (31 December 2024: RMB Nil).

Aging Analysis

At the end of the Reporting Period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month	42,062	32,304
1 to 6 months	17,612	14,755
6 to 12 months	3,046	8,597
Over 12 months	6,644	2,605
	69,364	58,261

Trade receivables are mainly due within 30 days from the date of billing. Bills receivables are with maturity of 180 to 360 days.



14 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Receivables relating to disposal of property, plant and equipment	2,620	2,884
Receivables relating to disposal of an associate	—	700
Other receivables	4,560	3,088
Financial assets measured at amortised cost	7,180	6,672
Value-added tax recoverable	6,176	1,374
Prepayments for constructions	64,683	39,273
Deposits for other purpose	12,115	1,480
Prepayments for purchase of inventories and prepaid expenses	56,463	36,500
	139,437	85,299
Less: Non-current portion		
– Prepayment for constructions (note (i))	(64,683)	(39,273)
Current portion of prepayments and other receivables	81,934	46,026

Note:

- (i) Except for the non-current portion of prepayments for constructions, other prepayments and other receivables, net of loss allowance, are expected to be recovered or recognised as expenses within one year.



NOTES TO THE FINANCIAL STATEMENTS

15 FINANCIAL ASSETS AT FVTPL

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Equity securities listed in Hong Kong (Note (i))	43,003	34,454
Unlisted equity securities (Note (ii))	3,964	3,964
	46,967	38,418

Notes:

- (i) The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTPL.
- (ii) The above unlisted equity investments represent the Group's equity interest in a private entity established in the PRC. The directors of the Company have elected to designate these investments in equity instruments as at FVTPL.

16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Bank deposits	85,471	155,989
Cash on hand	5	3
Cash at bank and on hand in the consolidated statement of financial position and cash and cash equivalents in the consolidated cash flow statement	85,476	155,992



17 TRADE PAYABLES

All of the trade payables are expected to be settled within one year or are repayable on demand. As of the end of the Reporting Period, the aging analysis of the Group's trade payables, based on the invoice date, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 month	14,877	13,320
1 to 3 months	689	3,923
3 to 6 months	4,874	2,638
6 to 12 months	4,405	1,663
Over 12 months	3,541	1,900
	28,386	23,444

18 OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Payables for acquisitions of property, plant and equipment	—	203
Payables for staff costs and other labour costs	2,598	1,912
Dividends payable	—	2,432
Others	4,291	3,162
	6,889	7,709
Financial liabilities measured at amortised cost		

All of the other payables are expected to be settled within one year or are repayable on demand.

19 CONTRACT LIABILITIES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Prepayments received from customers for rail freight transportation and related ancillary services	3,936	3,268
Prepayment required from customers for trading business	1,500	3,001
	<u>5,436</u>	<u>6,269</u>

The Group receives prepayments from certain customers on acceptance of the orders. The prepayments are recognized as contract liabilities until the Group recognized the related revenue.

Movements in contract liabilities

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Balance at 1 January	6,269	7,113
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(6,269)	(7,113)
Increase in contract liabilities as a result of billing in advance of performance at the end of the year	5,436	6,269
Balance at 30 June/31 December	<u>5,436</u>	<u>6,269</u>

No contract liabilities are expected to be recognised as revenue after more than one year.



20 BANK AND OTHER LOANS

(a) The Group's bank and other loans comprise:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Bank loans:		
– Secured	392,510	378,504
– Unsecured	47,000	48,059
	<u>439,510</u>	<u>426,563</u>
Other loans:		
– Secured	117,240	93,652
– Unsecured	4,320	1,552
	<u>121,560</u>	<u>95,204</u>
	<u>561,070</u>	<u>521,767</u>

All of the bank and other loans are carried at amortized costs.

(b) The bank and other loans were repayable as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Within 1 year or on demand	217,650	157,155
After 1 year but within 2 years	137,020	187,744
After 2 years but within 5 years	206,400	176,868
	<u>343,420</u>	<u>364,612</u>
	<u>561,070</u>	<u>521,767</u>

20 BANK AND OTHER LOANS (Continued)

- (c) At 30 June 2025, the Group's secured bank loans of RMB392,510,000 (31 December 2024: RMB378,504,000) were secured by the following assets of the Group:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Carrying amount:		
Property, plant and equipment	6,816	6,976
Right-of-use assets	102,202	103,602
	109,018	110,578

Included in the Group's secured bank loans as at 30 June 2025, RMB47,000,000 (31 December 2024: RMB48,048,000) were also guaranteed by Cangzhou Railway Logistics Services Company Limited ("Cangzhou Logistics").

- (d) At 30 June 2025, the Group's secured other loans of RMB117,240,000 (31 December 2024: RMB93,652,000) were secured by the following assets of the Group:

	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000
Carrying amount:		
Property, plant and equipment	174,555	190,193

Included in the Group's secured other loans as at 30 June 2025, RMB85,920,000 (31 December 2024: RMB63,130,000) were also guaranteed by Cangzhou Logistics and RMB31,320,000 (31 December 2024: RMB30,523,000) were secured by equity interests of Cangzhou Canggang Railway Company Limited held by Cangzhou Logistics.



20 BANK AND OTHER LOANS (Continued)

- (e) As at 30 June 2025, the Group's unsecured other loans amounting to RMB4,320,000 (as at 31 December 2024: RMB1,552,000) are interest-bearing at 4.75% (2024: 4.75%) per annum.
- (f) The following table details the interest rate profile of the Group's borrowings at the end of each reporting period:

	As 30 June 2025		As 31 December 2024	
	Effective interest rate	RMB'000	Effective interest rate	RMB'000
Fixed rate borrowings				
Bank loans	3.65%-5.50%	400,510	3.65%-5.50%	383,005
Other loans	4.00%-6.56%	121,560	4.00%-6.56%	95,204
		<u>522,070</u>		<u>478,209</u>
Variable rate borrowings				
Bank loans	4.8%	<u>39,000</u>	4.8%	<u>43,558</u>
Total borrowings		<u><u>561,070</u></u>		<u><u>521,767</u></u>
Fixed rate borrowings as a percentage of total borrowings		<u>93%</u>		<u>92%</u>

21 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS

(a) Dividends

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

	2025 RMB'000	2024 RMB'000
Final dividend in respect of the previous year, approved and paid during the Reporting Period, of RMB0.6 cents per ordinary share (six months ended 30 June 2024: RMB0.6 cents per ordinary share)	<u><u>24,000</u></u>	<u><u>24,000</u></u>

21 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (Continued)

(b) Share capital

	At 30 June 2025		At 31 December 2024	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Authorised:				
Ordinary shares of HK\$0.0025 (2024: HK\$0.0025) each (Note (i))				
At 1 January	40,000,000	100,000	10,000,000	100,000
Share subdivision (Note (i))	-	-	30,000,000	-
31 December	40,000,000	100,000	40,000,000	100,000

	At 30 June 2025		At 31 December 2024	
	No. of shares '000	HK\$'000	No. of shares '000	HK\$'000
Ordinary shares, issued and fully paid				
At 1 January	4,000,000	8,607	1,000,000	8,607
Share subdivision (Note (i))	-	-	3,000,000	-
31 December	4,000,000	8,607	4,000,000	8,607

Note:

- (i) On 19 January 2024, the shareholders of the Company approved the proposed share subdivision, in which each issued and unissued share with a par value of HK\$0.01 each be subdivided into four (4) subdivided shares with a par value of HK\$0.0025 each and such share subdivision was effective on 23 January 2024. Upon the share subdivision becoming effective, 4,000,000,000 subdivided shares are in issue and fully paid or credited as fully paid. The authorised share capital of the Company has become HK\$100,000,000 divided into 40,000,000,000 subdivided shares of par value of HK\$0.0025 each. Details are set out in the Company's circular dated 3 January 2024.

21 CAPITAL, RESERVES AND DIVIDENDS/DISTRIBUTIONS (Continued)

(c) Share award scheme

A share award scheme was adopted by the Company on 28 September 2022 ("the Share Award Scheme"). The objective of the Share Award Scheme is to recognise and motivate the contributions of the eligible participants to align the interests of the eligible participants with those of the Company and strive for the future development and expansion of the Group and to attract suitable personnel for further development of the Group through the Share Award Scheme to the selected participants.

The awarded shares will be subscribed for and/or purchased by an independent trustee ("the Trustee") from the open market by utilising the funds to be allocated by the directors and/or authorised person of the Company out of the Company's resources. The maximum number of awarded shares to be subscribed for and/or purchased by the Trustee for the purpose of the Share Award Scheme shall not exceed 10% of the total number of issued share capital from time to time.

The Share Award Scheme shall be valid and effective for a period of 10 years commencing from 28 September 2022 or may be terminated earlier as determined by the Board of Directors.

During the six months ended 30 June 2025 and year ended 31 December 2024, no shares were purchased by the Trustee, with an aggregate amount of approximately RMB44,626,000. No shares were granted to any person under the share award scheme as at 30 June 2025 and 31 December 2024.

The consideration paid for the purchase of the Company's shares is reflected as a debit in share held for share award scheme of the Company. The fair value of the employee services received in exchange for the grant of shares is recognised as staff costs in profit or loss with a corresponding increase in capital reserve, which is measured based on the grant date share price of the Company.

22 COMMITMENTS

Capital commitments outstanding at the end of each Reporting Period not provided for in the unaudited condensed consolidated interim financial information were as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Commitments in respect of property, plant and equipment: – contracted for	70,848	61,163

23 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

The material related party transactions entered into by the Group during the six months ended 30 June 2025 and 2024 and the balances with related parties at the end of each Reporting Period are set out below.

(a) Names and relationships of the related parties that had material transactions with the Group during the period:

Name of related parties	Relationship
Cangzhou Chengyu Railway Company Limited* ("Chengyu Company") (滄州市騁宇鐵路有限責任公司)	A company controlled by the controlling shareholder

* The official names of these entities are in Chinese. The English translation names are for identification purpose only.

(b) Transactions with related parties during the period

	Six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Short-term lease charges – Chengyu Company	5	6

(c) Other related party transactions

On 12 August 2019, Chengyu Company has granted the Group a gratuitous right to use its leasehold land for operating the Group's railway and rail yards for a period of 20 years. No rental was charged during the six months ended 30 June 2025 and 2024.

24 EVENT AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in these condensed consolidated financial statements, as at the date of approval of these interim condensed consolidated financial statements, there are no significant events after the reporting period.

25 APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 26 September 2025.