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## **HUAYU EXPRESSWAY GROUP LIMITED**

### **華昱高速集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1823)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Placing Agent**



**First Shanghai Securities Limited**

On 11 February 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Placing Agent has conditionally agreed, to procure, on a best effort basis, not less than six Placees to subscribe for up to 58,500,000 Placing Shares at the Placing Price of HK\$0.88 per Placing Share. The Placing Shares will be allotted and issued under the General Mandate.

Assuming that there will be no change in the total number of issued Shares between the date of this announcement and the Completion, the maximum number of Placing Shares of up to 58,500,000 Shares represents 14.18% of the total number of issued Shares as at the date of this announcement and approximately 12.42% of the total number of issued Shares as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.88 per Placing Share represents (i) a discount of approximately 19.27% to the closing price of HK\$1.09 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 17.76% to the average closing price of approximately HK\$1.07 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$51,480,000 and the net proceeds will be approximately HK\$50,556,380 (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.86 per Placing Share. The Directors intend to apply the entire net proceeds of the Placing for general working capital purposes, of which approximately (i) 80% will be used for the payment of the Group's staff salaries, rental, professional fees and other administrative expenses, and (ii) 20% will be used as the Group's sale, promotion and marketing expenses.

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment of the conditions as set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 11 February 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Placing Agent has conditionally agreed, to procure, on a best effort basis, not less than six Placees to subscribe for up to 58,500,000 Placing Shares at the Placing Price of HK\$0.88 per Placing Share.

The principal terms of the Placing Agreement are set out below.

### **THE PLACING AGREEMENT**

**Date:** 11 February 2026

**Parties:** The Company; and  
The Placing Agent

Based on the confirmation of the Placing Agent and to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder.

### **Number of Placing Shares**

Assuming that there will be no change in the total number of issued Shares between the date of this announcement and the Completion, the maximum number of Placing Shares of up to 58,500,000 Shares represents 14.18% of the total number of issued Shares as at the date of this announcement and approximately 12.42% of the total number of issued Shares as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares is HK\$585,000.

### **Placing Price**

The Placing Price of HK\$0.88 per Placing Share represents:

- (i) a discount of approximately 19.27% to the closing price of HK\$1.09 per Share as quoted on the Stock Exchange on the Last Trading Day; and

- (ii) a discount of approximately 17.76% to the average closing price of approximately HK\$1.07 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares and market conditions.

### **Placing commission**

The Placing Agent will charge the Company a placing commission of 1.2% of the aggregate value of the Placing Shares placed by the Placing Agent at the Placing Price. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing market commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares.

The Directors consider that the terms of the Placing Agreement, including the Placing Price and the placing commission, are arrived at on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Ranking of Placing Shares**

The Placing Shares shall rank, upon allotment and issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

### **Conditions Precedent of the Placing Agreement**

Completion of the Placing is conditional upon the following conditions precedent (the "Conditions"):

- (i) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Placing Shares and such approval and permission not subsequently revoked prior to the delivery of definitive share certificate(s) or deposit of certificate(s) representing the Placing Shares;
- (ii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not materially misleading as of the date of the Placing Agreement and the Completion Date;
- (iii) the Company having materially complied with all its obligations on or before the Completion Date;
- (iv) the Company having furnished to the Placing Agent a copy, certified by a Director to be true and complete, of the resolutions of the Board approving the Placing and the Placing Agreement and the transactions contemplated hereunder;

- (v) before the Completion, there shall not have occurred: any material adverse change, or any development involving or reasonably likely to involve a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or any suspension or limitation of trading in any of the Company's securities by the Stock Exchange;
- (vi) approvals, permissions, actions, authorisations and filings required to be completed prior to the Completion for the performance by the Company of its obligations under this Agreement and the matters contemplated by this Agreement have been obtained and are in full force and effect; and
- (vii) (if applicable) the Placing Agent having received the final draft or substantially complete draft of CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agent.

The Condition contained in above paragraph (i) cannot be waived. The Placing Agent (but not the Company) may at any time unilaterally waive the Conditions contained in paragraphs (ii) to (vii) by notice to the Company. The Company shall use its reasonable endeavours to procure the satisfaction of the above Conditions as set out in paragraphs (i) to (vii).

In the event that the Conditions have not been satisfied or in the case of the Conditions referred to in paragraphs (ii) to (vii) above, otherwise waived in writing by the Placing Agent, on or before the Long Stop Date, the Placing Agent may, in its sole discretion, terminate the Placing Agreement forthwith.

## **Completion**

Subject to the fulfilment of the Conditions referred to in the Placing Agreement, Completion shall take place on the Completion Date.

## **Application for listing of the Placing Shares**

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **General Mandate to allot and issue of the Placing Shares**

The issue of the Placing Shares is not subject to Shareholders' approval.

The Placing Shares will be allotted and issued pursuant to the General Mandate, which was granted to the Directors at the AGM held on 4 June 2025. The maximum number of Shares that can be issued under the General Mandate is 82,521,600 Shares.

Up to the date of this announcement, the General Mandate has not been used. As such, the maximum number of Shares that can be issued under the General Mandate is sufficient for the maximum number of Placing Shares to be allotted and issued, being 58,500,000 Placing Shares.

## **Termination**

In the event that:

- (i) at any time between the date of the Placing Agreement and the Completion Date, there occurs any material adverse change, or any development involving or reasonably likely to involve a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or any suspension or limitation of trading in any of the Company's securities by the Stock Exchange;
- (ii) the Company does not deliver the Placing Shares on the Completion Date; or
- (iii) any of the Conditions set out in the paragraph headed "Conditions Precedent of the Placing Agreement" has not been satisfied or waived in writing on the dates specified therein,

the Placing Agent may in its sole discretion, terminate the Placing Agreement forthwith, provided that certain provisions as to as to expenses, indemnity, successors and assigns, third party rights, governing law and jurisdiction shall survive such termination and remain in full force and effect, and provided further that if the Company shall have delivered some but not all of the Placing Shares on the Completion Date, the Placing Agent shall have the option to effect the Placing with respect to such Placing Shares as have been delivered.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Company is a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the construction, operation and management of the Qing Ping Expressway in the PRC. The Group also engages in the trading business of liquor and spirits in collaboration with the Kweichow Moutai Group and is the sole distributor of the Huamaojiu, as well as engages in winemaking and its other related businesses.

In view of the uncertainties in the economic and business environment of the PRC, the Company considers it is critical to replenish the financial resources of the Group for its development. The Directors are of the view that the Placing will strengthen the financial position and liquidity of the Group and provide financial resources to the Group without incurring interest costs. The Directors also believe that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base.

Subject to Completion and assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$51,480,000 and the net proceeds will be approximately HK\$50,556,380 (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.86 per Placing Share. The Directors intend to apply the entire net proceeds of the Placing for general working capital purposes, of which approximately (i) 80% will be used for the payment of the Group's staff salaries, rental, professional fees and other administrative expenses, and (ii) 20% will be used as the Group's sale, promotion and marketing expenses.

Considering that the Placing represents an opportunity for the Company to broaden its shareholder base, raise additional funds and strengthen the consolidated financial position, the Directors are of the view that the terms of the Placing Agreement and the transactions contemplated thereunder, including the Placing Price and the commission payable to the Placing Agent, are fair and reasonable and on normal commercial terms, and the entering into of the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

During the past twelve months immediately preceding the date of this announcement, the Company did not conduct any equity fund raising activities.

## **EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY**

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon the Completion (subject to the Completion, assuming all the Placing Shares are fully placed and that there is no other change in the shareholding structure of the Company from the date of this announcement up to the Completion) are set out below:

	<b>As at the date of this announcement</b>		<b>Immediately upon completion of the Placing</b>	
	<i>Number of issued Shares</i>	<i>Approximate %</i>	<i>Number of issued Shares</i>	<i>Approximate %</i>
<b>Shareholders</b>				
Velocity International Limited ( <i>Note</i> )	300,000,000	72.71	300,000,000	63.68
<b>Public shareholders</b>				
Places	—	—	58,500,000	12.42
Other public Shareholders	112,608,000	27.29	112,608,000	23.90
<b>Total</b>	<u>412,608,000</u>	<u>100.00</u>	<u>471,108,000</u>	<u>100.00</u>

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

## **GENERAL**

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment of the conditions as set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 4 June 2025
“associates”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, a Sunday or a public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Huayu Expressway Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1823)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“Completion Date”	a day which is within the two Business Days immediately following the day on which the last of the Conditions have been satisfied (unless otherwise waived in accordance with the Placing Agreement), or such other date as the Company and the Placing Agent may agree in writing, on which Completion shall take place
“Conditions”	has the meanings given to it under the section headed “the Placing Agreement” in this announcement
“connected person”	has the meaning given to it under the Listing Rules
“CSRC Filings”	filings with the China Securities Regulatory Commission of the PRC in relation to the Placing and any transactions contemplated by the Placing Agreement
“Director(s)”	Director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the AGM to allot, issue or deal with 82,521,600 Shares, being 20% of the number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries



“Guizhou Renhuai”	Guizhou Renhuai Huayu Wine Co., Ltd., an indirect non wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Huamaojiu”	a famous brand liquor produced by Kweichow Moutai Group of which the Group is the sole distributor
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	11 February 2026
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	on or before the eighteenth Business Day after the next Business Day after the date of the Placing Agreement
“Placee(s)”	any professional, institutional and/or other investor(s) who are Independent Third Parties procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 58,500,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	First Shanghai Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 11 February 2026 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.88 per Placing Share
“Placing Share(s)”	up to 58,500,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China, which for the purposes of this announcement, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan



“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Huayu Expressway Group Limited**  
**Chan Yeung Nam**  
*Chairman*

Hong Kong, 11 February 2026

*As at the date of this announcement, the executive Directors are Mr. Chan Yeung Nam, Mr. Fu Jie Pie, Ms. Liu Bao Hua and Mr. Zhang Tinghui; and the independent non-executive Directors are Mr. Lam Hon Kuen, Mr. Chu Kin Wang, Peleus and Mr. Hu Lie Ge.*