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齐鲁高速公路股份有限公司
QILU EXPRESSWAY COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1576)

**2025 ANNUAL RESULTS ANNOUNCEMENT
AND
PROPOSED DISTRIBUTION OF 2025 FINAL DIVIDEND**

HIGHLIGHTS

- Revenue decreased by approximately 66.18% to approximately RMB2,374,592 thousand.
- Share of profit attributable to owners of the parent for the year decreased by approximately 20.98% to approximately RMB382,940 thousand.
- Earnings per Share was approximately RMB0.18.
- Recommendation of payment of the 2025 Final Dividend of RMB0.12 (tax inclusive) per Share.

2025 ANNUAL RESULTS

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2025, prepared in accordance with the HKFRS, together with comparative figures for the preceding financial year:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	3	2,374,592	7,021,823
Cost of sales		<u>(1,555,406)</u>	<u>(6,281,233)</u>
Gross profit		819,186	740,590
Other income and gains	3	85,467	107,465
Selling and distribution expenses		(3,329)	(2,455)
Administrative expenses		(100,514)	(109,692)
Impairment losses on financial and contract assets		(7,298)	(6,023)
Other expenses		(1,945)	(574)
Finance costs	5	(274,569)	(72,843)
Share of profits of associates and joint ventures		<u>923</u>	<u>801</u>
PROFIT BEFORE TAX	4	517,921	657,269
Income tax expenses	6	<u>(131,919)</u>	<u>(158,877)</u>
PROFIT FOR THE YEAR		<u>386,002</u>	<u>498,392</u>
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>386,002</u>	<u>498,392</u>
Attributable to:			
Owners of the parent		382,940	484,586
Non-controlling interests		<u>3,062</u>	<u>13,806</u>
		<u>386,002</u>	<u>498,392</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic			
– For profit for the year	8	<u>RMB0.18</u>	<u>RMB0.23</u>
Diluted			
– For profit for the year	8	<u>RMB0.18</u>	<u>RMB0.23</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		2,106,475	2,094,083
Investment properties		14,597	15,427
Right-of-use assets	<i>9(a)</i>	199,059	177,241
Intangible assets		16,066,681	16,503,212
Investments in associates	<i>10</i>	79,079	24,256
Deferred tax assets	<i>11</i>	16,405	10,732
Long-term deposits		284,918	40,000
Prepayments, other receivables and other assets	<i>12</i>	142,892	148,947
		<hr/>	<hr/>
Total non-current assets		18,910,106	19,013,898
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		47,939	25,709
Trade and bills receivables	<i>13</i>	598,958	542,111
Contract assets	<i>14</i>	200,262	89,385
Prepayments, other receivables and other assets	<i>12</i>	464,030	786,667
Time deposits		43,241	397,083
Restricted cash		3,085	4,074
Cash and cash equivalents		229,454	216,691
		<hr/>	<hr/>
Total current assets		1,586,969	2,061,720
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and bills payables	<i>15</i>	2,066,209	3,379,127
Other payables and accruals	<i>16</i>	626,948	570,044
Interest-bearing bank and other borrowings		524,496	841,208
Lease liabilities	<i>9(b)</i>	14,800	2,823
Tax payable		4,445	10,276
Provisions		120,139	48,056
		<hr/>	<hr/>
Total current liabilities		3,357,037	4,851,534
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)*31 December 2025*

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NET CURRENT LIABILITIES		<u>(1,770,068)</u>	<u>(2,789,814)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,140,038</u>	<u>16,224,084</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		10,429,118	9,767,581
Lease liabilities	<i>9(b)</i>	74,022	64,011
Other payables	<i>16</i>	15,442	17,352
Provisions		6,183	–
Deferred tax liabilities	<i>11</i>	182,104	145,203
Deferred income		<u>6,147</u>	<u>5,311</u>
Total non-current liabilities		<u>10,713,016</u>	<u>9,999,458</u>
Net assets		<u>6,427,022</u>	<u>6,224,626</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital		2,000,000	2,000,000
Other equity instruments		1,988,060	1,988,066
Other reserves		373,070	334,160
Retained earnings		<u>1,881,463</u>	<u>1,761,533</u>
		6,242,593	6,083,759
Non-controlling interests		<u>184,429</u>	<u>140,867</u>
Total equity		<u>6,427,022</u>	<u>6,224,626</u>

NOTES TO FINANCIAL INFORMATION

Year ended 31 December 2025

1.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRSs Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the listing of Securities on The Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention. These consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

As at 31 December 2025, the Group’s current portion of interest-bearing bank and other borrowings amounted to RMB524,496,000, while its cash and cash equivalents amounted to RMB229,454,000 and its net current liabilities amounted to RMB1,770,068,000. The directors of the Company have given careful consideration to the Group’s future liquidity requirements, operating performance and available sources of financing in assessing the Group’s ability to operate as a going concern.

The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future with the sufficient unused bank credit facilities. Accordingly, the directors believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2025 on a going concern basis. Therefore, the consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

1.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.2 ISSUED AND EFFECTIVE AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

The Group has applied the following amendments to HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the Group's financial year beginning on 1 January 2025:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to HKAS 21 in the current year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these consolidated financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual period beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

1.3 ISSUED BUT NOT YET EFFECTIVE NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments include requirements on classification of financial assets with environmental, social or governance (ESG) targets and similar features; settlement of financial liabilities through electronic payment systems; and disclosures regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent feature.

The amendments are effective for annual periods beginning on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. OPERATING SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the board of directors of the Company who makes strategic decisions. Management has determined the operating segments based on these reports. The chief operating decision-maker reviews the performance of the Group as a whole. In addition, all of the Group's operations are located in Chinese Mainland. Accordingly, the Group has only one single reportable operating segment and no discrete operating segment financial information is available, other than the entity-wide disclosures.

Geographical information

All of the Group's external revenue is derived from customers based in Chinese Mainland, and all of the non-current assets of the Group are located in Chinese Mainland. Accordingly, no further geographical information is presented.

Information about major customers

During the years ended 31 December 2025 and 2024, no revenue (excluding revenue from construction and upgrade services) derived from a single customer accounted for 10% or more of the Group's total revenue.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contract with customers</i>	2,369,995	7,020,098
<i>Revenue from other sources</i>		
Rental income	4,597	1,725
Total	<u>2,374,592</u>	<u>7,021,823</u>

Revenue from contracts with customers

(a) *Disaggregated revenue information*

For the year ended 31 December 2025

	Expressway business <i>RMB'000</i>	Construction and other business <i>RMB'000</i>	Total <i>RMB'000</i>
Timing of revenue recognition			
Services transferred at a point in time	1,716,847	514,280	2,231,127
Services transferred over time	–	138,868	138,868
Total	<u>1,716,847</u>	<u>653,148</u>	<u>2,369,995</u>

3. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (Continued)

(a) *Disaggregated revenue information (Continued)*

For the year ended 31 December 2024

	Expressway business RMB'000	Construction and other business RMB'000	Total RMB'000
Timing of revenue recognition			
Services transferred at a point in time	1,044,796	166,672	1,211,468
Services transferred over time	–	5,808,630	5,808,630
Total	<u>1,044,796</u>	<u>5,975,302</u>	<u>7,020,098</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 RMB'000	2024 RMB'000
Construction and other business	<u>20,475</u>	<u>2,780</u>

(b) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Expressway business

Revenue from the expressway business represents toll income and is recognised when the vehicles through the expressway and the Group receives the payment or has the right to receive payment.

Construction business

The performance obligation is satisfied over time as construction services are rendered when the Group's performance creates and enhances an asset that the customer controls where the construction and upgrade services are performed.

Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products or when customers pick up in the agreed location.

3. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (Continued)

(c) *Other income and gains*

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income from financial assets at fair value through profit or loss	–	661
Interest income from financial assets measured at amortised cost	68,284	100,717
Compensation income for road damages	2,899	2,099
Government grants	375	2,580
Gain on disposal of intangible assets	11,938	–
Gain on disposal of property, plant and equipment	163	11
Others	1,808	1,397
	<hr/> 85,467 <hr/>	<hr/> 107,465 <hr/>

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Construction and inventories costs		472,016	5,782,018
Employee benefit expense (including directors' and chief executive's remuneration:			
Wages, salaries and allowances, social security and benefits		166,512	182,477
Defined contribution pension schemes		26,859	25,123
Other staff benefits		17,425	15,952
		210,796	223,552
Depreciation in respect of:			
– property, plant and equipment		231,032	49,614
Less: capitalisation		(1,606)	(1,433)
– investment properties		830	858
– right-of-use assets		12,561	6,688
Amortisation of intangible assets in respect of:			
– service concession arrangements		447,990	182,941
– software		9,296	1,597
– mining rights		14,240	4,835
Impairment of trade and bills receivables		5,264	14,359
Impairment provided of financial assets included in prepayments and other receivables		124	194
Impairment provided/(reversed) of contract assets	<i>14</i>	1,910	(8,530)
Impairment of property, plant and equipment		327	533
Impairment of intangible assets		–	30
Auditor's remuneration		472	1,560
Foreign exchange difference, net		1,060	4
Interest income from financial assets at fair value through profit or loss	<i>3</i>	–	(661)
Interest income from financial assets measured at amortised cost	<i>3</i>	(68,284)	(100,717)

5. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest expenses on interest-bearing bank and other borrowings	272,020	247,506
Interest on lease liabilities (note 9(b))	3,434	3,235
Less: interest capitalised	<u>(885)</u>	<u>(177,898)</u>
Total	<u><u>274,569</u></u>	<u><u>72,843</u></u>

6. INCOME TAX

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the year (2024: nil).

The provision for Chinese Mainland current income tax was based on the statutory rate of 25% (2024: 25%) of the assessable profits during the year.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Charge for the year	98,815	100,737
Under/(over) provision in prior years	1,876	(783)
Deferred (note 11)	<u>31,228</u>	<u>58,923</u>
Total tax charge for the year	<u><u>131,919</u></u>	<u><u>158,877</u></u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	<u>517,921</u>	<u>657,269</u>
Tax at the statutory tax rate at 25%	129,480	164,317
Effect of different tax rate of a subsidiary	(1,017)	(2,479)
Additional deduction for research and development expenditure	–	(2,779)
Income not subject to tax	(231)	(200)
Expenses not deductible for tax	1,697	381
Tax losses not recognised	114	335
Adjustments in respect of current tax of previous years	1,876	(783)
Others	<u>–</u>	<u>85</u>
Tax charge at the Group's effective tax rate	<u><u>131,919</u></u>	<u><u>158,877</u></u>

7. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Proposed final dividend – RMB0.120 (2024: RMB0.100) per ordinary share	<u>240,000</u>	<u>200,000</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, excluding interest of perpetual bonds, and the weighted average number of ordinary shares of 2,000,000,000 (2024: 2,000,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2025 (2024: nil).

9. LEASES

The Group as a lessee

The Group has lease contracts for various items of land use rights and buildings used in its operations. Annual payments were made to acquire the leased land from the owners with lease periods of 20 to 25 years, and ongoing payments will be made under the terms of these land leases. Lump sum payments were made upfront to acquire the land use rights with lease periods of 40 to 50 years, and no ongoing payments will be made under the terms of these land use rights. Leases of buildings generally have lease terms between 2 and 6 years. The Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land <i>RMB'000</i>	Buildings <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024	120,089	753	120,842
Additions	63,003	84	63,087
Depreciation charge	<u>(6,037)</u>	<u>(651)</u>	<u>(6,688)</u>
At 31 December 2024 and 1 January 2025	177,055	186	177,241
Additions	116	34,263	34,379
Depreciation charge	<u>(6,328)</u>	<u>(6,233)</u>	<u>(12,561)</u>
At 31 December 2025	<u>170,843</u>	<u>28,216</u>	<u>199,059</u>

9. LEASES (CONTINUED)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Carrying amount at 1 January	66,834	70,088
New leases	34,342	84
Accretion of interest recognised during the year	3,434	3,235
Payments	<u>(15,788)</u>	<u>(6,573)</u>
Carrying amount at 31 December	<u>88,822</u>	<u>66,834</u>
Analysed into:		
Current portion	14,800	2,823
Non-current portion	<u>74,022</u>	<u>64,011</u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	3,434	3,235
Depreciation charge of right-of-use assets	<u>12,561</u>	<u>6,688</u>
Total amount recognised in profit or loss	<u>15,995</u>	<u>9,923</u>

9. LEASES (CONTINUED)

The Group as a lessor

The Group leases its investment properties consisting of 15 (2024: 15) commercial properties in Chinese Mainland and advertisement billboards and telecommunication cable pipes under operating lease arrangements. The terms of the leases generally require the tenants to provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB4,597,000 (2024: RMB1,725,000), details of which are included in note 3 to the financial statements.

At 31 December 2025, undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	3,617	4,805
After one year but within two years	3,652	3,294
After two years but within three years	562	272
After three years but within four years	99	146
After four years but within five years	262	–
Total	<u>8,192</u>	<u>8,517</u>

10. INVESTMENTS IN ASSOCIATES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Share of net assets	<u>79,079</u>	<u>24,256</u>

Particular of the Group's associates is as follows:

Name	Particulars of capital invested <i>RMB'000</i>	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Jinan Xinyue New Road Material Research and Development Co., Ltd. ("Xinyue Material")	Subscribed capital of 20,000	PRC/Chinese Mainland	40	Material research and development
Shandong Hi-Speed Ludong New Energy Co., Ltd. ("Ludong New Energy")	Subscribed capital of 53,900	PRC/Chinese Mainland	49	Energy storage, photovoltaic (solar power), and wind energy development and operation

10. INVESTMENTS IN ASSOCIATES (CONTINUED)

The Group's shareholdings in Xinyue Material and Ludong New Energy is held through a wholly-owned subsidiary of the Company. During the year ended 31 December 2025, the Group invested in Ludong New Energy which established in the PRC with total investment amount of RMB53,900,000.

The financial year of the above associates is coterminous with that of the Group.

Xinyue Material and Ludong New Energy are strategic partners of the Group engaged in the research and development of materials used for road maintenance and construction and development of new energy respectively, and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of each of the associates adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

Xinyue Material

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current assets	76,987	60,706
Non-current assets	23,256	25,828
Current liabilities	<u>(38,247)</u>	<u>(26,846)</u>
Net assets	<u>61,996</u>	<u>59,688</u>
Reconciliation to the Group's interest in Xinyue Material:		
Proportion of the Group's ownership	40%	40%
Group's share of net assets of Xinyue Material	25,179	24,256
Carrying amount of the Group's investment in Xinyue Material	<u>25,179</u>	<u>24,256</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	44,178	43,807
Profit for the year	2,308	2,003
Total comprehensive income for the year	<u>2,308</u>	<u>2,003</u>
Share of Xinyue Material's profit for the year	<u>923</u>	<u>801</u>

Ludong New Energy

	2025 <i>RMB'000</i>
Current assets	48,379
Non-current assets	310,907
Current liabilities	(16,552)
Non-current liabilities	<u>(232,734)</u>
Net assets	<u>110,000</u>
Reconciliation to the Group's interest in Ludong New Energy:	
Proportion of the Group's ownership	49%
Group's share of net assets of Ludong New Energy	53,900
Carrying amount of the Group's investment in Ludong New Energy	<u>53,900</u>

11. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Provision for maintenance and resurfacing obligations <i>RMB'000</i>	Impairment of property, plant and equipment and investment property <i>RMB'000</i>	Replacement of intangible assets <i>RMB'000</i>	Accrued expenses <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Provision for receivables and inventories <i>RMB'000</i>	Unrealised profit and loss <i>RMB'000</i>	Deferred income <i>RMB'000</i>	Depreciation and amortisation <i>RMB'000</i>	Total <i>RMB'000</i>
Gross deferred tax assets at 1 January 2024	27,791	6,235	975	735	17,502	7,818	1,797	1,249	-	64,102
Deferred tax (charged)/credited to the statement of profit or loss and other comprehensive income during the year (note 6)	<u>(15,777)</u>	<u>(4,303)</u>	<u>(975)</u>	<u>(735)</u>	<u>(1,499)</u>	<u>1,017</u>	<u>876</u>	<u>77</u>	<u>-</u>	<u>(21,319)</u>
Gross deferred tax assets at 31 December 2024 and 1 January 2025	12,014	1,932	-	-	16,003	8,835	2,673	1,326	-	42,783
Deferred tax credited/(charged) to the statement of profit or loss and other comprehensive income during the year (note 6)	<u>18,021</u>	<u>(580)</u>	<u>-</u>	<u>14,049</u>	<u>6,186</u>	<u>1,374</u>	<u>1,277</u>	<u>208</u>	<u>1,610</u>	<u>42,145</u>
Gross deferred tax assets at 31 December 2025	<u>30,035</u>	<u>1,352</u>	<u>-</u>	<u>14,049</u>	<u>22,189</u>	<u>10,209</u>	<u>3,950</u>	<u>1,534</u>	<u>1,610</u>	<u>84,928</u>

11. DEFERRED TAX (CONTINUED)

Deferred tax liabilities

	Intangible assets amortization differences between accounting and tax regulations <i>RMB'000</i>	Property, plant and equipment depreciation difference between accounting and tax regulations <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Fair value adjustment of financial assets at fair value through profit or loss <i>RMB'000</i>	Total <i>RMB'000</i>
Gross deferred tax liabilities at 1 January 2024	122,529	591	16,331	199	139,650
Deferred tax charged/(credited) to the statement of profit or loss and other comprehensive income during the year (note 6)	<u>38,965</u>	<u>(131)</u>	<u>(1,031)</u>	<u>(199)</u>	<u>37,604</u>
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	161,494	460	15,300	-	177,254
Deferred tax charged to the statement of profit or loss and other comprehensive income during the year (note 6)	<u>66,213</u>	<u>70</u>	<u>7,090</u>	-	<u>73,373</u>
Gross deferred tax liabilities at 31 December 2025	<u>227,707</u>	<u>530</u>	<u>22,390</u>	-	<u>250,627</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for reporting purposes:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	16,405	10,732
Net deferred tax liabilities recognised in the consolidated statement of financial position	<u>182,104</u>	<u>145,203</u>

The Group has tax losses arising in Hong Kong of RMB1,385,000 during 2025 (2024: RMB4,054,000) that are not expected to be utilised for offsetting against future taxable profits of the company in which the losses arose because the company still had no operation activities as at 31 December 2025. At the end of the reporting period, the Group has unused tax losses of approximately RMB8,769,000 (31 December 2024: RMB7,384,000) available for offset against future profits.

The Group has no tax losses in Chinese Mainland during 2025 (2024: Nil).

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There is no income tax withholding attaching to the payment of dividends by the Company to its shareholders.

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
<i>Current portion</i>			
Prepayment to suppliers		88,391	23,439
Deposit and other receivables		31,726	29,334
Financial assets at amortised cost	<i>(a)</i>	218,254	683,643
Other assets		126,124	50,592
		<hr/>	<hr/>
Impairment		(465)	(341)
		<hr/>	<hr/>
Subtotal		464,030	786,667
		<hr/> <hr/>	<hr/> <hr/>
<i>Non-current portion</i>			
Financial assets at amortised cost	<i>(a)</i>	85,461	91,431
Prepayment to suppliers and other assets		57,431	57,516
		<hr/>	<hr/>
Subtotal		142,892	148,947
		<hr/>	<hr/>
Total		606,922	935,614
		<hr/> <hr/>	<hr/> <hr/>

The movement in provision for impairment of other receivables are as follows:

	2025 RMB'000	2024 <i>RMB'000</i>
At beginning of year	341	147
Impairment loss, net (note 4)	124	194
	<hr/>	<hr/>
At end of year	465	341
	<hr/> <hr/>	<hr/> <hr/>

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Note:

- (a) Huamin Equity Investment Fund Management (Shenzhen) Co., Limited entered into an agreement with Qilu Expressway Investment (a wholly-owned subsidiary of the Group) on 19 May 2023, pursuant to which the Group invested RMB400,000,000 in a comprehensive development project of urban renewal of Zhili Street Area through Huamin Lucai (Weihai) Industry Investment Fund Partnership (Limited Partnership). The investment is accounted for as a debt investment with a fixed rate of return of 10% (inclusive of value-added tax) and the aggregate principal and interest of RMB405,867,000 was redeemed during the year ended 31 December 2025.

Shandong Chuangrun Industrial Co., Ltd. and Qingdao Haike Holding Co., Ltd. entered into an agreement with Qilu Expressway Investment on 10 November 2023, pursuant to which the Group invested RMB280,000,000 in the renewal unit construction project of Qingdao Oceanec Valley marine information industry through Jinan Chuangrun Investment Partnership (Limited Partnership). The investment is accounted for as a debt investment with a fixed rate of return of 9.5% (inclusive of value-added tax) and the aggregate principal and interest as at 31 December 2025 amounted to RMB147,041,000 (2024: RMB246,586,000).

Huamin Equity Investment Fund Management (Shenzhen) Co., Limited entered into an agreement with Qilu Expressway Investment on 21 August 2024, pursuant to which the Group invested RMB100,000,000 in the Pingdu Water supply Pipeline project through Huamin Lucai (Weihai) Industry Investment Fund Partnership (Limited Partnership). The investment is accounted for as a debt investment with a fixed rate of return of 10% (inclusive of value-added tax) and the aggregate principal and interest as at 31 December 2025 amounted to RMB70,697,000 (2024: RMB101,190,000), of which RMB70,697,000 (2024: RMB31,190,000) will be recovered within one year.

Huamin Equity Investment Fund Management (Shenzhen) Co., Limited entered into an agreement with Qilu Expressway Investment on 21 November 2025, pursuant to which the Group invested RMB56,403,000 in the Qingyun-Zhangqiu Expressway Project through Huamin Lucai (Weihai) Industry Investment Fund Partnership (Limited Partnership). The investment is accounted for as a debt investment with a fixed rate of return of 10% (inclusive of value-added tax) and the aggregate principal and interest as at 31 December 2025 amounted to RMB64,546,000 (2024: nil), of which RMB516,000 (2024: nil) will be recovered within one year.

The expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group and are adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2025 was 0.01% (2024: 0.01%).

The credit quality of the financial assets included in financial assets at amortised cost, prepayments and other receivables is considered to be normal because they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk.

13. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	597,835	572,988
Impairment	<u>(40,115)</u>	<u>(35,540)</u>
Trade receivables, net	<u>557,720</u>	<u>537,448</u>
Bills receivable	41,927	4,663
Impairment	<u>(689)</u>	<u>–</u>
Bills receivable, net	<u>41,238</u>	<u>4,663</u>
Net carrying amount	<u>598,958</u>	<u>542,111</u>

Trade receivables mainly consist of receivables from construction contracting, sale of industrial products and toll road income receivables from the Shandong Transport Department for the uncollected expressway income as at the relevant year end.

For receivables from construction contracting, the payment terms of contract work receivables are stipulated in the relevant contracts. The Group's trading terms with its customers are mainly on credit. The credit period offered by the Group is three to six months or agreed-upon terms.

Trade receivables from sale of industrial products are expected to be settled within one month (2024: within one month). Toll road income receivables from the Shandong Transport Department are expected to be settled within one month (2024: within one month).

The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables from the sale of industrial products and toll road income are non-interest-bearing, and trade receivables from construction contracts are non-interest-bearing, except for certain construction receivable due from Pingyin County Transportation Bureau.

An ageing analysis of the trade receivables at the end of the reporting period, based on the transaction date and net of loss allowance, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	317,827	427,321
One to two years	157,496	28,371
Two to three years	11,708	5,012
Over three years	<u>70,689</u>	<u>76,744</u>
Total	<u>557,720</u>	<u>537,448</u>

13. TRADE AND BILLS RECEIVABLES (CONTINUED)

The movement in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	35,540	21,181
Impairment losses, (note 4)	<u>4,575</u>	<u>14,359</u>
At end of year	<u><u>40,115</u></u>	<u><u>35,540</u></u>

The Group's toll road income receivables were from Shandong Transport Department and there was no past due balance. Management keeps reviewing and assessing the creditworthiness of the Group's existing customer on an ongoing basis. No expected credit losses were provided as the directors consider that the expected credit risks of toll road income receivables are minimal.

Considering the creditworthiness of the customers and for the fact of having no past business dealing in relation with construction contracting and sale of industrial products, the Group measures expected credit losses of the construction contract receivables and sale of industrial products receivables by reference to the experiences of the same industry.

14. CONTRACT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contracts assets arising from:		
Construction and other business	203,340	90,553
Impairment	<u>(3,078)</u>	<u>(1,168)</u>
Net carrying amount	<u><u>200,262</u></u>	<u><u>89,385</u></u>

Contract assets arising from construction and other business are initially recognised for revenue earned from the sale of industrial products and construction services as the receipt of consideration is conditional on passing third party's on-site quality testing and construction, respectively. Included in contract assets for construction services are retention receivables. Upon passing third party's on-site quality testing and completion of construction, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2025 was the result of increase in number of construction and other business near the end of the year.

14. CONTRACT ASSETS (CONTINUED)

The expected timing of recovery or settlement for contract assets as at 31 December 2025 and 2024 are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	165,569	71,983
After one year	37,771	18,570
Total contract assets	203,340	90,553

The movement in the loss allowance for impairment of contract assets are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	1,168	9,698
Impairment/(reversal) loss, net (note 4)	1,910	(8,530)
At end of year	3,078	1,168

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets arising from construction and other business excluding retentions using a provision matrix:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Expected credit loss rate	5%	2%
Gross carrying amount (RMB'000)	61,861	50,243
Expected credit losses (RMB'000)	3,078	1,168

15. TRADE AND BILLS PAYABLES

An ageing analysis of trade payables as at the end of the reporting period, based on the transaction date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	577,699	3,329,396
One to two years	1,457,945	11,919
Over two years	<u>30,565</u>	<u>37,812</u>
Total	<u><u>2,066,209</u></u>	<u><u>3,379,127</u></u>

Included in the trade and bills payables are amounts totalling RMB573,003,000 (2024: RMB1,125,922,000) due to the Group's related parties, which are repayable on credit terms similar to those offered by other similar suppliers of the Group.

16. OTHER PAYABLES

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Contract liabilities		365,428	341,239
Staff salaries and welfare		59,678	67,464
Deposits received	<i>(a)</i>	32,621	32,548
Payables for purchases of long-term assets	<i>(a)</i>	90,868	29,648
Other taxes and surcharge payables		26,308	26,463
Rent received in advance		4,719	5,942
Other payables and accruals	<i>(a)</i>	<u>62,768</u>	<u>84,092</u>
		642,390	587,396
Less: Non-current portion		<u>15,442</u>	<u>17,352</u>
Current portion		<u><u>626,948</u></u>	<u><u>570,044</u></u>

Note:

- (a) Other payables are non-interest-bearing and repayable based on credit periods which are granted by each individual supplier or contractor on a case-by-case basis and are set out in the respective contracts.

17. EVENTS AFTER THE REPORTING PERIOD

No significant subsequent events have taken place after the end of reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Operations

The Group's principal businesses comprise (i) the construction, maintenance, operation and management of the expressways (including the Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway); and (ii) highway engineering construction, expressway maintenance, municipal greening and other construction engineering work, and sales of industrial products and other businesses.

The Group continued to actively expand its business during the Reporting Period. During the Reporting Period, in addition to toll income from expressways administered by the Group, the Group recorded engineering service revenue through construction engineering work such as highway engineering and expressway supporting facilities undertaken by its subsidiaries, and recorded sales revenue through processing and selling industrial products. The Group also recorded certain service income from the leasing of the communication signal transmission pipelines and advertisement billboards along the expressways and the provision of advertisement publication services.

Revenue

During the Reporting Period, the Group recorded a revenue of approximately RMB2,374,592,000, representing a decrease of approximately 66.18% as compared with that of approximately RMB7,021,823,000 of last year. The decrease in revenue was mainly due to the decrease in revenue from construction business recognized as a result of the completion of the R&E Project. Of which, the Group recognised revenue in the amount of RMB15,115,000 from the R&E Project of the Jihe Expressway pursuant to HKFRS 15 – Revenue from Contracts with Customers.

Expressway

During the Reporting Period, revenue from the Expressway Business amounted to approximately RMB1,716,847,000, representing an increase of approximately 64.32% as compared with that of approximately RMB1,044,796,000 of last year. During the Reporting Period, the Group recorded toll income from the Jihe Expressway of approximately RMB1,289,026,000, representing an increase of approximately 152.68% as compared with that of approximately RMB510,135,000 of last year. The toll income from the Deshang and Shennan Expressways was approximately RMB427,821,000, representing a decrease of approximately 19.98% as compared with that of approximately RMB534,661,000 of last year.

Traffic volume on the Jihe Expressway during the Reporting Period increased by approximately 113.71% from approximately 37,200 vehicles per day of last year to approximately 79,500 vehicles per day during the Reporting Period. Traffic volume on the Deshang Expressway (Liaocheng – Fan County section) decreased by approximately 13.82% from approximately 55,000 vehicles per day of last year to approximately 47,400 vehicles per day during the Reporting Period. Traffic volume on the Shennan Expressway decreased by 20.91% from approximately 11,000 vehicles per day of last year to approximately 8,700 vehicles per day during the Reporting Period. The above changes in toll income and traffic volume were mainly attributable to the fact that the Jihe Expressway was upgraded to a dual eight-lane configuration following the completion of the R&E Project on 20 December 2024, which led to a year-on-year increase in traffic volume on the Jihe Expressway; meanwhile, the Deshang and Shennan Expressways experienced decrease in traffic volume due to some traffic returned to the Jihe Expressway after its reopening. For further details of the change in traffic volume of the above expressways during the period, please refer to the sub-section headed “Business Review – Expressway Business” under this section.

Construction and others

During the Reporting Period, the Group’s construction and other business mainly consists of revenue from the construction business and sales of industrial products relating to construction activities.

During the Reporting Period, revenue from engineering construction business and sales of industrial products relating to construction activities mainly originated from revenue from the construction of the R&E Project, revenue from the engineering construction business carried out by Shandong Gangtong Construction and the revenue from sales of industrial products carried out by Shandong Shunguang Industrial, Qilu Expressway Assembly, Shandong Gangtong Construction and Qilu Energy Technology.

During the Reporting Period, the Group recognised revenue from the construction business and sales of industrial products related to construction of approximately RMB653,148,000, representing a decrease of approximately 89.07% as compared with that of approximately RMB5,975,302,000 of last year, which was mainly attributable to the opening of the R&E Project leading to the decrease in revenue from construction business. For details of the construction business, please refer to the sub-section headed “Business Review – Construction and Other Business – Construction Business and Sale of Industrial Products” under this section.

Rental Income

During the Reporting Period, the Group recorded the rental income of approximately RMB4,597,000, representing an increase of approximately 166.49% from that of RMB1,725,000 of last year. The increase was mainly attributable to the significant increase in rental income as a result of the resume of advertisement billboards along both sides of the road following the construction and opening of the R&E Project of Jihe Expressway. The rental income mainly represented the service income arising from leasing of the advertisement billboards along both sides of the Jihe Expressway of approximately RMB3,249,000 (representing an increase of approximately 533.37% from that of approximately RMB513,000 of last year), and the rental income from the leasing of the communication signal transmission pipelines along the expressways and investment properties of approximately RMB1,348,000 (representing an increase of approximately 11.2% from that of RMB1,212,000 of last year).

Cost of Sales and Gross Profit

During the Reporting Period, the cost of sales and gross profit of the Group were approximately RMB1,555,406,000 and RMB819,186,000 respectively, as compared to those of approximately RMB6,281,233,000 and RMB740,590,000 of last year, representing a decrease of approximately 75.24% and an increase of approximately 10.61%, respectively. Gross profit margin of the Group was approximately 34.50% for the Reporting Period, representing a year-on-year increase of approximately 23.95 percentage points as compared with that of approximately 10.55% of last year. The cost of sales of the Group during the Reporting Period was mainly incurred from the amortisation of intangible assets, staff costs, construction costs, and maintenance costs and provisions for the Jihe Expressway and the Deshang and Shennan Expressways. As the Group's revenue from construction business services and sales of industrial products decreased during the Reporting Period as compared with that of the corresponding period of last year, the cost of sales has decreased significantly, thereby leading to an increase in both the Group's gross profit and gross profit margin for the Reporting Period when compared to those of the corresponding period of last year.

Other Income and Gains

During the Reporting Period, the Group recorded other income and gains of approximately RMB85,467,000, which mainly comprised gains on investment, bank interest income and income from road damage compensation. The year on-year decrease of approximately 20.47% in other income and gains from approximately RMB107,465,000 of last year was mainly attributable to the decrease in both the stock fund and the interest income of the Company.

Administrative Expenses

During the Reporting Period, administrative expenses from the Group's operations were approximately RMB100,514,000, representing a decrease of approximately 8.37% as compared to that of approximately RMB109,692,000 of last year. Such decrease was mainly attributable to the decrease in research and development expenses. The administrative expenses of the Group mainly comprised salaries and wages, depreciation of property, plant and equipment, transportation expenses and professional fees.

Impairment Losses on Financial Assets and Contract Assets

During the Reporting Period, the impairment losses on financial assets and contract assets were approximately RMB7,298,000, representing an increase of approximately 21.17% from RMB6,023,000 of last year, mainly attributable to the increase in impairment losses as a result of increase in contract assets.

Other Expenses

During the Reporting Period, the other expenses of the Group were approximately RMB1,945,000, representing an increase of approximately 238.85% as compared to approximately RMB574,000, which was mainly due to the impact of exchange loss.

Finance Costs

During the Reporting Period, the finance costs of the Group were approximately RMB274,569,000, representing an increase of approximately 276.93% as compared to approximately RMB72,843,000 of last year, which was mainly attributable to the expensing of loan interest of the R&E Project of the Jihe Expressway as the R&E Project of the Jihe Expressway fully resumed two-way traffic in December 2024.

Share of Profits and Losses of an Associate and Joint Ventures

During the Reporting Period, the Group's share of profit of an associate and joint ventures was approximately RMB923,000 (last year: approximately RMB801,000), representing the share of profit of the Group's associate and joint ventures in the Reporting Period accounted for under the equity method of accounting.

Net Profit Attributable to the Parent During the Year

During the Reporting Period, the profit attributable to owners of the parent was approximately RMB382,940,000, representing a decrease of approximately 20.98% as compared to that of approximately RMB484,586,000 for last year. The decrease in profit during the Reporting Period was primarily attributable to an increase in depreciation and amortisation as well as finance costs as a result of the completion of the R&E Project of the Jihe Expressway which has commenced its operation.

Changes in Revenue from Construction Business

During the Reporting Period, the Group recognised revenue from the construction business and the sale of industrial products business of approximately RMB653,148,000, representing a decrease of approximately 89.07% as compared with approximately RMB5,975,302,000 in the previous year. Among which, the Group recognised revenue from the R&E Project of the Jihe Expressway in accordance with HKFRS 15 — Revenue from Contracts with Customers of RMB15,115,000, representing a decrease of approximately 99.74% as compared with approximately RMB5,743,465,000 in the previous year, mainly due to the completion of the main line of the R&E Project of the Jihe Expressway, which resulted in a decrease in revenue from the construction business. If there are no new PPP road and bridge construction projects, such revenue will continue to drop to zero as the wrap-up works of the R&E Project of the Jihe Expressway are gradually completed.

Liquidity and Financial Resources

During the Reporting Period, the Group financed its operations and capital expenditures with the Group's internal resources, floating-rate bank loans and borrowings from Shandong Hi-Speed Group. As at 31 December 2025, the Group had total loans of approximately RMB10,953,614,000 (as at 31 December 2024: approximately RMB10,608,789,000), majority of which were based on floating interest rates and were denominated in RMB, and total cash and cash equivalents (including bank deposits and cash) of approximately RMB229,454,000 (as at 31 December 2024: approximately RMB216,691,000).

The Group adopts a prudent capital management policy and actively manages its liquidity position. It maintains sufficient standby banking facilities to meet its daily operation needs and capital requirements for future development. As at 31 December 2025, the Group's gearing ratio, as calculated by dividing net debt⁽¹⁾ by total capital⁽²⁾, was approximately 63.21% (as at 31 December 2024: 63.07%).

Notes:

- (1) Net debt = total borrowings – cash and cash equivalents
- (2) Total capital = equity attributable to owners of the parent + net debt

Pledge of Assets and Contingent Liabilities

As at 31 December 2025, the Group's toll collection rights in respect of the Deshang and Shennan Expressways were pledged to secure a bank loan granted by a financing bank for the related construction project financing. As at 31 December 2025, the net carrying amount of the toll collection rights in respect of (i) the Deshang Expressway (Liaocheng – Fan County section) and (ii) Shennan Expressway was RMB1,942,955,000 and RMB717,436,000, respectively. Save as mentioned above, as at 31 December 2025, the Group had no material pledge of assets or contingent liabilities.

Employees, Remuneration Policy and Pension Plans

As at 31 December 2025, the Group had a total of 678 (as at 31 December 2024: 672) employees in the PRC, including management staff, engineers and technicians, etc. During the Reporting Period, the Group's total staff remuneration expenses were approximately RMB210,796,000 (approximately RMB230,855,000 for last year).

The Group's remuneration for employees includes basic salaries, bonuses and other staff benefits, such as social insurance, housing provident fund, corporate annuity, supplementary medical insurance and group life accident insurance, etc. In general, the Group remunerates its employees based on their performance, qualification, position and seniority within the Group. The Group also provides the employees with continuing education and regular on-the-job training based on their job duties. In compliance with the requirements of the PRC laws and regulations, the Group contributes to the State-sponsored retirement scheme (i.e. pension insurance) for its employee in the PRC. The Group's employees make monthly contributions to the scheme at approximately 8% of the relevant income (comprising wages, salaries and bonuses), while the Group contributes 16% of the relevant income, subject to certain ceilings. The State-sponsored retirement scheme is responsible for all post-employment benefit obligations payable to the retired employees. In addition, the Group also operates an additional employee pension plan (that is, corporate annuity). All employees are entitled to an additional pension each year aggregating to 10% of the previous year's salaries.

Foreign Exchange Risk

The Group mainly operates in the PRC with most of its transactions settled in Renminbi.

As at 31 December 2025, the Group did not enter into any hedging arrangements to hedge against exposure in foreign currency risk. Renminbi is the presentation currency of the Company. As the Group principally operates in the PRC, and Renminbi is the currency of the primary economic environment in which the Group operates, the business of the Group is not exposed to material foreign exchange risk.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company did not have any significant investment, material acquisition or disposal of subsidiaries, associated companies or joint ventures during the Reporting Period.

BUSINESS REVIEW

During the Reporting Period, the Group achieved a revenue of approximately RMB2,374,592,000 representing a year-on-year decrease of approximately 66.18%. The Expressway Business remained as the Group's principal business, from which revenue from the Expressway Business was approximately RMB1,716,847,000, representing a year on-year increase of approximately 64.32%. The revenue from the construction and other business was approximately RMB653,148,000, representing a year-on-year decrease of approximately 89.07%. During the Reporting Period, the Group recorded profit before tax of approximately RMB517,921,000, representing a year-on-year decrease of approximately 21.20%. Profit for the year was approximately RMB386,002,000 (last year: approximately RMB498,392,000), generating earnings per share of approximately RMB0.18 (last year: approximately RMB0.23).

Expressway Business

In 2025, the Company continued to strengthen the operational management of the Jihe Expressway and the Deshang and Shennan Expressways projects. The Jihe Expressway and the Deshang and Shennan Expressways are important components of the Shandong 12-8-11 Expressway Network, connecting to areas in Shandong Province with relatively eminent agricultural, commercial, tourism, other economic development.

Due to the completion of the R&E Project of the Jihe Expressway at the end of 2024 and the significant improvement in road environment, the traffic flow of the Jihe Expressway during the Reporting Period increased significantly compared with that of last year. The Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway recorded daily traffic volume of approximately 79,500, 47,400 and 8,700 vehicle trips, respectively, during the Reporting Period. The Group recorded a toll income of RMB1,327,696,920 (tax inclusive) from the Jihe Expressway during the Reporting Period, representing an increase of approximately 152.68% from that of RMB525,439,250 of last year. The Deshang and Shennan Expressways recorded a toll income of approximately RMB440,655,860 (tax inclusive) during the Reporting Period, representing a decrease of approximately 19.98% from that of approximately RMB550,700,640 of last year.

Details of the traffic volume⁽¹⁾ of the above expressways are set out below:

Expressways managed by the Group during the Reporting Period	Total volume of passenger vehicle traffic throughout the year (<i>'000</i>)	Total volume of truck and special motor vehicle traffic throughout the year (<i>'000</i>)	Total traffic volume throughout the year (<i>'000</i>)	Daily average traffic volume ⁽²⁾ (<i>'000</i>)
The Jihe Expressway	22,575.65	6,436.69	29,012.34	79,486
The Deshang Expressway (Liaocheng – Fan County section)	10,819.57	6,483.04	17,302.61	47,404
The Shennan Expressway	2,049.24	1,129.57	3,178.81	8,709

Notes:

- (1) The statistical scope of traffic volume covers data of vehicles on the Group's managed expressways with profit sharing in the expressway network. Traffic volume does not include toll-free vehicles.

The traffic volume includes data of the following four types of vehicles:

- ① Vehicles passing the toll stations at both entrance and exit on the expressways managed by the Group;
- ② Vehicles passing the toll stations at entrance on the expressways not managed by the Group but passing the toll stations at exit on the expressways managed by the Group;
- ③ Vehicles passing the toll stations at entrance on the expressways managed by the Group but passing the toll stations at exit on the expressways not managed by the Group; and
- ④ Vehicles passing driving on the expressways managed by the Group but not passing the toll stations at entrance or exit on the expressways managed by the Group.

The expressways managed by the Group as mentioned above refer to the Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway.

- (2) Daily average traffic volume is calculated by dividing the traffic volume on the respective expressways managed by the Group in the Reporting Period by the number of days of the Reporting Period.

In addition to the foregoing, the traffic volume and the corresponding toll income of the Jihe Expressway and the Deshang and Shennan Expressways during the Reporting Period were also affected by a combination of the following factors:

1. The R&E Project of Jihe Expressway was completed by the end of 2024, enhancing the road environment. During the Reporting Period, the traffic volume increased significantly compared with that of last year, with the toll income growing simultaneously.
2. The change in road network structure, including traffic diversion via the Jihe Expressway and surrounding national and provincial highways, led to reduced traffic volume and decreased toll revenue of the Deshang and Shennan Expressways.

Toll Collection Policy

Effective from 8 January 2021, the toll rates of the Jihe Expressway and the Deshang and Shennan Expressways are subject to the Notice of Shandong Provincial Department of Communications, Shandong Provincial Development and Reform Commission and Shandong Provincial Department of Finance on Matters Related to Expressway Tolls (Lu Jiao Cai [2021] No. 3) (《山東省交通廳山東省發展和改革委員會山東省財政廳關於高速公路通行費有關事項的通知》(魯交財[2021]3號)). The classification of vehicle types is conducted pursuant to the Notice on Matters Related to the Implementation of the Industry Standards (JT/T489-2019) for “Vehicle Classification of the Toll for Highway” (Jiao Ban Gong Lu [2019] No. 65) (《關於貫徹〈收費公路車輛通行費車型分類〉行業標準(JT/T489-2019)有關問題的通知》(交辦公路[2019]65號)).

In addition, according to the relevant rules and regulations, certain types of vehicles are entitled to toll fee discounts and exemption, including (i) with effect from 1 July 2019, as required by the Notice of the Shandong Provincial Transport Department on Clarifying Expressway ETC Preferential Policy (Lu Jiao Cai [2019] No. 26) (《山東省交通運輸廳關於明確高速公路ETC優惠政策的通知》(魯交財[2019]26號)), a toll fee discount of 5% is given to all ETC vehicles driving on expressways in Shandong province; (ii) the toll exemption for vehicles of the military and armed police forces and the like; (iii) the toll exemption for small passenger vehicles with 7 seats or fewer on major festivals and holidays; (iv) the toll exemption for vehicles legally fully loaded with the products within the national Catalogue of Fresh and Alive Agricultural Products (《鮮活農產品品種目錄》); (v) the toll exemptions for vehicles as required by other national policies; and (vi) according to the requirements of the Notice of the Shandong Provincial Department of Transportation on Continuing to Implement Expressway Toll Discounts for Certain Vehicles (Lu Jiao Cai Han [2024] No. 1) (《山東省交通運輸廳關於繼續對部分車輛實行高速公路通行費折扣優惠的通知》(魯交財函[2024]1號)), the toll discount of 15% will continue to be implemented for freight vehicles installed with ETC package equipment and operational large passenger buses integrated into the supervision platform that travel on expressways within Shandong Province.

On 17 December 2024, the Company received the Notice on Toll Standard for the Jinan-Heze R&E Section of the Ji-Guang Expressway (Lu Jiao Cai [2024] No. 64) (《關於濟廣高速濟南至荷澤改擴建段通行費標準的通知》(魯交財[2024]64號)) issued by Shandong Provincial Department of Communications and Shandong Provincial Development and Reform Commission, which stated that due to the completion of the R&E Project, a new toll rate will be applied to the R&E section of the Jihe Expressway on a trial basis, effective from 20 December 2024 until 19 December 2026. For details of the new toll rate applicable to the R&E section of the Jihe Expressway, please refer to the announcement of the Company dated 17 December 2024.

Construction and Other Business

Construction Business and Sale of Industrial Products

During the Reporting Period, the Group recognised revenue of approximately RMB653,148,000 from construction business and sales of industrial products. Revenue from the construction business was mainly from the construction revenue recognised from the R&E Project of the Jihe Expressway, revenue from highway construction and revenue from municipal greening services; during the Reporting Period, the Group recognised revenue of RMB15,115,000 for the R&E Project of the Jihe Expressway in accordance with HKFRS 15 – Revenue from Contracts with Customers. Revenue from the sale of industrial products was mainly from the trading business of industrial products such as geotechnical materials, construction equipment, engineering materials and wind turbine hybrid towers.

Rental Income

During the Reporting Period, the Group's rental income mainly represented the revenue from the Advertisement Business and the leasing of the communication signal transmission pipeline along the expressways and the investment properties of approximately RMB4,597,000. As at the end of the Reporting Period, there were 71 billboards in normal operation along the Jihe Expressway. Rental income accounted for a relatively small proportion of the Group's revenue during the Reporting Period. Meanwhile, the Group was actively nurturing new revenue growth points for the leasing business.

PROSPECT

As 2006 marks the inaugural year for implementing the 15th Five-Year Plan, grounded in industry trends and strategic priorities, the Company adheres to the overarching principle of “progressing steadily while enhancing quality and efficiency”. By pursuing both expansion of incremental growth and capacity and revitalization of existing assets, while strengthening its foundation through enhanced management alongside continuous quality improvement, the Company will tap into growth potential to deliver long-term, stable value for all shareholders. In light of evolving industry dynamics and our clearly defined strategic positioning, we have established our core priorities for the 15th Five-Year Plan period – to focus on the goal of becoming a first-class domestic integrated expressway service provider and to accelerate the formation of a modern industrial ecosystem defined by a solid core business foundation, dynamic emerging engines, and coordinated industrial advancement. To realise this vision, we are implementing a comprehensive “Six First-Class” strategic framework: (1) building a first-class integrated expressway service provider with strong comprehensive strength and with outstanding operating performance, consolidating our asset base; (2) building a first-class provider with efficient network operations and service excellence, upholding our missions; (3) building a first-class provider with optimised industrial structure and powerful growth drivers, activating sustainable momentum; (4) building a first-class provider with robust governance and strong innovation capabilities, enhancing operational effectiveness; (5) building a first-class provider supported by a high-calibre workforce and improved employee well-being, fostering collective strength; and (6) building a first-class provider under strong Party leadership and stable overall development, strengthening institutional support. Faced with increasingly fierce competition in the industry, the Company will be guided by the “Six First-Class” framework, proactively seeking change, expanding capacity and improving quality, and striving to achieve a new leap forward in transformative development.

Enhancing core business quality and efficiency to reinforce sustainable profitability – the Company is committed to strengthening its core expressway business by improving quality and efficiency, further solidifying the foundation for profitability. Centred on expressway operations, it embraces a “whole life-cycle management and comprehensive value creation” philosophy. We will transform the capacity expansion advantages of the Jihe Expressway R&E project into incremental traffic growth, shifting from a passive revenue model to a proactive value-creation approach. Through freight VIP programs and specialized value-added services, we will build differentiated competitiveness, while refined cost management and enhanced revenue assurance measures will further reinforce toll income as the cornerstone of stable earnings. By deeply aligning with the Group's “Integrated Operations” strategy, we are developing an operating model characterized by “small scale but precise management; short mileage but high revenue generation”. Through revitalizing and better utilizing tangible and intangible assets, as well as promoting integration between the expressway network and related sectors such as logistics and cultural tourism, the Company will accelerate the conversion of traffic flow into diversified income streams, injecting sustained momentum into the profitability of its main business.

Advancing Transformation and Building Stronger Growth Engines – the Company is advancing its transformation in depth and building stronger growth momentum. With firm commitment, it is refining its industrial operations by unlocking production capacity at its assembly company and prioritizing key projects, while maximizing existing wind power capacity and actively capturing market allocation opportunities. Each subsidiary strengthens its contribution to overall profitability. We actively expanded into external markets, transitioning from a passive sales approach to a proactive, market-oriented strategy. Leveraging the Group’s integrated strengths, we broadened our market reach and enhanced competitiveness. We pursued prudent and strategic investments, focusing on our core road and bridge operations while advancing into emerging sectors. By fully leveraging our Hong Kong listing platform and strengthening post-investment management, we promoted effective synergy between industry and capital, cultivating sustainable new sources of profit growth.

Empowering growth through reform and Innovation – we deepened our transformation and advanced innovation, reshaping our headquarters into a more enabling, coordinated, supervisory, and specialized platform and improving governance and control capabilities. We refined our market-based remuneration and incentive systems, attracted and retained high-caliber talent essential to transformation, and energize our team and organizational vitality. At the same time, we embedded digital and intelligent technologies across our operational processes, driving measurable gains in cost efficiency and productivity. Through continued innovation in both technology and management, we addressed development bottlenecks and reinforced our long-term competitive strength. We strengthened technological innovation by embedding digital and intelligent solutions across our operational processes. By targeting cost reduction and efficiency enhancement, and by innovating management models to overcome structural constraints, we elevated our core competitiveness with innovation.

Strengthening risk management and governance to safeguard sustainable development – we maintained strict adherence to our safety and risk management principles, improving our ongoing risk evaluation framework and enhancing oversight in critical areas such as treasury management and workplace safety, while addressing legacy matters to safeguard corporate assets and protect shareholder interests. We also continued to strengthen corporate governance through the integration of the Party. By deepening disciplined governance and fostering a harmonious corporate culture, we reinforced the structural foundation supporting the Company’s high-quality growth.

As we move into 2026, we see both opportunity and responsibility before us. Equipped with a clear strategic direction and robust execution capabilities, the Company is well positioned to seize emerging opportunities in the new five-year development period. With unwavering dedication from our team and steadfast support from our shareholders, we will pursue higher-quality growth, further enhance profitability, and deliver greater value for our investors.

EVENTS AFTER THE REPORTING PERIOD

The Group has no material events after the Reporting Period required to be disclosed as at the date of this report.

AUDIT COMMITTEE AND SCOPE OF WORK OF THE GROUP'S EXTERNAL AUDITOR

The Audit Committee has reviewed the annual results of our Group for the year ended 31 December 2025 and is of the view that the Group has complied with all applicable accounting standards and requirements and made adequate disclosure.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group's external auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025.

The work performed by the Group's external auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and consequently no assurance has been expressed by the Group's external auditor on this announcement.

As at the date of this announcement, to the best knowledge of the Board, information contained in this announcement is consistent with the information that will be contained in the 2025 annual report of the Company.

REPURCHASE, SALES AND REDEMPTION OF LISTED SECURITIES

During the Year, the Company did not repurchase, sell or redeem any of its Shares (including sales of treasury shares). As of the end of the Reporting Period, the Company did not hold any treasury shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted all applicable code provisions of the Corporate Governance Code. Throughout the Year, the Company was in compliance with the applicable code provisions in Part 2 of the Corporate Governance Code.

COMPLIANCE WITH THE MODEL CODE

During the Year, the Company had adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries with all the Directors, it was confirmed that the Directors have complied with the Model Code in relation to securities transactions by the Directors and its standards of code of conduct and there had not been any non-compliance with the relevant requirements of the Model Code.

CLOSURES OF REGISTER OF MEMBERS

2025 AGM

The 2025 AGM is scheduled to be held on Friday, 26 June 2026. The register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026 (both days inclusive), during which no transfer of Shares will be registered. In order to qualify to attend the 2025 AGM, unregistered Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration, not later than 4:30 p.m. on Monday, 22 June 2026. The Shareholders whose names appear on the register of members of the Company on Friday, 26 June 2026 are entitled to attend and vote at the 2025 AGM.

Proposed Distribution of 2025 Final Dividend

The Board proposes a payment of a cash dividend of RMB0.12 (tax inclusive) per Share to all Shareholders in an aggregate amount of RMB240,000,000 (tax inclusive) as the 2025 Final Dividend for the year ended 31 December 2025. The proposal for such dividend payment is subject to consideration and approval by the Shareholders at the 2025 AGM, and, if approved, such dividend will be payable to the H Shareholders whose names appeared on the register of members of the Company on Wednesday, 8 July 2026. Such dividend will be denominated and declared in Renminbi, will be paid to Shareholders holding H Shares of the Company through H Share "Full Circulation" in Renminbi, and will be paid to the other H Shareholders in Hong Kong dollars. The exchange rate shall be the average middle rate of Renminbi against Hong Kong dollars for the five working days preceding the date of declaration of such dividend at the 2025 AGM (that is, Friday, 26 June 2026) as announced by the People's Bank of China. The share register of the Company will be closed from Monday, 6 July 2026 to Wednesday, 8 July 2026 (both days inclusive), during which no transfer of Shares will be registered. In order to be entitled to the 2025 Final Dividend distribution, Shareholders who have not registered are required to deposit all transfer documents together with relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 3 July 2026.

The Board has scheduled to distribute the 2025 Final Dividend on Monday, 31 August 2026. Announcement(s) will be published by the Company as soon as practicable and in accordance with the Listing Rules for any changes to the expected date of dividend payment.

Tax on Dividends

According to the relevant provisions of the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) which came into effect on 29 December 2018 and its implementation regulations, non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. According to the provisions of the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Holders of H Shares Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Taxation Administration, a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall be subject to the enterprise income tax withheld at a uniform rate of 10%. Therefore, when distributing dividends to holders of H shares who are non-resident enterprises, the Company withholds the enterprise income tax at the uniform rate of 10% in accordance with the law.

In accordance with the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, temporarily, exempted from the PRC individual income tax for dividend or bonuses received from foreign invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of individual shareholders when the Company distributes the dividends to overseas individual shareholders whose names appear on the register of members of H shares of the Company. In accordance with the provisions of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) (2018 Revised) which came into effect on 1 January 2019 and its implementation regulations, when distributing dividends to shareholders whose names appear on the register of members of H shares of the Company who are resident individuals ("**Resident Individuals**"), the Company shall withhold and pay the individual income tax at the rate of 20% on their behalf. Resident Individuals refer to individuals who have domiciles in China or who have no domicile but have resided in the PRC for a total of 183 days or more in a tax year.

If H Shareholders intend to change their shareholder status, please enquire about the relevant procedures with your agents or transferee agent. The Company will strictly comply with the law or the requirements of the relevant government authority to withhold and pay enterprise income tax and individual income tax on behalf of the relevant shareholders based on the register of members for H Shares as at the dividend registration date. The Company assumes no responsibility and will not entertain any claims arising from any failure to timely determine, or inaccurate determination of, the status of the Shareholders or any dispute over the arrangement of withholding and paying enterprise tax and individual income tax on behalf of such Shareholders. Shareholders should consult their tax advisers regarding the PRC, Hong Kong and other tax implications of owning and disposing of the H Shares.

DEFINITIONS

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

“2025 AGM”	the 2025 annual general meeting of the Company to be convened and held on Friday, 26 June 2026 or the adjournment thereof
“2025 Final Dividend”	the final dividend proposed by the Board to be paid to the Shareholders in the form of a cash dividend of RMB0.12 (tax inclusive) per Share
“Advertisement Business”	the business of the Group in relation to the leasing of advertisement billboards built along the Jihe Expressway and the provision of the advertisement publication services on those advertisement billboards
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“China”, “PRC” or “State”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Qilu Expressway Company Limited (齊魯高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability on 6 December 2016, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01576)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Deshang and Shennan Expressways”	collectively, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway
“Deshang Expressway (Liaocheng – Fan County section)”	an expressway running from West Ring Expressway of Liaocheng City, Shandong Province to the intersection of Gucheng Town of Shen County and Yancunpu Town of Fan County (Shandong-Henan boundary), and connecting to the Fan County section of the Deshang Expressway in Henan Province, with a total length of approximately 68.942 kilometers
“Director(s)”	director(s) of the Company
“ETC”	electronic toll collection system to collect tolls electronically by using automatic vehicle identification technology without the need for vehicles to stop for payment

“Expressway Business”	the Group’s business in relation to the construction, maintenance, operation and management of the Jihe Expressway, the Deshang Expressway (Liaocheng – Fan County section) and the Shennan Expressway
“Group”	the Company and its subsidiaries
“H Share(s)” or “Share(s)”	overseas listed foreign invested ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which was listed and traded on the Stock Exchange
“H Shareholder(s)” or “Shareholder(s)”	holders of H Share(s)
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“HKAS(s)”	Hong Kong Accounting Standard(s)
“HKFRS”	Hong Kong Financial Reporting Standards (including HKASs and Interpretations) issued by HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jihe Expressway”	Jinan – Guangzhou Expressway (Jinan to Heze Section), the expressway running through nine districts/counties under four cities from Jinan City to Heze City in Shandong Province, with a length of approximately 153.6 kilometers
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Qilu Expressway Assembly”	Qilu Expressway (Shangdong) Assembly Company Limited (齊魯高速(山東)裝配有限公司), a limited liability company established under the laws of the PRC and a subsidiary held by the Company directly and indirectly through Qilu Expressway (Hong Kong) Company Limited as to an aggregate of 60% of its equity interest as at the date of this announcement
“R&E Project”	the Jihe Expressway reconstruction and expansion project
“Reporting Period” or “Year”	the year ended 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

“Shandong Gangtong Construction”	Shandong Gangtong Construction Co., Ltd. (山東港通建設有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly owned subsidiary of the Company as at the date of this announcement
“Shandong Hi-Speed Group”	Shandong Hi-Speed Group Company Limited (山東高速集團有限公司), a limited liability company incorporated in the PRC, indirectly holding approximately 38.93% of the total issued Shares of the Company through its subsidiary Shandong Hi-Speed Company Limited, and is a controlling shareholder of the Company as at the date of this announcement
“Shandong Shunguang Industrial”	Shandong Shunguang Industrial Development Company Limited (山東舜廣實業發展有限公司), a limited liability company incorporated under the laws of the PRC, a wholly owned subsidiary of the Company as at the date of this announcement
“Shennan Expressway”	an expressway running from the K150+400 point of Deshang Expressway at the south of Beixuzhuang Village, Shen County, Shandong Province, the PRC, and connecting to the Henan-Shandong Boundary-Nanle section of Nanlin Expressway in Henan Province at the east bank of the Tuhai River in the south of Xiduantun Village, with a total length of approximately 18.267 kilometers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Qilu Expressway Company Limited
Wei Yong
Chairman

Shandong, the PRC
31 March 2026

As at the date of this announcement, the executive Directors are Mr. Wei Yong, Mr. Duan Peng and Mr. Chen Xiulin; the non-executive Directors are Mr. Gao Yongjun, Ms. Kong Xia, Mr. Wang Gang, Mr. Shi Jinglei, Mr. Du Zhongming, Mr. Ren Wei and Mr. Wang Hongyi; and the independent non-executive Directors are Mr. Liu Hongwei, Mr. He Jiale, Mr. Wang Lingfang, Mr. Leng Ping and Ms. Shen Chen.